

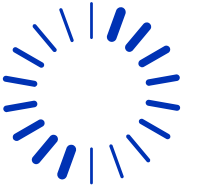


9 Months Results 2022/23

1 April 2022 to 31 December 2022

**Celebrating
ingenuity and
inspiration**

Agenda



Opening Remarks

Frank Rehfeld

Business Performance

Frank Rehfeld

Financial Results

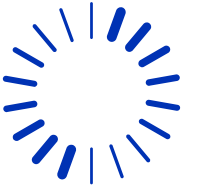
Andrea Borla

Outlook

Frank Rehfeld

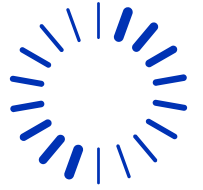
Opening remarks

Continued growth despite challenging Covid situation in China



- › We are pleased to report a solid quarter
 - › Q3 sales of CHF 103.5 million
 - › Again exceeding the CHF 100 million threshold
- › Sales result mainly driven by our Automotive and Energy Distribution businesses
- › Americas' strong performance led by the accelerating adoption of EVs and solutions for drives
- › Production capacity affected by
 - › Lockdowns in China in November
 - › End of China's zero-covid policy leading to a surge in Covid cases amongst our employees in December
 - › Within three weeks our Chinese team returned to full production, which shows their strength and commitment

The Executive Committee is now complete



Frank Rehfeld
Chief Executive Officer



Andrea Borla
Chief Finance Officer



Rodolphe Boschet
Chief Human
Resources Officer



Verena Vescoli
Chief Technology Officer

- > Diverse nationalities and cultures, experience and expertise
- > The team is well prepared to lead the organization and to achieve our ambitions

New
Members



Bastien Musy
Senior Vice President
Europe and Americas

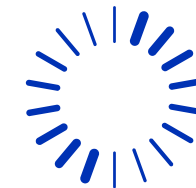


John McLuskie
Senior Vice President Asia



Uwe Gerber
Senior Vice President
Operations

Appointment of Bastien Musy, Senior Vice President Europe and Americas

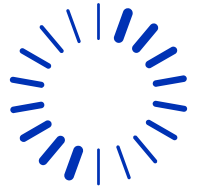


- › Member of the Executive Committee, reporting to CEO
- › Responsible for Europe and the Americas P&L
- › Master of Science in Management, University Lyon III, France



Year	Company/Position	Location
2021 – 2023	LEM Vice President Global Product Management	Geneva, Switzerland
2020 – 2021	LEM Head Product Management Automotive	Geneva, Switzerland
2018 – 2019	LEM Special Projects Manager	Geneva, Switzerland
2016 – 2018	Syngenta Global Pricing & Commercial Analytics Lead	Basel, Switzerland
2015 – 2016	Syngenta Investor Relations	Basel, Switzerland
2012 – 2015	Syngenta Head Finance Production & Supply	Singapore

Appointment of John McLuskie, Senior Vice President Asia

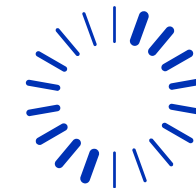


- › Member of the Executive Committee, reporting to CEO
- › Responsible for Asia P&L
- › Electrical and Electronic Engineering, Bachelor Degree, University of Leeds, UK



Year	Company/Position	Location
2014 – 2022	Shanghai GKN Huayu Driveline Systems Co. Ltd Deputy General Manager	Shanghai City, China
<i>2018 – 2022</i>	GKN Automotive China President	Shanghai City, China
<i>2018 – 2021</i>	GKN Zhongyuan Cylinder liners Director	Shanghai City, China
<i>2018 – 2021</i>	GKN Driveline Chongqing Director	Shanghai City, China
<i>2018 – 2021</i>	Shanghai GKN Huayu Driveline Systems Co. Ltd Vice Chairman of the Board	Shanghai City, China
2011 – 2013	GKN EVO eDrive Systems Director and General Manager	Woking, UK

Appointment of Uwe Gerber, Senior Vice President Operations



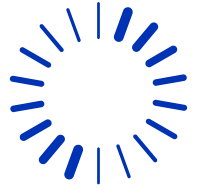
- › Member of the Executive Committee, reporting to CEO
- › Responsible for Production, Supply Chain, Purchasing, and Industrial Engineering
- › Engineering Management, University of Applied Sciences Esslingen, Germany



Year	Company/Position	Location
2020 – 2023	Bode – Die Tür Managing Director & Chief Operating Officer	Kassel, Germany
2018 – 2020	Thermamax Managing Director & Chief Operating Officer	Mannheim, Germany
2016 – 2020	Mahle Industrial Thermal Systems Global Chief Operating Officer	Stuttgart, Germany
2012 – 2016	Mahle-Behr North America Chief Operating Officer NA	Juarez, Mexico Detroit, USA

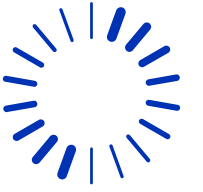
Penang, Malaysia, site progress

Building handover planned for end of September 2023



- › Construction slightly ahead of schedule
- › Recruitment showing significant progress, high quality candidates available in Malaysia
- › First exports expected early 2024
- › Strategic location to improve supply chains, increase resilience, and better meet the needs of customers in Asia, as well as Europe and the Americas
- › Main testing base for integrated current sensor (ICS) products for Automation, Automotive and Renewable Energy

Agenda



Opening Remarks

Frank Rehfeld

Business Performance

Frank Rehfeld

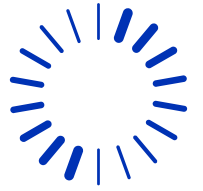
Financial Results






Andrea Borla

Outlook

Frank Rehfeld

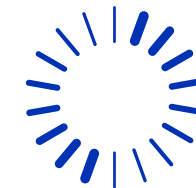
A leading company in electrical measurement



