Life Energy Motion

Ad hoc announcement pursuant to Art. 53 LR

28 July 2026

LEM reports double-digit sales growth in Q1 2026/27 driven by strong data center-related demand

- **Bookings**: Bookings reached CHF 104.6 million, up 17.4% from Q1 2025/26. The book-to-bill ratio climbed to 1.23. Momentum was particularly evident in Automation, supported by increasing demand in data center cooling and high-voltage infrastructure, in Energy Distribution & High Precision, driven by positive trends in data center power supply as well as in Renewable Energy due to rising demand for energy storage systems. In sequential terms, Q1 2026/27 orders grew by 30.1% compared to Q4 2025/26.

- **Sales**: LEM achieved robust sales growth of 12.4% to CHF 85.1 million in Q1 2026/27. At constant exchange rates, sales increased by 14.3%. Key growth drivers were Automation and Energy Distribution & High Precision with sales increases of 32.0% and 59.0%, respectively. In sequential terms, Q1 2026/27 sales went up by 22.9% compared to Q4 2025/26.

- **Gross margin stabilization:** LEM successfully implemented strategic pricing initiatives and continued to generate supply productivity gains despite inflationary headwinds for certain commodities. LEM was therefore able to maintain the gross margin at the level achieved for the full year 2025/26, despite the continued price pressure environment.

- **Strong EBIT expansion**: The continued focus on operational excellence translated into a significant improvement in profitability. Supported by the stable gross margin and strong operating leverage, EBIT increased to CHF 12.4 million from CHF 4.2 million, with the EBIT margin expanding to 14.6% from 5.5% in the prior-year period.

- **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. LEM reconfirms its mid-term financial ambitions.

Frank Rehfeld, Chief Executive Officer, said: "LEM achieved an excellent start to the new financial year, delivering strong bookings and sales growth. Structural demand related to data center infrastructure continued to accelerate, particularly in Automation and Energy Distribution & High Precision, while the normalization of inventory levels increasingly translated into underlying customer demand. At the same time, our continued focus on operational excellence resulted in strong operating leverage, driving the EBIT margin to 14.6%, the highest quarterly level in more than two years. This performance confirms the strength of our business model and positions LEM well 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 Business	Q1 2026/27	Q1 2025/26	Change	Change at constant exchange rates
Automation	27.4	21.2	+29.6%	+32.0%
Automotive	19.9	21.7	-8.4%	-6.6%
Renewable Energy	11.5	10.9	+5.9%	+7.4%
Energy Distribution & High Precision	15.1	9.7	+56.4%	+59.0%
Track	11.2	12.3	-9.2%	-8.5%
Total	**85.1**	**75.7**	**+12.4%**	**+14.3%**

Automation

The automation business posted significant growth. The strongest impulse across all regions came from drives for pumps used in cooling and ventilation systems for data centers, supported by lower inventory levels and catch-up orders from the industrial automation sector. Customer demand at times exceeded available operational capacity. LEM is increasing production volumes in Bulgaria, while production in Malaysia offers an advantage for deliveries to Western markets. The Group also maintained a disciplined pricing approach in response to market conditions.

Automotive

The automotive business developed unevenly: Europe delivered a solid performance, based on ongoing battery management and motor control projects for electric and hybrid vehicles. Development initiatives were launched with German manufacturers for new product generations based on TMR sensor technology. In contrast, China reported lower sales due to the expiration of a battery management contract with a Chinese manufacturer and an overall stagnant market. The rest of Asia performed well, driven by the ramp-up of leakage current detection sensors (CDT) for onboard chargers at Japanese and Korean manufacturers. Business in the Americas region remained relatively stable.

Renewable Energy

Renewable Energy has seen a strong rebound with a 40.5% increase in bookings. Demand for battery energy storage for residential and commercial applications continued to increase, supported by low battery prices and the aim for greater energy self-sufficiency, more than offsetting the decline in China's domestic traditional solar industry. Business has also grown significantly in Europe, primarily due to commercial solar installations – where European manufacturers are prioritized because of stricter regulatory and compliance requirements– as well as energy storage systems for infrastructure.

