



Life Energy Motion

Ad hoc announcement pursuant to Art. 53 LR

26 May 2026

LEM reports stable topline, increased profitability in 2025/26 with strong booking momentum - strategic options review initiated

- **Sales impacted by FX:** At constant currencies, sales were broadly stable, declining by 0.2%, while reported sales fell 6.3% to CHF 287.7 million, reflecting depreciation in CNY and USD. Automation remained a key growth driver, posting robust growth of 10.2% at constant currency.
- **Bookings:** Bookings* reached CHF 295.9 million, rebounding with strong sequential improvement from Q2 2025/26. The book-to-bill ratio of 1.16 for Q4 2025/26 signals recovery. Momentum was particularly evident in Automation, supported by increasing demand in data center cooling and high-voltage infrastructure, as well as in Energy Distribution & High Precision, driven by positive trends in data center power supply. The majority of data center-related sales are expected to materialize in 2026/27, reflecting typical lead times and project cycles.
- **Gross margin stabilized over the course of the year**, with the positive momentum that began in Q2 2025/26 continuing throughout the remainder of the year. This development is attributable to the successful implementation of strategic pricing initiatives and substantial productivity gains in the supply chain. These were achieved through purchasing cost reductions, value-engineering of products, and production transfers.
- **Solid EBIT improvement:** EBIT increased by 29.2% to CHF 24.4 million, with the EBIT margin rising to 8.5%. This led to a significant increase in net profit of 17.5% to CHF 9.9 million, resulting in net profit margin recovery to 3.4% of sales.
- **“Fit for Growth”:** the company-wide transformation and efficiency improvement program progressed as planned and delivered the targeted strong operational efficiency gains, as seen for instance in the SG&A reduction of 12.0%.
- **Strong free cash flow:** Free cash flow improved significantly to CHF 31.7 million, compared to CHF 14.0 million in the prior year period, supported by the higher EBIT and improved discipline managing working capital and capital expenditures. Free Cash Flow before restructuring costs reached CHF 40.1 million. The strong cash generation contributed to a reduction in net financial debt to CHF 59.8 million, thereby further strengthening the balance sheet.
- **Outlook:** LEM sees encouraging signs of a sequential improvement in bookings, driven by increasing demand from data center-related customers in Automation and Energy Distribution & High Precision, which is expected to further support the positive momentum. At the same time, LEM remains cautious about the general business development due to the uncertain global macro-economic environment.
- **Mid-term financial ambitions:** LEM reconfirms 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.
- **Strategic options review initiated:** Based on the improved business performance, LEM has drawn the attention of certain interested parties. In accordance with its fiduciary duties, the Board of Directors is conducting a review of potential strategic options to increase long-term value creation. The process is at an early stage, and no decision has been made. There can be no assurances that the review will result in any transaction or other specific outcome.

* LEM adjusted its order booking system in 2025/26. Prior year bookings were restated as disclosed in Q1 2025/26.





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Frank Rehfeld, Chief Executive Officer, said: “LEM delivered a solid performance in the 2025/26 financial year marked by an improvement in profitability, while market conditions remained mixed and currency headwinds persisted. Growth momentum was particularly encouraging in Automation and Energy Distribution & High Precision, supported by normalized inventory levels and rising demand linked to data center infrastructure. LEM benefited from disciplined execution of our ‘Fit for Growth’ efficiency improvement program, with the EBIT margin showing significant improvement to 8.5%. Our improved profitability demonstrates the resilience of our business model and provides a strong foundation to capture long-term opportunities driven by structural megatrends such as data center infrastructure, electrification, energy transition and e-mobility.”