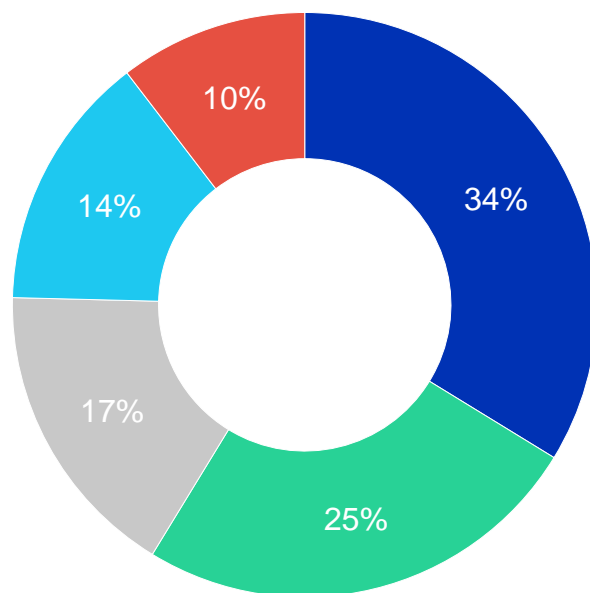
Five Businesses	Automation	Automotive	Renewable Energy	Energy Distribution & High Precision	Track
					

9M 2022/23 Sales CHF m	101.8	75.3	50.3	42.8	31.4
Δ CHF	+5.4%	+20.5%	+1.6%	+21.2%	-0.6%
Δ constant currency	+8.5%	+20.6%	+5.2%	+26.0%	+4.7%

Sales spread by business



- > Balanced portfolio
- > Growth lead by Automotive and Energy Distribution
- > Track impacted by component shortages

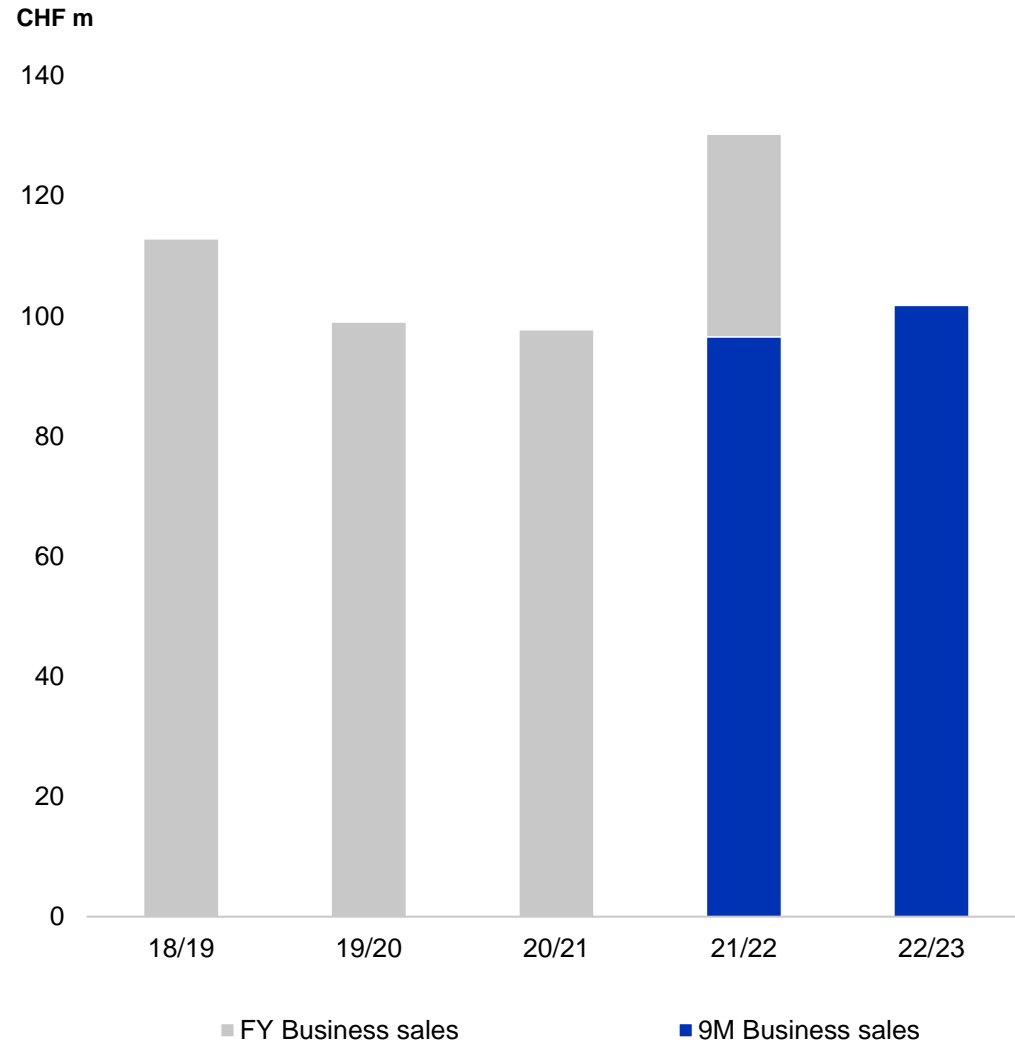
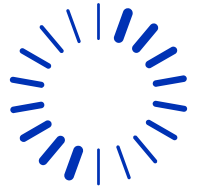


	Sales CHFm	Growth	
		9M 22/23 vs 21/22	Q3 22/23 vs 21/22
Automation	101.8	+5.4%	+10.3%
Automotive	75.3	+20.5%	+12.2%
Renewable Energy	50.3	+1.6%	+7.0%
Energy Distribution & High Precision	42.8	+21.2%	+22.0%
Track	31.4	-0.6%	+19.8%
TOTAL	301.6	+9.5%*	+12.8%

