



Life Energy Motion

Ad hoc announcement pursuant to Art. 53 LR

10 November 2025

LEM with stable sales in first half 2025/26 – update of mid-term financial ambitions

- **Stable sales at constant exchange rates:** Reported sales declined 5.3% to CHF 148.3 million (2024/25: CHF 156.5 million); at constant exchange rates, there was a slight growth of 0.5%. Automotive and Track grew 8.9% and 14.9% at constant exchange rates, respectively, while Automation sales went up by 2.8%.
- **Bookings:** At CHF 150.1 million, bookings* were -1,7% below the previous year's level (CHF 152.7 million). The volatility of the market is reflected in the decline in bookings from the first to the second quarter, while Automation proved to be the most resilient business.
- **Gross Margin:** The gross profit margin rebounded to 41.1% in the second quarter from 38.2% in the first quarter, lifted by a stricter price approach and supply productivity gains. Compared to last year the business is still affected by price pressure in China and the under-absorption of production fixed costs resulting from still low volumes.
- **EBIT recovery** to CHF 11.4 million in the first half of 2025/26, with EBIT margin at 7.7%, after a low start of the fiscal year. Gross margin improvements compounded with the company-wide transformation and efficiency improvement program "Fit for Growth", which is running within the planned timing and showing positive impact. SG&A for the first half of 2025/26 was down 13.4% compared to a 5.3% decline in sales. Net profit decreased to CHF 6.8 million, resulting in a net profit margin of 4.6% (CHF 8.6 million; 5.5%).
- **Free Cash Flow** improved to CHF 5.6 million for the first half of 2025/26, compared to CHF -11.6 million in the prior year period, as a consequence of better working capital management and despite a slightly lower EBITDA. Free Cash Flow before restructuring costs reached CHF 11.1 million.
- **Outlook:** LEM does not expect a general change in business development until the end of the financial year. Therefore, the company expects sales in the range of CHF 265 to 290 million and a high single-digit EBIT margin for the full year 2025/26, reflecting the positive impact of the improved structure on profitability. Uncertainties remain regarding the global impact of US tariff policy, significant currency fluctuations, and continued geopolitical movements in the semiconductor ecosystem.
- **Mid-term financial ambitions:** LEM updates its mid-term financial ambitions to reflect the evolving market environment and currency developments. Following a phase of market adjustment expected to last through FY2026/27, LEM targets sustainable average annual sales growth of 4 to 7% at constant exchange rates and a gradual improvement of the EBIT margin towards a 10 to 15% range.

Frank Rehfeld, Chief Executive Officer, said: "LEM delivered a moderate performance in the first half of 2025/26 with stable sales at constant exchange rates. Despite currency headwinds, we achieved growth across key segments such as Automation, Automotive and Track, confirming the resilience of our diversified portfolio. Thanks to the efficiency improvement program Fit for Growth, we were able to increase our EBIT margin from 5.5% in the first quarter to 9.9% in the second quarter, despite lower reported sales due to exchange rate effects. We continue to build on our business model, which is well positioned to capture growth from global megatrends such as electrification, energy transition, and e-mobility. Going forward, LEM will focus on operational excellence and disciplined cost management while launching new products and expanding capacity in higher-value segments."

* LEM has adjusted its order booking system in 2025-26. As disclosed in Q1 2025-26, orders received and delivered within the same month are recorded. Last year's bookings were restated based on the identical system.





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Sales by business

in CHF millions	H1 2025/26	H1 2024/25	Change	Change at constant exchange rates
Business				
Automation	43.7	45.2	-3.2%	+2.8%
Automotive	40.6	39.8	+2.0%	+8.9%
Renewable Energy	20.3	25.5	-20.3%	-15.1%
Energy Distribution & High Precision	19.0	23.7	-19.7%	-15.2%
Track	24.6	22.4	+9.9%	+14.9%
Total	148.3	156.5	-5.3%	+0.5%

Automation

The market has recovered somewhat now that inventories at customers have largely normalized. Momentum was mainly driven by applications in the mid-power range, such as power measurement and cooling systems in data centers, while low-power drives in consumer-related areas remained weak. High-voltage applications for infrastructure and factory automation have performed well in China. Chinese suppliers in this field are pushing into the European market, which is putting some pressure on prices.