Sales by business

in CHF millions	2025/26	2024/25	Change	Change at constant exchange rates
Business				
Automation	89.1	86.3	+3.2%	+10.2%
Automotive	78.6	86.2	-8.9%	-2.2%
Renewable Energy	39.0	44.7	-12.6%	-6.7%
Energy Distribution & High Precision	38.8	44.8	-13.5%	-8.4%
Track	42.2	44.9	-6.0%	-1.8%
Total	287.7	306.9	-6.3%	-0.2%

Automation

The Automation business continued to recover, supported by improving order intake and normalized inventory levels. Growth was driven by high-value mid-power applications, including power measurement and cooling systems for data centers, as well as industrial automation. By contrast, low-power applications in consumer-oriented applications such as heat pumps showed slower development. The pricing environment remained mixed, with continued price pressure in China and more stable conditions in Western markets.

Automotive

The Automotive business developed unevenly, with growth in Europe offset by a softer performance in China and the Americas. Growth in Europe was driven by battery management for EV/hybrid applications, supported by a faster ramp-up with key customers. By contrast, China recorded lower sales, reflecting increased competition from Chinese OEMs in a flattish market. In the Americas, demand remained subdued, with lower EV sales and postponed projects impacting volumes. The rest of Asia was weaker because Japanese and Korean manufacturers depend on export markets that fell short of expectations.

Renewable Energy

Renewable Energy operates in a highly competitive and regulatory-driven market environment and recorded a decline in sales, with small-scale and residential installations remaining particularly weak. Demand in Western markets benefited from commercial installations, as European manufacturers were prioritized. The pricing environment remained challenging, especially in China, despite normalized inventory levels, partly due to the phase-out of feed-in tariffs for solar energy from Summer 2025.

Energy Distribution & High Precision

Energy Distribution & High Precision benefited from strong demand in data center-related applications, including current sensing solutions for UPS (uninterruptible power supply) applications. Increased market activity in China and the Americas, as well as larger project wins in Europe, led to a strong order intake which will provide support going forward. By contrast, charging infrastructure and high precision applications remained weak, impacted by lower demand, pricing pressure and inventory reductions. However, Smart Grid applications declined, as completed projects were only partially replaced by follow-up business. Pricing remained under pressure in several areas.





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Track

The Track business remained stable, supported by continued strong performance in China. Sales in China increased, supported by solid local and retrofit business which accounted for a significant share of sales. The business also benefited from a favorable product mix and the order intake included first orders for a new high-speed platform. Sales and order intake in Europe declined due to the phasing-out of a large project, with follow-up business expected over the course of the year. Business in the Americas remained stable.

Sales by region

in CHF millions	2025/26	2024/25	Change	Change at constant exchange rates
Region				
China	102.7	117.5	-12.6%	-4.8%
Rest of Asia	49.6	50.8	-2.4%	+4.9%
EMEA	100.2	104.1	-3.7%	-1.4%
Americas	35.2	34.6	+1.7%	+11.3%
Total	287.7	306.9	-6.3%	-0.2%

China

Sales in China remained flat at constant exchange rates. Automation proved to be solid and resilient, with good progress across a range of customers, particularly in the areas of infrastructure and factory automation. Demand in Energy Distribution & High Precision increased, driven by current sensing solutions and data center-related applications, with both local and export activity. Track developed strongly, supported by new platform orders and retrofit activity, with a significant contribution from local business. Automotive slowed in the fourth quarter, reflecting a market with high EV penetration, while Renewable Energy operated in a highly competitive environment, supported by demand for energy storage. The pricing environment remained challenging.

Rest of Asia

Demand in Rest of Asia was supported by India, which delivered solid growth overall, while Japan and Korea remained weaker, mainly reflecting Automotive-related business, with activity improving towards the end of the period. In Japan, Automation developed positively, backed by demand from Chinese customers, particularly for equipment used in humanoid robotics. In India, demand in data center applications developed positively, with India benefiting from export activity to the US.

EMEA

Sales in Europe declined slightly over the period, while demand improved towards the end of the financial year. The recovery was driven by Automation, with normalized inventory levels and stronger demand in drives, while the pricing environment remained under pressure. Impulses also came from Automotive which saw growth in EV and hybrid applications as well as battery management and from data center-related applications across Energy Distribution & High Precision. In Renewable Energy, commercial installations such as solar parks and wind developed positively, with demand benefiting from the preference for European suppliers and export activity to the US, while small-scale installations remained weak. Track declined, mainly due to the phasing-out of a large retrofit project.