Energy Distribution & High Precision

Energy Distribution & High Precision benefited from strong demand across all markets for data center-related applications, including power measurement solutions for uninterruptible power supply (UPS) applications, current sensing solutions and smart infrastructure. LEM is also working with several customers on solid state transformer solutions. In the Americas, applications for on-site power generation offer additional potential. The new DC Meter generation (DCES) has been well received by customers due to its product performance and competitive pricing, resulting in the start of volume production. The High Precision segment's performance was muted due to cautious investment behavior by automotive customers. The Medical segment remained resilient.

Track

The Track business recorded a slight decline. In China, performance remained strong, driven by dynamic local business, including several orders for the new high-speed platform, as well as solid export business for Western train manufacturers. Sales in Europe were lower due to the phasing-out of a major retrofit project, although follow-up orders are expected over the course of the year. In addition, various smaller retrofit projects on regional rail lines were contributing to business.

Sales by region

in CHF millions Region	Q1 2026/27	Q1 2025/26	Change	Change at constant exchange rates
China	33.3	29.1	+14.5%	+12.8%
Rest of Asia	15.2	12.2	+24.4%	+32.2%
EMEA	27.7	26.1	+6.0%	+8.2%
Americas	9.0	8.3	+7.8%	+12.3%
Total	**85.1**	**75.7**	**+12.4%**	**+14.3%**

China
China saw solid sales growth, particularly in the Automation, Energy Distribution & High Precision and Track businesses. Data center infrastructure and energy storage solution were the key drivers. Demand was primarily driven by export-oriented customers, while local demand remained low. Track benefited from investments in high-speed platforms, with a significant contribution from local business. Automotive recorded a decline due to the expiration of a major contract. The business in China benefited from a better product mix and active price initiatives. Capacity utilization reached its highest level in two years.

Rest of Asia
Sales in Rest of Asia grew significantly. The important Automation business in Japan performed well thanks to rising investments in the traditional machine tool industry as well as in AI infrastructure and humanoid robotics. The Automotive business in Japan and Corea benefited from the ramp-up of various projects at leading manufacturers. In India, demand for data center applications and energy storage systems for export to the US developed positively. LEM also received a major order for energy storage systems from New Zealand.

EMEA
Europe recorded sales growth in all businesses apart from Track. Automation benefited from stronger demand for drives for data center applications, supported by normalized inventory levels. The main growth driver for Energy Distribution & High Precision was data center solutions, while the recent introduction of the new DC meter generation has started to spark demand. The Renewable Energy business recorded a significantly higher volume due to investments in commercial solar installations and energy storage systems as well as export activity to the US. Automotive remained relatively solid, supported by ongoing projects for electric and hybrid vehicles as well as battery management.

Americas
Sales in Americas increased during the reporting period. Automation and Energy Distribution & High Precision posted growth driven by demand for data center applications. Additional opportunities will open for LEM, as many data centers in the US need on-site power generation, requiring additional measures to stabilize power consumption and the grid. The DC meter business suffered from limited investment in charging infrastructure. The Automotive business remained weak due to lower demand for electric vehicles and a lack of new projects. The increased strategic focus on distributors is yielding results, as all four partners performed well and exceeded their sales targets.

Operating leverage supports margin expansion
LEM successfully implemented strategic pricing initiatives and continued to generate supply productivity gains despite inflationary headwinds for certain commodities. LEM was therefore able to maintain the gross margin at the level achieved for the full year 2025/26, despite the continued price pressure environment.

SG&A expenses decreased by 6.0% despite robust business growth, reducing the SG&A ratio to 17.9% of sales from 21.4% in the prior-year period. Research and development expenses amounted to CHF 6.4 million.

The continued focus on operational excellence translated into a significant improvement in profitability. Supported by the stable gross margin and strong operating leverage, EBIT increased to CHF 12.4 million from CHF 4.2 million, with the EBIT margin expanding to 14.6% from 5.5% in the prior-year period.