Automotive

Performance varied significantly from region to region. In China, the domestic market for electric vehicles continued to grow. LEM is well positioned with domestic manufacturers and suppliers based on its agility and rigorous cost reduction efforts. In Europe, LEM grew in an overall contracting market thanks to battery management projects ramping up well with orders significantly above expectations. Business in the Rest of Asia and Americas regions suffered from weak demand. Price pressure in the market was offset by a positive shift in the product mix from engine control to higher-value battery management, where LEM is the technology leader and will expand the production capacity.

Renewable Energy

The business continued to decline. The main reason was China, the largest market, where feed-in tariffs for solar energy were cancelled from June 2025 which slowed new project investments. In Europe, the solar business is at a low point as systems for domestic use come almost exclusively from China. Large commercial installations were performing better, as European manufacturers are prioritized. One bright spot was Rest of Asia, driven by government spending in Japan and an upturn in India. The small wind energy business also performed relatively well.

Energy Distribution & High Precision

The DC meter business remained challenging in Europe and the US. Charging infrastructure operators are postponing investments due to low EV sales, increasing competition and price pressure. Some of LEM's customers have lost market share. Only in China did the market remain relatively stable. The high-precision segment suffered from a lack of demand in battery testing for the automotive industry. In all regions, business with uninterruptible power supply for data centers developed favorably. In the US, a dedicated initiative was launched to better serve this growth market.

Track

The Track business performed well in all regions and achieved strong sales growth. Solid demand for power and voltage converters for the initial equipment of locomotives and subway trains ensured healthy basic capacity utilization. Additional business with the retrofitting of energy meters allowed LEM to grow faster than the overall market.





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Sales by region

in CHF millions	H1 2025/26	H1 2024/25	Change	Change at constant exchange rates
Region				
China	55.1	60.2	-8.5%	-0.4%
Rest of Asia	25.4	25.4	+0.4%	+5.5%
EMEA	49.7	53.4	-6.8%	-4.2%
Americas	18.0	17.6	+1.9%	+10.2%
Total	148.3	156.5	-5.3%	+0.5%

China

Business in China remained stable at constant exchange rates. Sound volume growth was offset by high price pressure. LEM won market share with leading customers in Automation thanks to effective key account management and established distribution partners. In Automotive, LEM benefited from the general growth of the domestic market for electric vehicles and strengthened its position, particularly in battery management. The Track business also grew ahead of the market with Chinese and international manufacturers.

Rest of Asia

The region posted a slight growth. In Korea and Japan, demand remained weak despite depleted inventories. India, by contrast, continued the positive trend in the Track business. The Malaysia production site is well received by global customers. In addition to cost-efficient production, they appreciate the dual sourcing option in view of current developments in US tariff policy. LEM continues to move some production from China to Malaysia.

EMEA

EMEA reported slightly lower sales, although there were significant differences between businesses. The decline was attributable to Renewable Energy and Energy Distribution & High Precision, which continued to face structural challenges. Automation stabilized, buoyed by a market recovery as a result of reduced inventories. Automotive grew significantly thanks to the successful ramp-up of new projects and long-term customer partnerships. Track benefited from solid demand in the OEM market and a good retrofit business.

Americas

The region achieved strong sales at constant exchange rates lifted by the tariff impact. The Automation, Renewable Energy, Energy Distribution & High Precision and Track businesses performed well. Closer cooperation with key distributors as part of an improved go-to-market strategy enabled market share gains. The EV market remained difficult. LEM was largely able to pass import tariffs on to customers but also faced certain price pressure. In this situation, the broad production network proved to be an advantage.

Profitability weighted by market and operational factors; “Fit for Growth” delivering impact

The gross profit margin decreased from 44.1% to 39.6% in the first half of 2025/26, impacted by price pressure in China and the under-absorption of production fixed costs resulting from still low volumes. Within the first half-year, however, stricter pricing discipline and a more favorable mix led to a gradual margin recovery.

SG&A decreased by 13.4% compared to a 5.3% decline in sales, showing a positive impact of the company-wide transformation and efficiency improvement program “Fit for Growth”. SG&A costs as a percentage of sales decreased to 21.3% (23.2%). R&D costs dropped by 21.0% to CHF 14.6 million or 9.9% of sales (CHF 18.5 million; 11.8%).

