



CARLO GAVAZZI

Interim Report
April 1 – September 30, 2022

At a Glance

(CHF million)	1.4.-30.9.22	1.4.-30.9.21	%
Bookings	133.1	121.0	+10.0
Revenue from sale of goods	104.7	92.6	+13.1
EBITDA	22.3	18.9	+18.0
EBIT	19.5	15.9	+22.6
Profit for the half-year	13.8	11.2	+23.2

(CHF million)	30.9.22	31.3.22	%
Total equity attributable to owners of Carlo Gavazzi Holding AG	117.7	116.2	+1.3
Net working capital	45.5	32.4	+40.4
Net cash position	54.9	66.8	-17.8

Alternative Performance Measures (APM)

Definitions for all APM are included on our website available at:

www.carlogavazzi.com/en/investors/alternative-performance-measures.html

Letter to the Shareholders

Dear Shareholders.

During the first half of the 2022/23 financial year, the overall business performance of Carlo Gavazzi continued to benefit from the economic recovery from the coronavirus pandemic in Europe and the Americas.

The Group's revenue from sale of goods in local currency increased by 18.7% and bookings were up by 16.1%. In Swiss Francs, revenue from sale of goods increased by 13.1% to CHF 104.7 million (CHF 92.6 million in the first semester of the 2021/22 business year).

Revenue from sale of goods in local currency increased double-digit in Europe and the Americas and decreased slightly in Asia-Pacific. Bookings in Swiss Francs increased by 10.0% to CHF 133.1 million (CHF 121.0 million in 2021/22), resulting in a book-to-bill ratio of 1.27 on September 30, 2022.

Gross profit increased by CHF 3.9 million to CHF 53.8 million (CHF 49.9 million in 2021/22) resulting in a gross profit margin of 51.3% (53.8% in 2021/22).

Operating expenses in the current period increased by CHF 0.4 million from CHF 33.9 million in the previous first half year to CHF 34.3 million. The expense increase of 1.2% was substantially below the increase of 13.1% in revenue from sale of goods thereby further enhancing profitability.

As a result, operating profit (EBIT) increased by 22.6% from CHF 15.9 million to CHF 19.5 million. Group profit for the half-year increased by CHF 2.6 million to CHF 13.8 million (CHF 11.2 million in 2021/22).

At September 30, 2022, the total equity attributable to owners of the Group amounted to CHF 117.7 million, giving an equity ratio of 68.4%.

Geographical markets

Revenue from sale of goods registered a robust growth rate compared to the same period of last year, thanks to increased demand in all product categories and industries.

In Europe, revenue from sale of goods was 26.2% up in local currency compared to the same period of last year. Business development was successful throughout Germany, Austria and Switzerland (DACH), Nordic, and Southern European countries due to activities and initiatives especially in decarbonized applications within the building and industrial automation industries.

Revenue from sale of goods in the Americas grew by 11.4% in local currency compared to the previous year impacted by a very good growth in the USA thanks to the strong evolution of the electronic distribution network coupled with activities across the industrial automation markets.

In Asia-Pacific revenue from sale of goods decreased by 4.5% in local currency, mainly due to a weakening economy in China triggered by both the lingering effects of the Covid-19 pandemic as well as recurring global geopolitical tensions.

The geographical share of revenue outside Europe was 34.2%, with revenue from sale of goods in the Americas and Asia-Pacific accounting for 19.5% and 14.7%, respectively.

Markets and products

Revenue from sale of goods in strategic industries in local currencies increased 15.8% versus the same period of last year. The growth was mainly led by multiple industrial automation industries and the electrification market.

Overall, revenue from sale of goods of Sensors was in line with the same period of last year, while capacitive sensors grew by more than 3% thanks to special opportunities with strategic OEM customers in the Plastic & Rubber as well as Food & Beverage industries.

Controls product revenue from sale of goods was up 38.2% mainly due to an impressive 67.2% increase in the energy product line and solutions, particularly driven by ongoing strong demand for energy management and energy efficiency solutions.

Revenue from sale of goods of Switches products grew by 13% compared to the previous year. Solid-state relays registered a strong growth rate, up 20% compared to the previous year, confirming the strategic approach in relation to connected products and Internet of Things solutions with mindful innovation into industrial automation applications.