* +12.5% at constant currency rates

Automation

Drives, robots, tooling machines, elevators, and HVAC

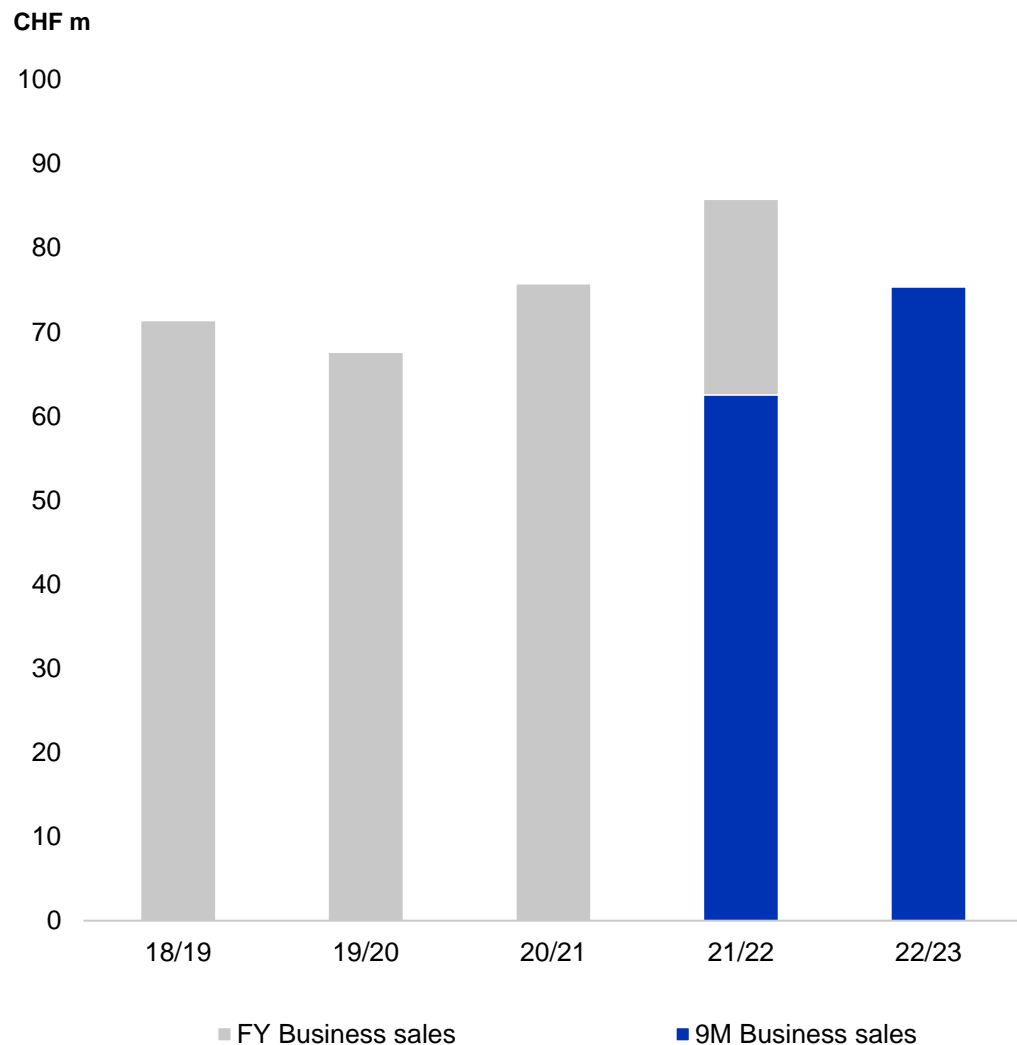
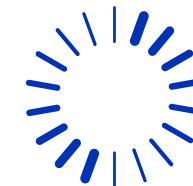


	9M 2022/23	9M 2021/22	Q3 2022/23	Q3 2021/22
In CHF m	101.8	96.6	34.4	31.2

- Sales performance grew favorably, even better with adjusted exchange rate effects
- Business mainly driven by manufacturing investment cycle and strong demand for small and medium power applications

Automotive

Battery (EV & CE), motor control, and onboard charging

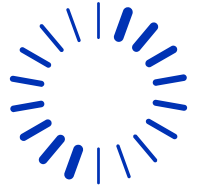


	9M 2022/23	9M 2021/22	Q3 2022/23	Q3 2021/22
In CHF m	75.3	62.5	25.2	22.5

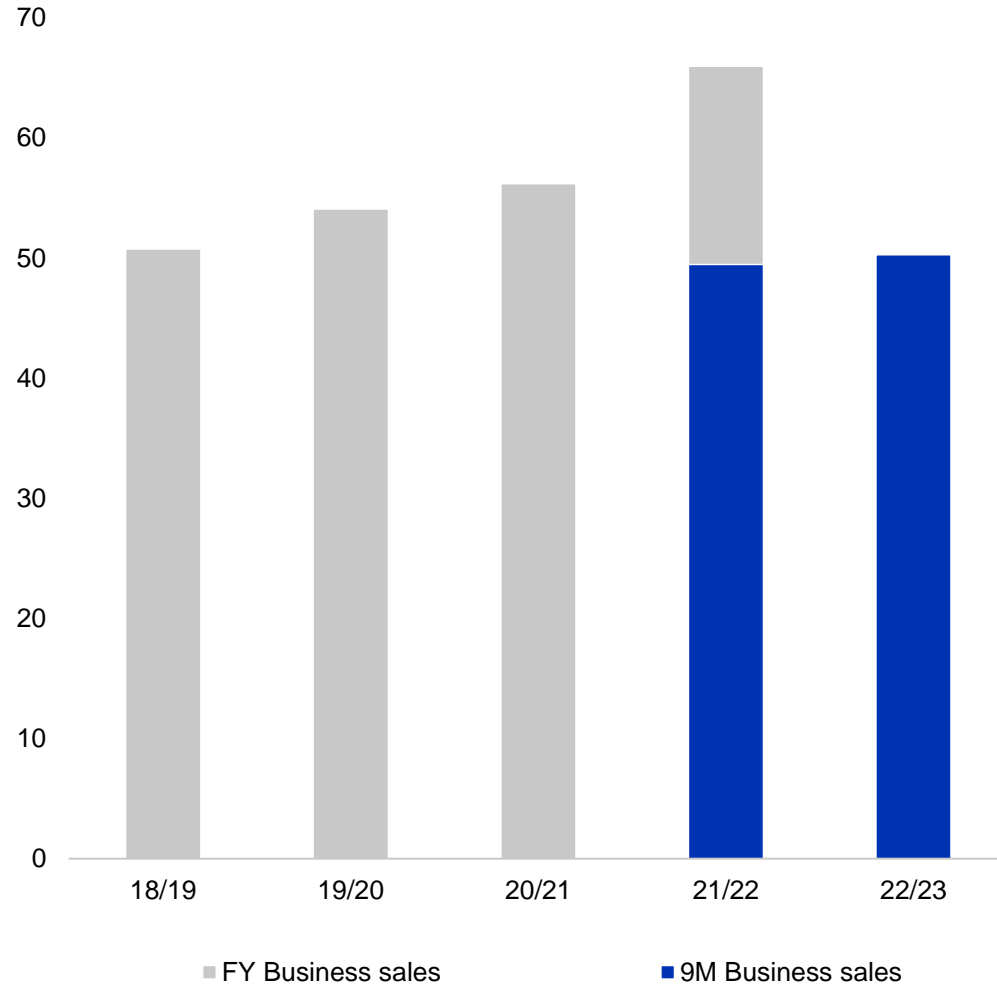
- > Driven by battery management and motor control
- > Robust sales after a record Q2
- > As customers had been placing orders with longer time horizons, bookings are now slowing down
- > Fundamental demand for EVs remains strong, as indicated by a book-to-bill ratio of over 1.0 for the quarter