Americas

Sales in the Americas increased over the period lifted by tariff effects and order intake momentum improved in the fourth quarter. In Energy Distribution & High Precision, data center-related applications developed positively, while charging infrastructure remained weak, despite increasing project activity. Track was stable, following the completion of a major project, with new projects expected. Automation recovered, supported by normalized inventory levels, improved demand in drives and strong data center-related activity, while pricing remained stable. Automotive remained weak due to lower EV demand and postponed projects. In Renewable Energy, demand remained under pressure.





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“Fit for Growth” increases efficiency and margins

In the context of a price pressure environment, the gross margin stabilized, with the positive momentum that began in Q2 2025/26 continuing throughout the remainder of the year. This development is attributable to the successful implementation of strategic pricing initiatives and significant productivity gains in the supply chain.

The company-wide transformation and efficiency improvement program “Fit for Growth” delivered the targeted results, as evidenced by a 12.0% decrease in SG&A, while sales declined by 6.3%. SG&A costs as a percentage of sales were reduced to 21.6%. R&D costs decreased by 23.6% to CHF 27.0 million or 9.4% of sales.

The positive effects of the “Fit for Growth” program are also reflected in the 29.2% increase in EBIT to CHF 24.4 million, with the EBIT margin rising to 8.5%. Included are one-time restructuring costs of CHF 1.9 million for the “Fit for Growth” program. EBIT before restructuring costs achieved CHF 26.2 million, yielding a strong EBIT margin of 9.1%. The company has completed its restructuring initiatives, with a total of CHF 9.8 million one-time costs.

Net financial expenses increased to CHF 4.8 million due to slightly higher average financial debt. Exchange rate effects from the Swiss franc appreciation had a smaller negative impact of CHF 1.6 million compared to CHF 3.9 million in the prior year. Income taxes rose from CHF 2.1 million to CHF 8.0 million, reflecting the higher global profitability and the temporary non-recognition of certain local operating losses for tax purposes.

Net income expanded by 17.5% to CHF 9.9 million, resulting in an improved net profit margin of 3.4%.

Strong Free Cash Flow powered by “Fit for Growth” efficiency improvements

Free Cash Flow improved significantly to CHF 31.7 million, compared to CHF 14.0 million in the prior year period, supported by the higher EBIT and a better discipline managing working capital and capital expenditures, implemented through the “Fit for Growth” program. Free Cash Flow before restructuring cash disbursements reached CHF 40.1 million. The strong cash generation contributed to a reduction in net financial debt to CHF 59.8 million, thereby further strengthening the balance sheet.

Proposal to refrain from paying a dividend for the 2025/26 financial year

LEM targets a payout ratio significantly above 50% of the consolidated net profit for the year. In view of the uncertainty surrounding the economic environment, the Board of Directors proposes not to declare a dividend for the 2025/26 financial year. However, LEM remains committed to resume its attractive and sustainable dividend policy in the future.

Outlook

LEM sees encouraging signs of a sequential improvement in bookings, driven by increasing demand from data center-related customers in Automation and Energy Distribution & High Precision, which is expected to further support the positive momentum. At the same time, LEM remains cautious about the general business development due to the uncertain global macro-economic environment.

Mid-term financial ambitions

LEM reconfirms 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.





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Investor, analyst and media conference

Andreas Hürlimann, Chairman of the Board of Directors, Frank Rehfeld, CEO, and Antoine Chulia, CFO, will explain the 2025/26 full-year results today at 10:30 am CET at a conference for investors, analysts and media at the Widder Hotel in Zurich.

Conference call and audio webcast

The conference for investors, analysts and the media will be broadcast via conference call and audio webcast.

To participate in the conference call, please register via this [link](#). You will then receive a confirmation e-mail with individual dial-in data. As a participant in the conference call, you can follow the presentation [here](#) (please mute the browser sound). To access the live audio webcast, please use this [link](#). Questions can be asked via the chat function. A recording of the webcast will be available after the call from LEM's website or using the same [link](#).