Outlook

The Company's approach to specific strategic industries will keep generating growth opportunities, however, external factors such as supply chain issues, new restrictions because of the coronavirus pandemic or a potential recession should be kept in mind. Therefore, we could see a progressive slowdown of growth during the second half of the fiscal year in comparison to the strong growth rate achieved during the first half. While

we expect China and the rest of Asia-Pacific to face further challenges in their recovery attempts, Europe will remain the Group's main growth driver during the second half of the year and the Americas are expected to continue to have sustained growth.

Carlo Gavazzi Group continues to focus on strengthening its sales organization, 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 ambition.



Daniel Hirschi
Chairman



Jean-Marc Théolier
Group CEO

Condensed Consolidated Statement of Comprehensive Income

for the six months ended September 30

(in CHF 1 000)	Notes	2022	2021
Continuing operations			
Revenue from sale of goods		104 722	92 612
Cost of sale of goods		(50 955)	(42 766)
Gross profit		53 767	49 846
Research & development expense		(3 714)	(4 190)
Selling, general and administrative expense		(30 618)	(29 722)
Other income (expense), net		82	(57)
Operating profit (EBIT)		19 517	15 877
Finance income		26	11
Finance expense		(709)	(358)
Profit before income tax		18 834	15 530
Income tax expense		(5 053)	(4 284)
Profit for the half-year		13 781	11 246
Other comprehensive income			
Actuarial gains (losses) on employee benefit obligations		690	-
Tax impact on actuarial gains (losses) on employee benefit obligations		(142)	-
Total items that will not be reclassified to profit or loss		548	-
Exchange differences on translation of foreign operations		(4 318)	(1 601)
Total items that may be reclassified to profit or loss		(4 318)	(1 601)
Total other comprehensive income for the half-year, net of tax		(3 770)	(1 601)
Total comprehensive income for the half-year		10 011	9 645
Profit attributable to owners of Carlo Gavazzi Holding AG		13 781	11 246
Comprehensive income attributable to owners of Carlo Gavazzi Holding AG		10 011	9 645
Earnings per share from net profit of continuing operations for the period attributable to owners of Carlo Gavazzi Holding AG			
(in CHF per share)			
Basic and diluted earnings per share of continuing operations:			
- registered shares	8	3.88	3.17
- bearer shares	8	19.39	15.82

The accompanying notes are an integral part of the consolidated financial statements

Condensed Consolidated Balance Sheet

(in CHF 1 000)	Notes	as of	
		September 30 2022	March 31 2022
Assets			
Current assets			
Cash and cash equivalents		54 870	66 775
Trade receivables		37 001	31 203
Other receivables		11 931	9 376
Inventories		42 006	33 954
Total current assets		145 808	141 308
Non-current assets			
Property, plant and equipment		8 047	8 585
Right-of-use assets		5 846	6 939
Intangible assets		8 223	8 562
Other receivables		664	564
Deferred tax assets		3 340	3 159
Total non-current assets		26 120	27 809
Total assets		171 928	169 117
Liabilities and equity			
Current liabilities			
Trade payables		20 981	15 728
Other payables		17 226	20 522
Lease liabilities		2 258	2 410
Current tax liabilities		4 938	3 458
Total current liabilities		45 403	42 118
Non-current liabilities			
Other payables		821	745
Lease liabilities		3 780	4 678
Employee benefit obligations		3 584	4 783
Other provisions		388	409
Deferred tax liabilities		275	189
Total non-current liabilities		8 848	10 804
Total liabilities		54 251	52 922
Equity			
Share capital		10 661	10 661
Capital reserves		600	600
Other reserves	9	(31 718)	(27 948)
Retained earnings		138 134	132 882
Total equity attributable to owners of Carlo Gavazzi Holding AG		117 677	116 195
Total liabilities and equity		171 928	169 117

The accompanying notes are an integral part of the consolidated financial statements