Net financial expenses decreased to CHF 1.1 million, reflecting lower average financial debt and smaller negative foreign exchange effects. Income taxes amounted to CHF 2.2 million, reflecting the higher profitability.

Reflecting the strong improvement in profitability, net income increased to CHF 9.1 million, with the net profit margin improving to 10.7% from 2.6% in the prior-year period.

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. LEM reconfirms its mid-term financial ambitions.

Financial calendar

The financial year runs from 1 April to 31 March

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 1,730 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

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Disclaimer

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Appendix

Consolidated income statement

In CHF thousands	April to June 2026/27	2025/26	Change
Sales	85'128	75'731	+12.4%
Cost of goods sold	(51'115)	(46'772)	
Gross profit	**34'013**	**28'960**	**+17.4%**
Gross profit margin (in %)	40.0%	38.2%	
Sales expenses	(6'605)	(7'140)	
Administration expenses	(8'623)	(9'058)	
Research & development expenses	(6'359)	(8'308)	
Restructuring	(30)	(316)	
Other expenses	(70)	0	
Other income	96	31	
Operating profit	**12'422**	**4'169**	**+198.0%**
Operating profit margin (in %)	14.6%	5.5%	
Financial expenses	(1'068)	(1'247)	
Financial income	5	38	
Foreign currency exchange effect	(35)	(589)	
Profit before tax	**11'325**	**2'371**	**+377.7%**
Income taxes	(2'241)	(383)	
Net profit	**9'083**	**1'988**	**+356.9%**
Net profit margin (in %)	10.7%	2.6%	

Key figures on quarterly basis

in CHF millions	2026/27					2025/26					Change	
Orders received	**Q1**	**Q2**	**Q3**	**Q4**	**FY**	**Q1**	**Q2**	**Q3**	**Q4**	**FY**	**Q1 - Q1**	**Q1 - Q4**
Total LEM	**104.6**					**89.1**	**61.0**	**65.4**	**80.4**	**295.9**	**+17.4%**	**+30.1%**
Book-to-bill ratio	**Q1**	**Q2**	**Q3**	**Q4**	**FY**	**Q1**	**Q2**	**Q3**	**Q4**	**FY**	**Q1 - Q1**	**Q1 - Q4**
Total LEM	**1.23**					**1.18**	**0.84**	**0.93**	**1.16**	**1.03**	**+4.4%**	**+5.9%**
Sales	**Q1**	**Q2**	**Q3**	**Q4**	**FY**	**Q1**	**Q2**	**Q3**	**Q4**	**FY**	**Q1 - Q1**	**Q1 - Q4**
Automation	27.4					21.2	22.5	21.9	23.5	89.0	+29.6%	+16.8%
Automotive	19.9					21.7	19.0	20.8	17.2	78.6	-8.4%	+15.6%
Renewable Energy	11.5					10.9	9.4	9.7	9.0	39.0	+5.9%	+28.4%
Energy Distribution & High Precision	15.1					9.7	9.3	8.9	10.9	38.8	+56.4%	+39.2%
Track	11.2					12.3	12.3	8.9	8.8	42.2	-9.2%	+27.6%
Total LEM	**85.1**					**75.7**	**72.5**	**70.1**	**69.3**	**287.7**	**+12.4%**	**+22.9%**
EBIT	**Q1**	**Q2**	**Q3**	**Q4**	**FY**	**Q1**	**Q2**	**Q3**	**Q4**	**FY**	**Q1 - Q1**	**Q1 - Q4**
Total LEM	**12.4**					**4.2**	**7.2**	**7.1**	**5.9**	**24.4**	**+198.0%**	**+112.3%**
Net profit of the period	**Q1**	**Q2**	**Q3**	**Q4**	**FY**	**Q1**	**Q2**	**Q3**	**Q4**	**FY**	**Q1 - Q1**	**Q1 - Q4**
Total LEM	**9.1**					**2.0**	**4.8**	**5.3**	**-2.2**	**9.9**	**+356.9%**	**n.a.**