Download link

The ad hoc announcement, Annual Report and presentation are available in the Investor Relations section of the LEM website (www.lem.com/en/investors), where the webcast recording will later also be archived.

Financial calendar

The financial year runs from 1 April to 31 March

25 June 2026	Annual General Meeting for the financial year 2025/26
29 June 2026	Dividend ex-date
1 July 2026	Dividend payment date
28 July 2026	First quarter results 2026/27
10 November 2026	Half year results 2026/27
05 February 2027	9 months results 2026/27
27 May 2027	Full year results 2026/27
24 June 2027	Annual General Meeting for the financial year 2026/27
25 June 2027	Dividend ex-date
2 July 2027	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 1,626 people in 16 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 (LEHN). www.lem.com

Investor contact

Antoine Chulia, CFO
+41 22 706 12 50
investor@lem.com

Media contact

Dynamics Group
Thomas Balmer, +41 79 703 87 28, tba@dynamicsgroup.ch
Christian Wolf, +41 79 457 72 05, cwo@dynamicsgroup.ch

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Appendix

Consolidated income statement

In CHF thousands	April to March		
	2025/26	2024/25	Change
Sales	287'675	306'924	-6.3%
Cost of goods sold	(172'558)	(174'333)	
Gross profit	115'117	132'590	-13.2%
Gross profit margin (in %)	40.0%	43.2%	
Sales expenses	(27'234)	(27'914)	
Administration expenses	(34'983)	(42'819)	
Research & development expenses	(26'960)	(35'265)	
Restructuring	(1'857)	(7'898)	
Other expenses	(473)	(7)	
Other income	759	179	
Operating profit	24'367	18'867	+29.2%
Operating profit margin (in %)	8.5%	6.1%	
Financial expenses	(4'981)	(4'745)	
Financial income	155	215	
Foreign currency exchange effect	(1'648)	(3'861)	
Profit before tax	17'893	10'476	+77.4%
Income taxes	(8'036)	(2'085)	
Net profit	9'857	8'391	+24.5%
Net profit margin (in %)	3.4%	2.7%	

Key figures on quarterly basis

in CHF millions	2025/26					2024/25					Change	
	Q1	Q2	Q3	Q4	FY	Q1*	Q2*	Q3*	Q4*	FY*	Q4 - Q4*	FY - FY*
Orders received												
Total LEM	89.1	61.0	65.4	80.4	295.9	74.9	77.8	75.8	93.9	322.4	-14.3%	-8.2%
Book-to-bill ratio												
Total LEM	1.18	0.84	0.93	1.16	1.03	0.93	1.03	1.02	1.23	1.05	-6.0%	-2.1%
Sales												
Automation	21.2	22.5	21.9	23.5	89.1	23.6	21.6	20.2	20.9	86.3	+10.4%	+3.2%
Automotive	21.7	19.0	20.8	17.2	78.6	19.9	19.9	22.3	24.1	86.2	-27.8%	-8.9%
Renewable Energy	10.9	9.4	9.7	9.0	39.0	14.1	11.4	9.5	9.7	44.7	-7.7%	-12.6%
Energy Distribution & High Precision	9.7	9.3	8.9	10.9	38.8	12.2	11.5	10.8	10.3	44.8	+5.1%	-13.5%
Track	12.3	12.3	8.9	8.8	42.2	11.1	11.2	11.7	10.9	44.9	-19.5%	-6.0%
Total LEM	75.7	72.5	70.1	69.3	287.7	81.0	75.6	74.3	76.0	306.9	-8.9%	-6.3%
EBIT												
Total LEM	4.2	7.2	7.1	5.9	24.4	7.5	6.7	5.9	-1.3	18.9	-	+29.2%
Net profit												
Total LEM	2.0	4.8	5.3	-2.2	9.9	4.8	3.8	3.5	-3.7	8.4	-40.1%	+17.5%