Condensed Consolidated Statement of Changes in Equity

(in CHF 1 000)	Notes	Attributable to owners of Carlo Gavazzi Holding AG				Total equity
		Share capital	Capital reserves	Other reserves	Retained earnings	
Equity at April 1, 2021		10 661	600	(24 426)	119 374	106 209
Net profit for the half-year		-	-	-	11 246	11 246
Actuarial gains (losses) on employee benefit obligations, net of tax		-	-	-	-	-
Exchange difference on translation of foreign operations		-	-	(1 601)	-	(1 601)
Other comprehensive income for the half-year		-	-	(1 601)	-	(1 601)
Total comprehensive income for the half-year		-	-	(1 601)	11 246	9 645
Dividends	7	-	-	-	(8 529)	(8 529)
Total transactions with owners		-	-	-	(8 529)	(8 529)
Equity at September 30, 2021		10 661	600	(26 027)	122 091	107 325
Equity at April 1, 2022		10 661	600	(27 948)	132 882	116 195
Net profit for the half-year		-	-	-	13 781	13 781
Actuarial gains (losses) on employee benefit obligations, net of tax		-	-	548	-	548
Exchange difference on translation of foreign operations		-	-	(4 318)	-	(4 318)
Other comprehensive income for the half-year		-	-	(3 770)	-	(3 770)
Total comprehensive income for the half-year		-	-	(3 770)	13 781	10 011
Dividends	7	-	-	-	(8 529)	(8 529)
Total transactions with owners		-	-	-	(8 529)	(8 529)
Equity at September 30, 2022		10 661	600	(31 718)	138 134	117 677

The accompanying notes are an integral part of the consolidated financial statements

Condensed Consolidated Statement of Cash Flows

for the six months ended September 30

(in CHF 1 000)	Notes	2022	2021
Cash flow from operating activities			
Profit for the half-year		13 781	11 246
Income taxes		5 053	4 284
Depreciation and amortization		2 826	3 018
Loss (gain) on disposal of property, plant and equipment		(44)	(23)
Change in other non-cash items		(475)	460
Changes in working capital:			
– Change in trade receivables and other receivables		(10 679)	(4 775)
– Change in inventories		(9 768)	(4 156)
– Change in trade payables and other payables		2 305	(929)
Interest received		24	3
Interest paid		(138)	(134)
Income taxes paid		(1 769)	(887)
Net cash inflow from operating activities		1 116	8 107
Cash flow from financing activities			
Purchases of property, plant and equipment		(1 257)	(940)
Purchases of intangible assets		(10)	(159)
Proceeds from disposal of property, plant and equipment		45	58
Net cash outflow from investing activities		(1 222)	(1 041)
Cash flows from financing activities			
Dividends paid to company's shareholders	7	(8 529)	(8 529)
Principal elements of lease payments		(1 233)	(1 317)
Net cash outflow from financing activities		(9 762)	(9 846)
Change in cash and cash equivalents		(9 868)	(2 780)
Cash and cash equivalents at the beginning of the half-year		66 775	62 466
Effects of exchange rate changes on cash and cash equivalents		(2 037)	(867)
Cash and cash equivalents at the end of the half-year		54 870	58 819

The accompanying notes are an integral part of the consolidated financial statements

Notes to the Condensed Consolidated Financial Statements

1. General information

Carlo Gavazzi Holding AG with its subsidiaries (together Carlo Gavazzi Group, hereinafter “the Group”) is an internationally active electronics company. Its core business Automation Components consists of design and manufacture of electronic control components for the global industrial automation markets. Carlo Gavazzi Holding AG is a publicly traded company listed on the Swiss stock exchange (SIX Swiss Exchange) in Zurich. Its registered office is at Sumpfstrasse 3, CH-6312 Steinhausen, Switzerland.

The financial year of the Group ends on March 31. The Group reporting currency is Swiss Francs (CHF). The consolidated financial statements are presented in thousands of Swiss Francs (CHF 1 000).

These unaudited consolidated half-year financial statements of the Group were approved for publication by the Board of Directors on November 22, 2022.

The Group’s business is not usually impacted by seasonality.

include all the information and disclosures required in annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended March 31, 2022, which were prepared in accordance with IFRS.

The Group’s consolidated half-year financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that may affect the reported amounts of assets and liabilities, income and expenses, as well as the disclosure of contingent liabilities and contingent assets during the reporting period. Whilst these estimates are based on management’s best knowledge of current circumstances and possible future events, actual results may ultimately differ from these estimates. In this interim report, management has not made any significant changes to the estimates and assumptions compared with the previous periods.

2. Significant accounting and valuation policies

The significant accounting and valuation policies are described in detail in the annual report for the financial year ended March 31, 2022. These policies have been applied consistently in the reporting periods presented, unless otherwise stated.

2.1 Basis of preparation

The Group’s unaudited consolidated half-year financial statements have been prepared in accordance with the International Accounting Standard IAS 34 “Interim Financial Reporting”. The consolidated interim financial statements do not

2.2 Changes to accounting policies

New and amended standards adopted by the Group
The Group did not apply any new or amended standards which had any significant impact on the consolidated financial statements.