EBIT declined by 19.8% to CHF 11.4 million (CHF 14.2 million); the EBIT margin amounted to 7.7%. This includes one-time restructuring costs of CHF 1.5 million for the “Fit for Growth” program (of the total one-





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time costs of around CHF 10 million, CHF 9.4 million have already been incurred). EBIT before restructuring costs would have reached CHF 12.8 million, representing an EBIT margin of 8.6%. The company-wide transformation and efficiency improvement program “Fit for Growth” runs within the planned timing and showed a positive impact.

Financial expenses / (income) increased from CHF 1.8 million to CHF 2.4 million due to higher average financial debt. Exchange rate effects from the Swiss franc appreciation had a smaller negative impact of CHF 0.7 million compared to CHF 2.3 million in the prior year.

Net profit decreased to CHF 6.8 million, resulting in a net profit margin of 4.6% (CHF 8.6 million; 5.5%).

Free Cash Flow improved to CHF 5.6 million for the first half of 2025/26, compared to CHF -11.6 million in the prior year period, as a consequence of better working capital management and despite a slightly lower EBITDA. Free Cash Flow before restructuring costs reached CHF 11.1 million.

Outlook

LEM does not expect a general change in business development in the foreseeable future. Therefore, the company expects sales in the range of CHF 265 to 290 million and a high single-digit EBIT margin for the full year 2025/26, reflecting the initial positive impact of the improved structure on profitability. Uncertainties remain regarding the global impact of US tariff policy, significant currency fluctuations, and continued geopolitical sensitivities in the semiconductor ecosystem.

Mid-term financial ambitions

The market in which LEM operates is undergoing profound change. Historically, LEM has been operating in a niche market with limited size and limited growth potential. The increasing importance of sustainability has enlarged the market but also increased the demand for affordable, high-volume solutions. These changing economic conditions, structural market shifts in key industries, accelerated market dynamics observed since the pandemic, as well as the continued appreciation of the Swiss franc led to the decision to update LEM’s mid-term guidance.

The previous mid-term guidance targeted sales of CHF 600 million and an EBIT margin of around 20% at that level by the 2029/30 financial year. Since the original guidance definition in 2022 (initially aimed for 2026/27) and its subsequent revision in 2024 (extending the target horizon to 2029/30), the company has experienced substantial changes in its operating environment.

In light of these developments, LEM expects the phase of market adjustment and stabilization to continue throughout the 2026/27 financial year. From 2027/28 onwards, LEM will focus mid-term on average annual sales growth of 4 to 7% at constant exchange rates and a gradual improvement of the EBIT margin towards a 10 to 15% range, depending on currency and market developments. This recalibration of the mid-term financial ambitions increases flexibility and better reflects today’s industry dynamics and market structure.

Market environment and currency

Market growth in several of LEM’s key end markets — particularly in e-mobility, renewable energy, and power charging— has slowed and become structurally more moderate. Despite the increasing volumes, the need for affordability of electrification will continue driving cost per measurement point down. Ongoing economic uncertainties, new trade tariffs, and evolving regulatory frameworks additionally require agility and increase uncertainty.

In some segments, notably e-mobility and renewable energy, there has also been a pronounced shift of market activity towards Asia, particularly China, characterized by a high speed of innovation, cost leadership and increasing competitive intensity — a trend that has accelerated since the end of the pandemic.





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The Swiss franc has continued to appreciate significantly, which has a material impact on LEM's top line reported in CHF, as around 98% of the company's revenues are generated outside Switzerland.

Strategic Realignment and "Fit for Growth"

LEM has adapted to these structural changes through a series of geographical and organizational realignments. R&D activities are being expanded in Asia, service-center capacities consolidated in Bulgaria, and production capabilities strengthened in Malaysia. In parallel, LEM continues to optimize its cost base in all functions.

These initiatives form part of the "Fit for Growth" program, launched in November 2024, designed to make LEM more agile and efficient, streamline the organization, and reinforce the company's ability to support the growing importance of Asian markets. While the Geneva headquarters now focuses on strategy and innovation, development activities are located closer to regional growth markets.