Renewable energy

Solar and wind



CHF m

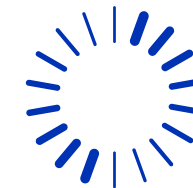


	9M 2022/23	9M 2021/22	Q3 2022/23	Q3 2021/22
In CHF m	50.3	49.5	16.8	15.7

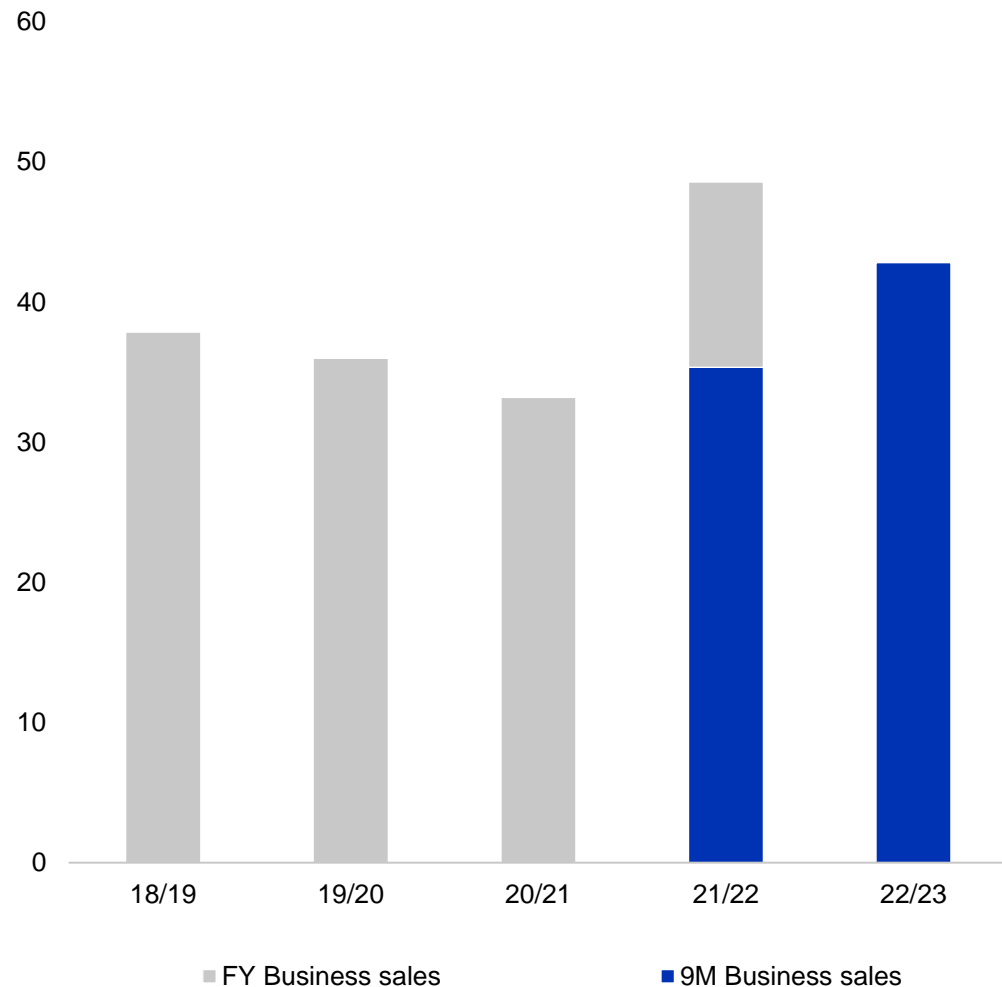
- > Sales increased slightly
- > Still bottlenecks for components
- > Prospects for Renewable Energy remain strong due to favorable government policies and foreseeable easing of supply chain constraints