Impact of standards issued but not yet applied by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for March 31, 2023 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.3 Principles of consolidation

The principles of consolidation and the number of consolidated legal entities remained unchanged compared with the ones presented in the Group's annual report for the financial year ended March 31, 2022.

2.4 Foreign currency translation

The following exchange rates into Swiss Francs were used during the periods:

Exchange Rates

Period end rates applied for the consolidated balance sheet

Currency	Unit	30.09.2022	31.03.2022
BRL	100	18.24	19.48
CAD	1	0.72	0.74
CNY	100	13.83	14.56
DKK	100	12.96	13.76
EUR	1	0.96	1.02
GBP	1	1.10	1.21
HKD	100	12.54	11.79
MYR	100	21.23	21.95
NOK	100	9.05	10.55
SEK	100	8.85	9.89
SGD	1	0.69	0.68
USD	1	0.98	0.92

Average rates applied for the consolidated income statement

Currency	Unit	01.04.2022 30.09.2022	01.04.2021 30.09.2021
BRL	100	19.05	17.12
CAD	1	0.75	0.74
CNY	100	14.36	14.15
DKK	100	13.45	14.66
EUR	1	1.00	1.09
GBP	1	1.17	1.27
HKD	100	12.30	11.77
MYR	100	21.88	21.99
NOK	100	9.98	10.68
SEK	100	9.49	10.72
SGD	1	0.70	0.68
USD	1	0.97	0.92

3. Significant events and business transactions

During the periods, there were no significant events or business transactions in connection with the critical accounting estimates and judgments defined in the Group's annual financial statements for the year ended March 31, 2022.

4. Segment reporting

The Group is an internationally active electronics company active in designing, manufacturing and marketing electronic control components for the global markets of industrial and building automation. The Group has only one operating and reportable segment, the information for the segment therefore mainly corresponds to the figures in the consolidated financial statements. When the Group implemented IFRS 8 „Operating Segments“, the following circumstances led to the conclusion that it only has one reportable segment:

- Internal monthly reporting for the only operating segment is carried out in concentrated form for the whole Group.
- Because of the close integration of the Group companies, focussing individually on production, logistics, marketing and selling, key decisions are, consequently, made by corporate management at consolidated Group level and not based on the financial statements of individual legal entities.
- The holding company only provides corporate services; its operating result is monitored in the internal monthly reporting.

5. Notes to the Condensed Consolidated Statement of Comprehensive Income

Revenue from the sale of goods in the first six months of the financial year 2022/23 amounted to CHF 104 722 (2021/22 CHF 92 612). The increase of 13.1 % is related to an organic increase in local currency of 18.7 % and a negative currency effect from the translation into Swiss Francs of 5.6 %. Net income increased in the first six months of the financial year 2022/23 to CHF 13 781 (2021/22 CHF 11 246) or 23.2 %.

6. Contingent assets and contingent liabilities

There have not been any other significant changes to the Group's contingent assets or contingent liabilities since the approval of the consolidated financial statements for the year ended March 31, 2022.

7. Dividend

Carlo Gavazzi Holding AG pays one dividend per financial year. The Annual General Meeting held on July 26, 2022, resolved to pay a dividend for the financial year 2021/22 with value August 2, 2022, as follows:

Dividend per registered share	CHF	2.40
Dividend per bearer share	CHF	12.00
Total dividend	CHF thousands	8 529

8. Earnings per share

Earnings per registered share are computed based on the weighted average number of registered shares of CHF 3 each outstanding during the periods.

Earnings per bearer share are computed based on the weighted average number of bearer shares of CHF 15 each outstanding during the periods.

Basic and diluted earnings per share are as follows:

Basic and diluted earnings per share for the half year ended September 30		
(in CHF 1 000)	2022	2021
Net profit attributable to owners of Carlo Gavazzi Holding AG	13 781	11 246
Percentage of registered shares outstanding in comparison with the share capital outstanding	45.03 %	45.03 %
Percentage of bearer shares outstanding in comparison with the share capital outstanding	54.97 %	54.97 %
Registered shares		
Net profit attributable to registered shareholders	6 206	5 064
Average number of shares outstanding	1 600 000	1 600 000
Basic and diluted earnings per registered share (CHF)	3.88	3.17
Bearer shares		
Net profit attributable to bearer shareholders	7 575	6 182
Average number of shares outstanding	390 710	390 710
Basic and diluted earnings per bearer share (CHF)	19.39	15.82