LEM's mid-term ambitions position the company to capture growth opportunities while maintaining strict cost discipline and financial resilience and we are convinced that LEM is in a unique position to weather these challenges.

Conference call and audio webcast

Frank Rehfeld, CEO, and Antoine Chulia, CFO, will explain the 2025/26 half-year results and provide an outlook for the current financial year today at 10:30 CET at a media and investor conference call and audio webcast.

To participate in the **conference call**, you can register [here](#). After registration, you will receive a confirmation by e-mail with individual dial-in data. As a participant in the telephone conference, you can follow the presentation [here](#) (please mute the browser sound).

The presentation will be broadcast as a live **audio webcast**. To access, please use this [link](#). Questions can be asked via the chat function. A replay will be available on the same day at this [link](#).

Download link

The ad hoc announcement, Half-Year Report and presentation are available in the Investor Relations section of the LEM website (www.lem.com/en/investors).

Financial calendar

The financial year runs from 1 April to 31 March

6 February 2026	9 months results 2025/26
26 May 2026	Full year results 2025/26
25 June 2026	Annual General Meeting for the financial year 2025/26
29 June 2026	Dividend ex-date
1 July 2026	Dividend payment date

LEM – Life Energy Motion

A leading company in electrical measurement, LEM engineers the best solutions for energy and mobility, ensuring that our customers' systems are optimized, reliable and safe. Our 1,666 people in 17 countries transform technology potential into powerful answers. We develop and recruit the best global talent, working at the forefront of megatrends such as renewable energy, mobility, automation and digitization. With innovative electrical solutions, we are helping our customers and society accelerate the transition to a more sustainable future. Listed on the SIX Swiss Exchange since 1986, the company's ticker symbol is LEHN. www.lem.com

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Appendix

Consolidated income statement

In CHF thousands	April to September		
	2025/26	2024/25	Change
Sales	148'258	156'550	-5.3%
Cost of goods sold	(89'507)	(87'516)	
Gross profit	58'751	69'033	-14.9%
Gross profit margin (in %)	39.6%	44.1%	
Sales expenses	(14'242)	(14'428)	
Administration expenses	(17'278)	(21'957)	
Research & development expenses	(14'608)	(18'483)	
Restructuring	(1'452)		
Other expenses	(315)	(0)	
Other income	512	16	
Operating profit	11'369	14'181	-19.8%
Operating profit margin (in %)	7.7%	9.1%	
Financial expenses	(2'415)	(1'978)	
Financial income	65	131	
Foreign currency exchange effect	(725)	(2'296)	
Profit before tax	8'293	10'038	-17.4%
Income taxes	(1'501)	(1'460)	
Net profit	6'792	8'578	-20.8%
Net profit margin (in %)	4.6%	5.5%	

Key figures on quarterly basis

in CHF millions	2025/26					2024/25					Change	
	Q1	Q2	Q3	Q4	FY	Q1*	Q2*	Q3*	Q4*	FY*	Q2-Q2*	6M-6M*
Bookings												
Total LEM	89.1	61.0				74.9	77.8	75.8	93.9	322.4	-21.7%	-1.7%
Book-to-bill ratio												
Total LEM	1.18	0.84				0.93	1.03	1.02	1.23	1.05	-18.4%	+3.8%
Sales												
Automation	21.2	22.5				23.6	21.6	20.2	21.3	86.7	+4.3%	-3.3%
Automotive	21.7	19.0				19.9	19.9	22.3	23.8	85.9	-4.8%	+2.1%
Renewable Energy	10.9	9.4				14.1	11.4	9.5	9.7	44.7	-17.0%	-20.3%
Energy Distribution & High Precision	9.7	9.3				12.2	11.5	10.8	10.3	44.8	-18.5%	-19.7%
Track	12.3	12.3				11.1	11.2	11.7	10.9	44.9	+9.1%	+9.9%
Total LEM	75.7	72.5				81.0	75.6	74.3	76.0	306.9	-4.0%	-5.3%
EBIT												
Total LEM	4.2	7.2				7.5	6.7	5.9	-1.3	18.9	+7.6%	-19.8%
Net profit of the period												
Total LEM	2.0	4.8				4.8	3.8	3.5	-3.7	8.4	+26.4%	-20.8%