Energy distribution and high precision

Charging stations, smart grid, energy storage, and high precision



CHF m

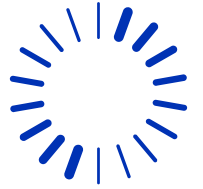


	9M 2022/23	9M 2021/22	Q3 2022/23	Q3 2021/22
In CHF m	42.8	35.3	14.9	12.2

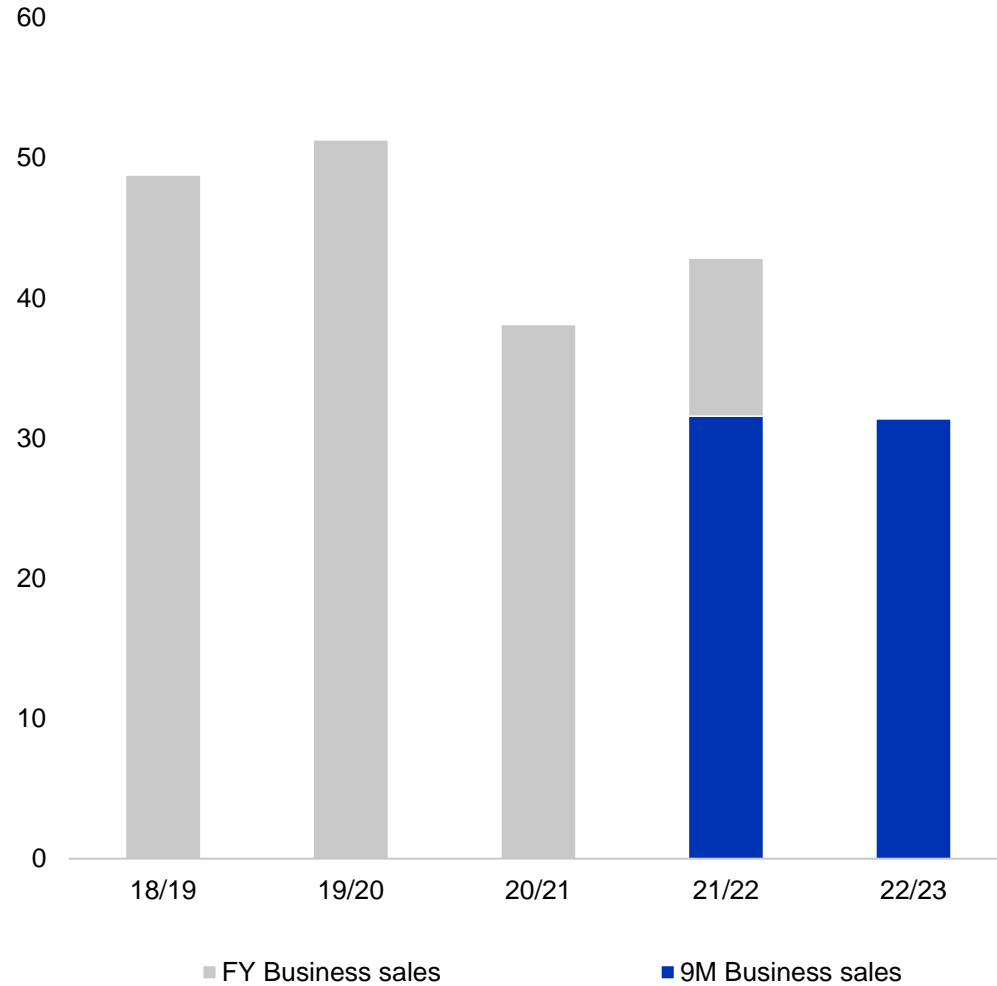
- > E-mobility driving customer interest in DC Meter, due mainly due to new customers and growing demand in Europe and US
- > Flexible Rogowski coils for energy distribution management contributed to business growth
- > IN family, which offers high precision solutions for test benches in the EV market, continues to develop strongly

Track

Trains, metro, and trackside



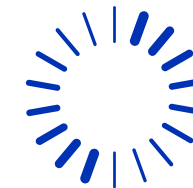
CHF m



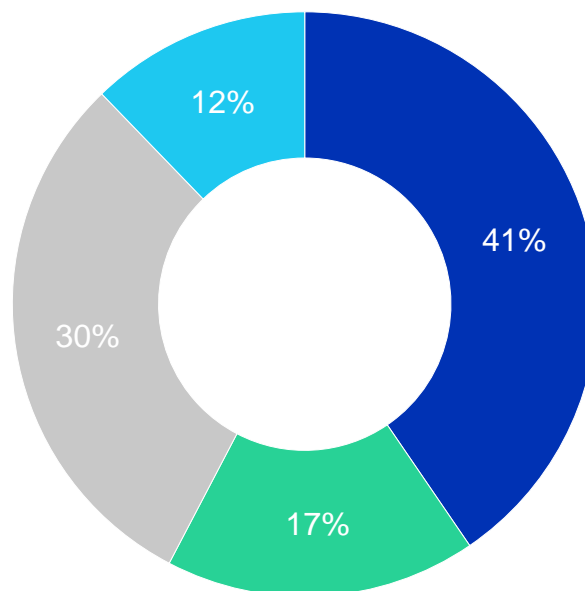
	9M 2022/23	9M 2021/22	Q3 2022/23	Q3 2021/22
In CHF m	31.4	31.6	12.2	10.2

- > Our traction business, with its project-based long investment horizons, continues to be impacted by component shortages
- > At constant currencies, growth was still positive, and the order book has increased considerably

Sales spread by region



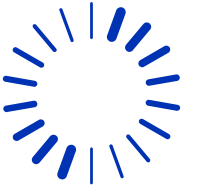
- > Balanced exposure
- > Americas and China lead growth
- > Close to customers on the ground in all key markets



	Sales CHF m	Growth	
		9M 22/23 vs 21/22	Q3 22/23 vs 21/22
China	122.0	+13.1%	+7.5%
Rest of Asia	51.9	+3.5%	+6.2%
EMEA	90.8	-0.4%	+9.3%
Americas	36.9	+40.4%	+63.7%
TOTAL	301.6	+9.5%*	+12.8%

* +12.5% at constant currency rates

Agenda



Opening Remarks

Frank Rehfeld

Business Performance

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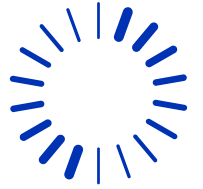
Financial Results