9. Other reserves

(in CHF 1 000)	Foreign exchange translation reserve	Other OCI	Total other reserves
Equity at March 31, 2021	(22 807)	(1 619)	(24 426)
Actuarial gains (losses) on employee benefit obligations, net of tax	-	-	-
Exchange difference on translation of foreign operations	(1 601)	-	(1 601)
Other comprehensive income for the half-year	(1 601)	-	(1 601)
Total comprehensive income for the half-year	(1 601)	-	(1 601)
Equity at September 30, 2021	(24 408)	(1 619)	(26 027)
Equity at April 1, 2022	(27 076)	(872)	(27 948)
Actuarial gains (losses) on employee benefit obligations, net of tax	-	548	548
Exchange difference on translation of foreign operations	(4 318)	-	(4 318)
Other comprehensive income for the half-year	(4 318)	548	(3 770)
Total comprehensive income for the half-year	(4 318)	548	(3 770)
Equity at September 30, 2022	(31 394)	(324)	(31 718)

10. Related party transactions

The related parties consist primarily of shareholders, members of the Board of Directors and members of Executive Management.

During the periods there were no significant transactions with related parties.

11. Events after the balance sheet date

There were no events subsequent to the balance sheet date that require adjustment to or disclosure in the financial statements.

Declaration on Forward-Looking Statements

This Interim Report contains statements that constitute "forward-looking statements", relating to the Group. Because these forward-looking statements are subject to risks and uncertainties, the reader is cautioned that actual future results may differ from those expressed in or implied by the statements, which constitute projections of possible developments. All forward-looking statements are based only on data available to the Group at the time of preparing this Report. The Group does not undertake any obligation to update any forward-looking statements contained in this Report because of new information, future events or otherwise.

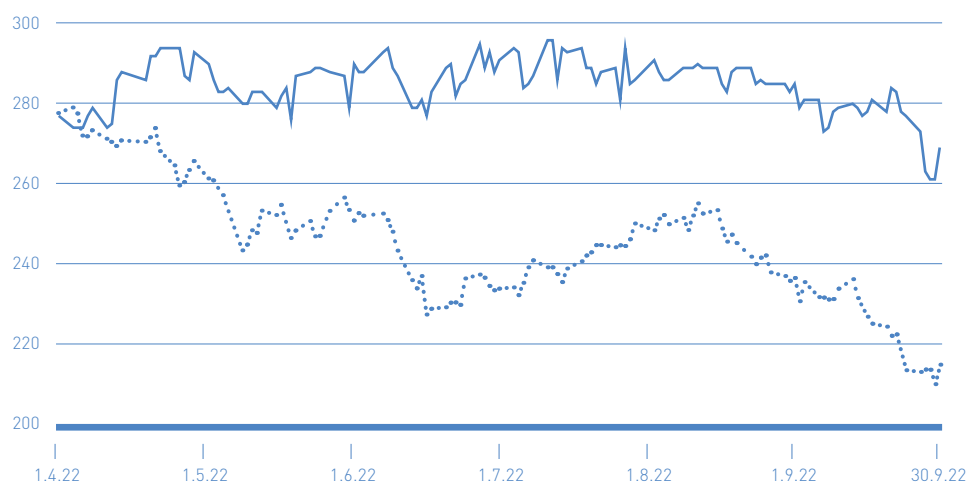
The Interim Report of the Group can also be viewed online: www.carlogavazzi.com

Information for Investors

(CHF)	1.4.–30.9.22	1.4.–30.9.21	1.4.–30.9.20	1.4.–30.9.19	1.4.–30.9.18
Share price September 30	270	250	150	248	290
– half year-high	295	273	204	285	358
– half year-low	262	193	150	243	290
Average daily volume	373	896	442	362	281
Earnings per share	19.39	15.82	4.40	4.64	6.50
Book value per share	166	151	132	127	131
Stock market capitalization (CHF million)	192	178	107	176	206
– in % of equity	163	166	114	195	221

Share price 1.4.2022 – 30.9.2022

(CHF)



— CARLO GAVAZZI BEARER SHARE (NOT ADJUSTED FOR DIVIDENDS)
 SPI EXTRA™ (REBASED, NOT ADJUSTED FOR DIVIDENDS)

Financial calendar

Media and financial analysts' meeting 2022/23
 Shareholders' meeting 2022/23
 Interim Report 2023/24

June 22, 2023
 July 25, 2023
 November 23, 2023



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