Andrea Borla

Outlook

Frank Rehfeld

Performance at a glance

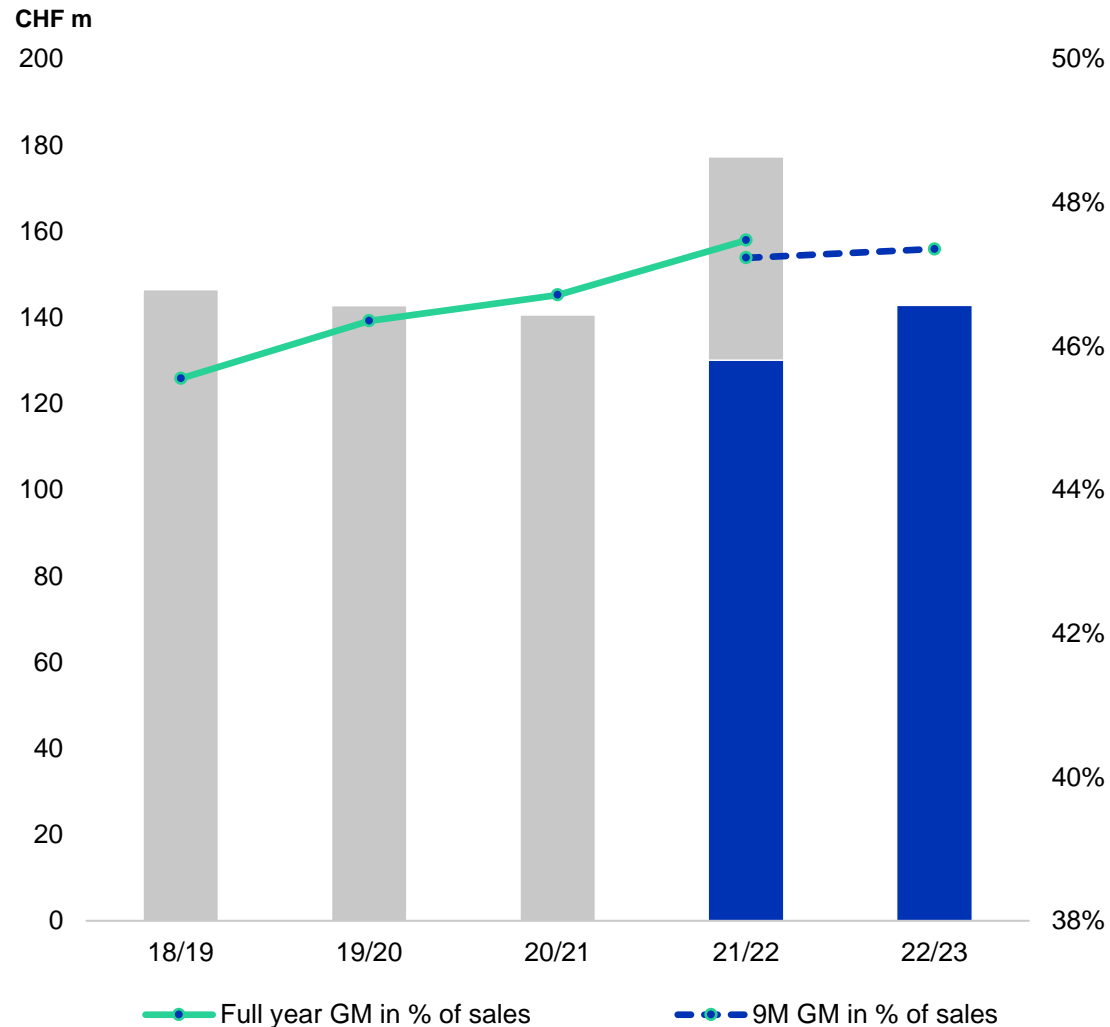
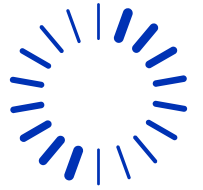


CHF m	9M 2022/23	9M 22/23 vs 21/22	Q3 22/23 vs 21/22
Orders received	362.2	-17.1%	-32.6%
Sales	301.6	+9.5%*	+12.8%
EBIT	68.3	+6.5%	+2.5%
Net profit of the period	55.3	+2.9%	+8.3%

* +12.5% at constant currency rates

- › Order book continues to drop to more normal levels after the extreme disruptions of the past two years
- › Sales at constant exchange rates increased by 12.5 %
- › EBIT improved mainly due to sales
- › Net profit margin decreased to 18.3% compared with 19.5%

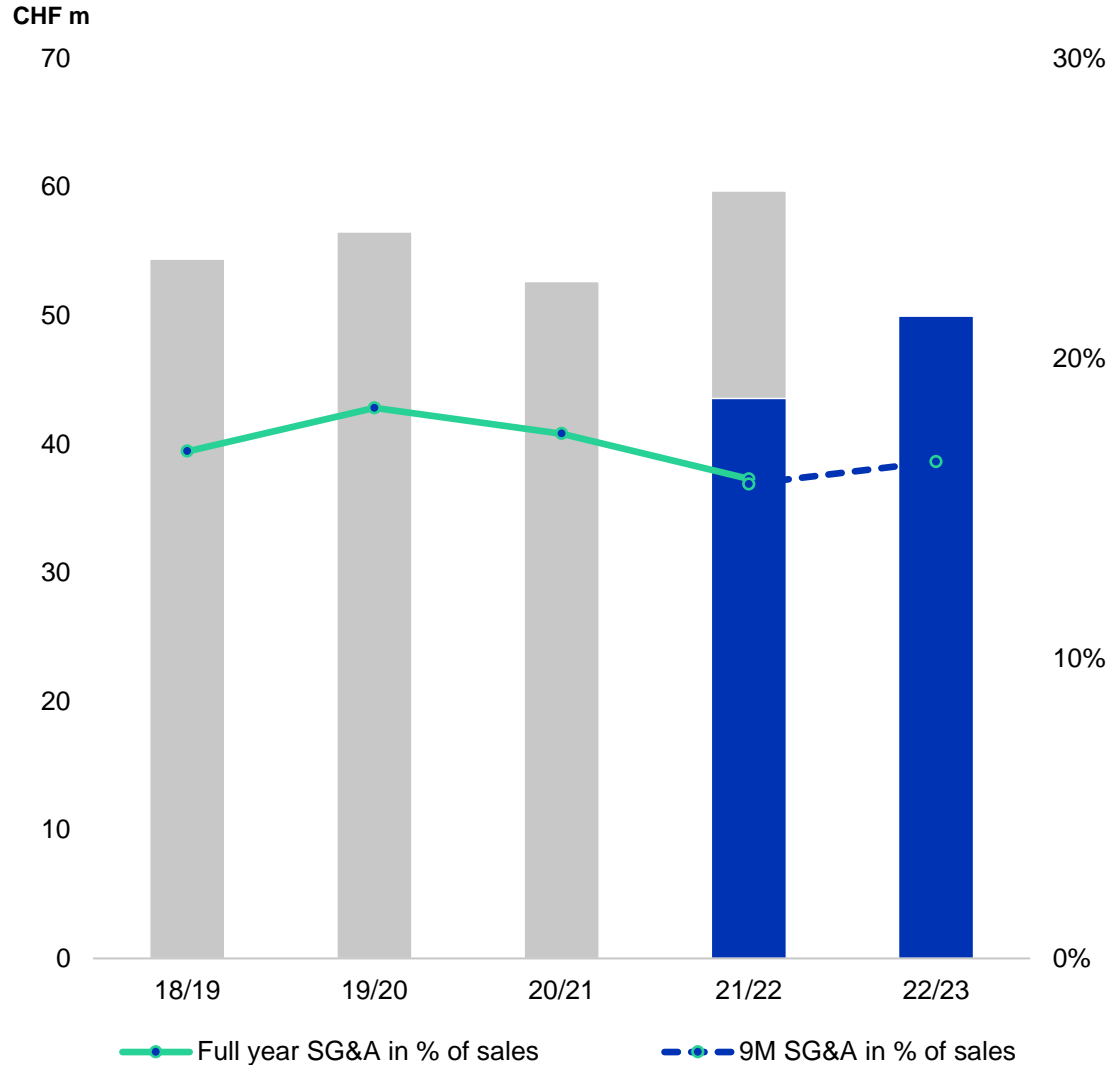
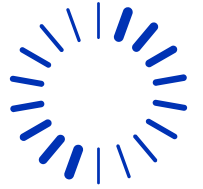
Gross margin



	9M 2022/23	9M 2021/22	Q3 2022/23	Q3 2021/22
In CHF m	142.8	130.1	49.0	44.5
In % of sales	47.4%	47.2%	47.3%	48.5%

Gross margin increased by 20 basis pts:

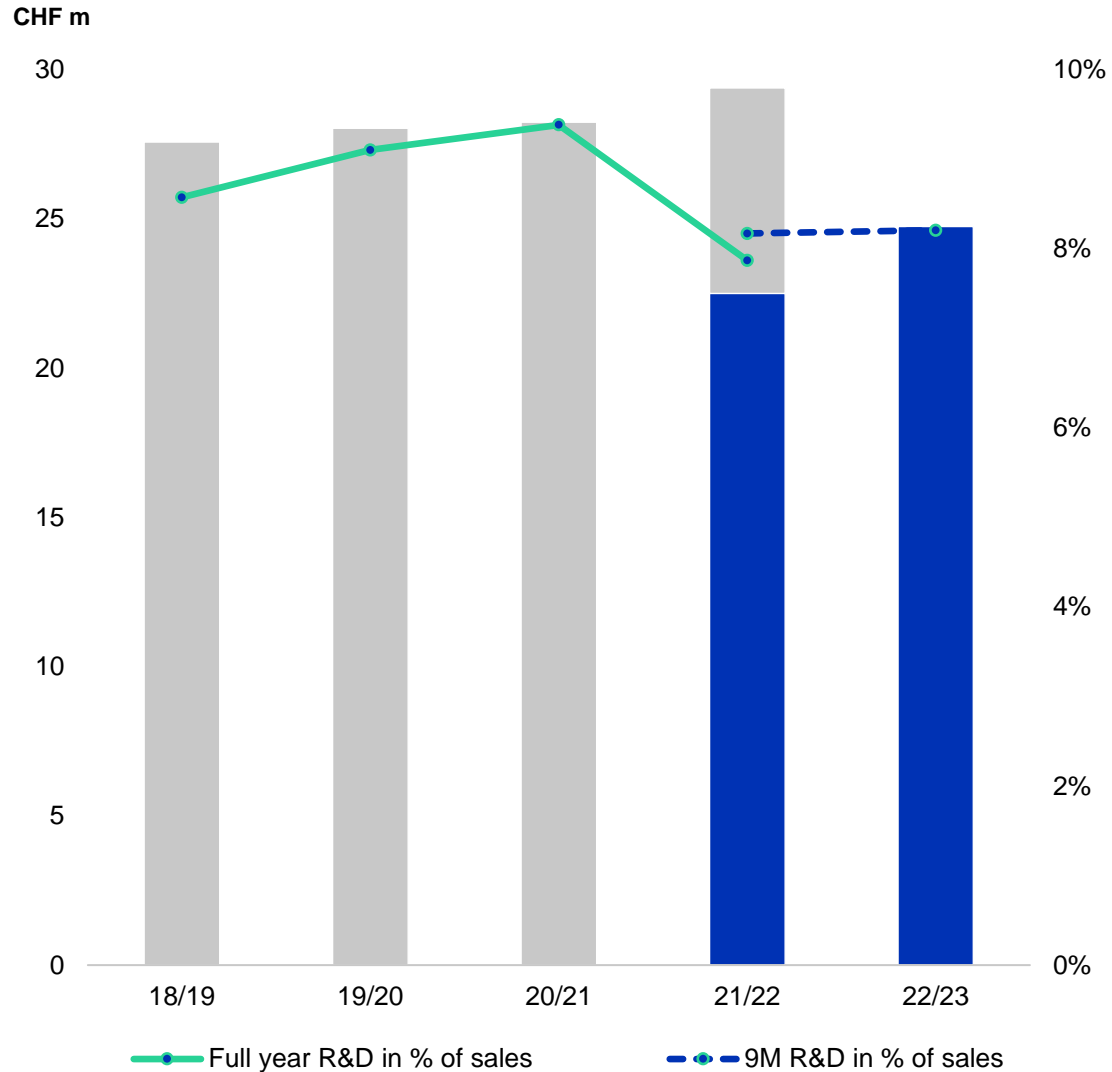
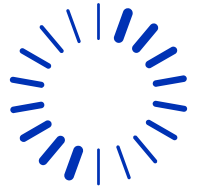
- > Sales prices increases being offset by purchase price increases
- > 81% of sales produced in China and Bulgaria



	9M 2022/23	9M 2021/22	Q3 2022/23	Q3 2021/22
In CHF m	49.9	43.6	18.6	15.2
In % of sales	16.6%	15.8%	17.9%	16.6%

- > Absolute increase of CHF 6.3m
 - > Digitalization projects
 - > External consulting support
 - > Recruitment of additional talent

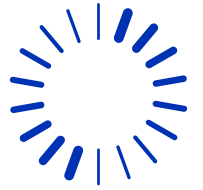
R&D



	9M 2022/23	9M 2021/22	Q3 2022/23	Q3 2021/22
In CHF m	24.8	22.5	8.0	7.3
In % of sales	8.2%	8.2%	7.8%	7.9%

- > R&D investment up by 10.0% to CHF 24.8m due to new hires
- > Long-term investment in future applications
- > Investment continues to bear fruit with new products welcome across markets

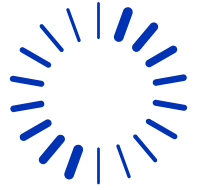
Financial expense



CHF m	9M 2022/23	9M 2021/22	Q3 2022/23	Q3 2021/22
Exchange effect	(2.1)	(2.1)	0.4	(1.8)
Other financial expense & income	(0.9)	(0.1)	(0.4)	(0.1)
Total	(3.0)	(2.2)	0.0	(1.9)

- › Currency gains of CHF 0.4 million in Q3, however year-to-date negative foreign exchange effects of CHF 2.1 million, mainly due to Euro devaluation during H1
- › Financial expenses impacted by expenses of CHF 0.6 million on lease liabilities of our new headquarters
- › Higher interest expenses on loans due to increasing CHF and MYR interest rates

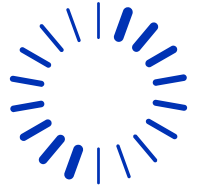
Income taxes



%	9M 2022/23	9M 2021/22
Expected income tax rate	15.6	14.3
Expected withholding tax rate	0.8	1.2
Expected tax rate	16.4	15.4
Other differences	(1.0)	(2.2)
Effective tax rate	15.4	13.2

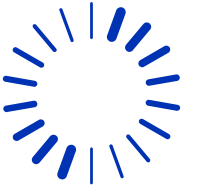
- › The Group tax expenses of CHF 10.1 million represent a tax rate of 15.4%
- › Tax credits have been reflected in R&D expenses since March 2022; excluding this effect, last year's tax rate would have amounted to 14.7%
- › Chinese profit share increased, resulting in a slightly higher tax rate

Income statement



	9M	9M		Q3	Q3
CHF m	2022/23	2021/22	Change	2022/23	2021/22
Sales	301.6	275.5	+9.5%	103.5	91.8
Gross margin %	47.4%	47.2%	+0.2%pt	47.3%	48.5%
Operating expenses	(74.5)	(65.9)	+12.9%	(26.4)	(22.5)
EBIT	68.3	64.2	+6.5%	22.6	22.0
EBIT margin %	22.7%	23.3%	-0.6%pt	21.8%	24.0%
Net financial expenses	(3.0)	(2.2)	+33.9%	0.0	(1.9)
Income tax	(10.1)	(8.2)	+23.0%	(2.5)	(1.6)
Net profit	55.3	53.7	+2.9%	20.1	18.5
Net profit margin %	18.3%	19.5%	-1.2%pt	19.4%	20.2%

Agenda



Opening Remarks

Frank Rehfeld

Business Performance

Frank Rehfeld

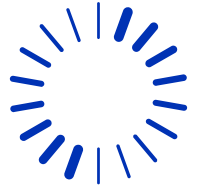
Financial Results

Andrea Borla

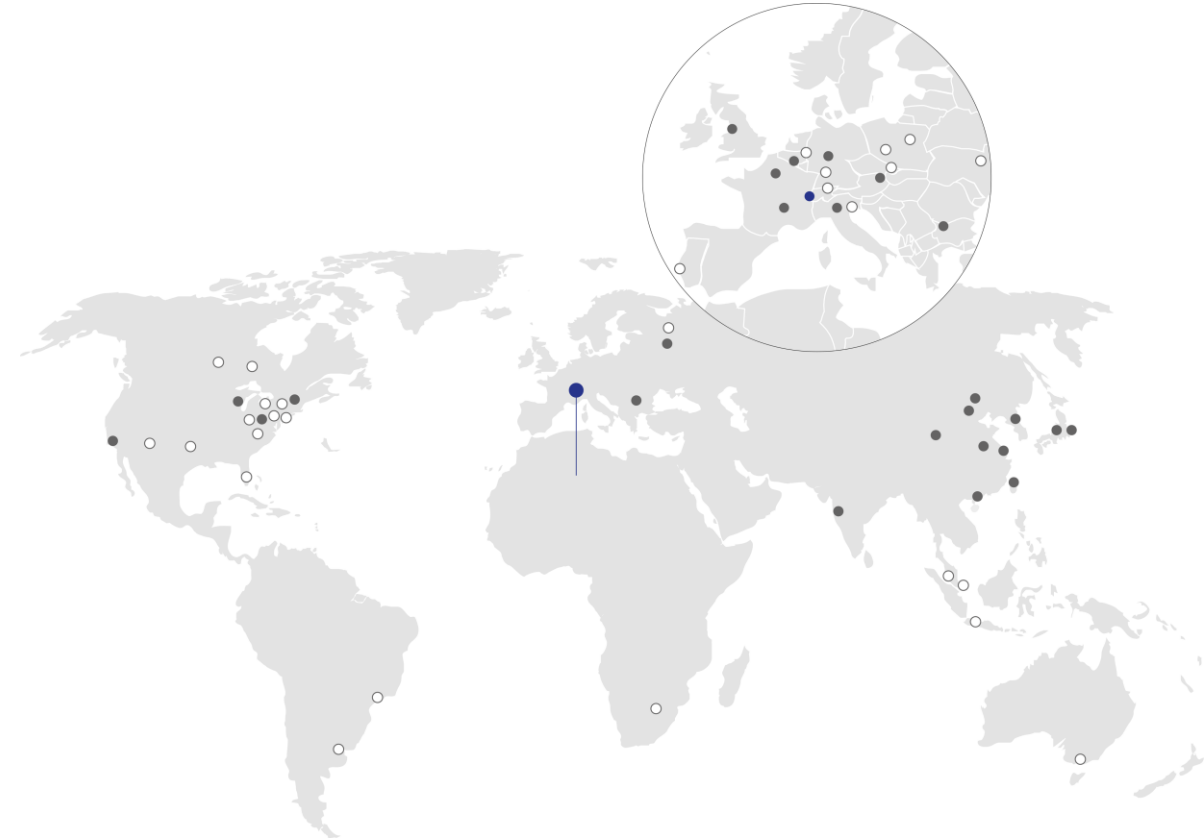
Outlook

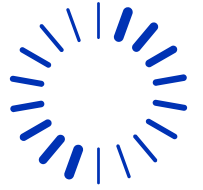
Frank Rehfeld

Outlook – Financial Year 2022/23



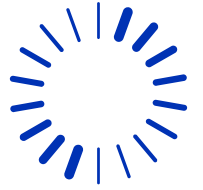
- › Businesses continue to benefit from the fundamental drivers of decarbonization, electrification, automation, and mobility
- › Growth remains restrained by shortages, mostly semiconductor components
- › We remain aware of the risk of potential recessions in key markets
- › For the FY 2022/23, we expect
 - › from CHF 390 to 400 million (CHF 373.4 million for 2021/22)
 - › EBIT margin above 20%





Q&A

Financial calendar and contact details



The financial year runs from 1 April to 31 March

25 May 2023	Full year results 2022/23
29 June 2023	Annual General Meeting FY 2022/23
4 July 2023	Dividend ex-date
6 July 2023	Dividend payment date

For further information

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Leading the world in electrical measurement, LEM engineers the best solutions for energy and mobility, ensuring that our customers' systems are optimized, reliable and safe.