Life Energy Motion

**Ad hoc announcement pursuant to Art. 53 LR**
10 November 2026

# LEM delivers strong growth in bookings, sales and profitability in the first half of 2026/27

- **Strong order momentum:** Bookings rose by 34.4% to CHF 201.7 million (H1 2025/26: CHF 150.1 million), driven primarily by Automation, Renewable Energy and Energy Distribution & High Precision. The book-to-bill ratio reached 1.16, pointing to a gradual recovery in demand.

- **Double-digit sales growth:** LEM increased sales by 17.7% to CHF 174.6 million (CHF 148.3 million), equivalent to a growth of 17.2% at constant exchange rates. Automation and Energy Distribution & High Precision were the main growth drivers, with sales up 25.8% and 70.2% respectively, at constant exchange rates. Track sales declined by 13.2%.

- **Gross Margin** expanded by 80 basis points to 40.4%, supported by a pricing discipline, operational efficiencies and improved absorption of fixed production costs. These benefits helped offset higher input costs, including spot purchases and wage inflation, as well as continued customer pricing pressure.

- **EBIT** more than doubled to CHF 25.7 million from CHF 11.4 million in the prior-year period, lifting the EBIT margin to 14.7% from 7.7%. SG&A expenses remained broadly stable at CHF 32.2 million (CHF 31.5 million), and declined to 18.4% of sales from 21.3%, demonstrating strong operating leverage. Net profit nearly tripled to CHF 19.2 million, yielding a margin of 11.0% (CHF 6.8 million; 4.6%).

- **Free Cash Flow** more than tripled to CHF 19.9 million, from CHF 5.6 million in the prior-year period, reflecting strong cash conversion and disciplined management of working capital and capital expenditure despite significantly higher business activity. Strong cash generation reduced net financial debt to CHF 44.6 million (31 March 2026: CHF 59.8 million), further strengthening LEM's balance sheet.

- **Outlook:** Supported by strong recent activity, LEM expects full-year 2026/27 sales of CHF 310 million to CHF 330 million, representing high single-digit to double-digit year-on-year growth, and a low to mid-teens EBIT margin, reflecting structural improvements in profitability. Supply chain constraints, material availability and geopolitical developments affecting demand and supply remain key sources of uncertainty.

- **Mid-term financial ambitions confirmed:** Building on the higher activity level in 2026/27, LEM targets annual sales growth of 4% to 7% per year at constant exchange rates over the medium term, supported by strong expected growth in the current-sensing market, and an EBIT margin of 10% to 15%.

**Frank Rehfeld, Chief Executive Officer**, said: "LEM delivered a strong first half of 2026/27, with significant progress in growth and profitability. The increasing importance of data center infrastructure demonstrates how our core current-sensing technologies are finding applications in new and rapidly evolving markets. At the same time, our diversified portfolio allows us to serve a broad range of industries with different demand dynamics. We have also made important progress in strengthening our operational efficiency, manufacturing footprint and financial position. These developments reflect the strategic and operational changes we have implemented across the Group."

**Sales by business**

| in CHF millions<br><br>**Business** | **H1 2026/27** | **H1 2025/26** | **Change** | **Change at constant exchange rates** |
|---|---|---|---|---|
| Automation | 55.2 | 43.7 | +26.1% | +25.8% |
| Automotive | 42.4 | 40.6 | +4.3% | +4.0% |
| Renewable Energy | 23.1 | 20.3 | +13.6% | +12.2% |
| Energy Distribution & High Precision | 32.5 | 19.0 | +70.9% | +70.2% |
| Track | 21.5 | 24.6 | -12.6% | -13.2% |
| **Total** | **174.6** | **148.3** | **+17.7%** | **+17.2%** |

**Automation**
Automation maintained strong growth, driven primarily by demand for drives used in data center cooling and ventilation systems. Industrial automation also contributed, supported by the normalization of customer inventories, although underlying demand outside data center-related applications remained broadly stable. Order intake increased significantly, with demand in certain applications exceeding available production capacity and extending lead times. LEM continued to implement selective price increases and improve product mix to offset higher input costs. Securing production capacity and ensuring reliable delivery remain key priorities in supporting further growth.

**Automotive**
Automotive recorded moderate growth, with performance varying significantly across markets. Demand for electric vehicles remained challenging, while hybrid applications provided greater stability. Growth was supported by ongoing battery management projects and the ramp-up of existing customer platforms, particularly in Asia. Limited new project awards and continued price pressure remained challenges. LEM continued to advance next-generation current-sensing solutions based on TMR technology.

**Renewable Energy**
Renewable Energy returned to sales growth and recorded strong booking momentum, driven primarily by rising demand for battery energy storage systems in residential and commercial applications. Lower battery costs and growing demand for energy independence supported investment, particularly in China, more than offsetting continued weakness in the traditional solar market. In Western markets, commercial solar installations and energy storage applications supported performance, while wind energy remained stable.

**Energy Distribution & High Precision**
Energy Distribution & High Precision delivered substantial growth, driven by strong demand for data center-related applications, particularly uninterruptible power supply (UPS), power measurement and grid-stability solutions. Rising data center power requirements are creating additional opportunities for LEM's current-sensing technologies. The new generation of DC meters progressed well, although the broader EV charging infrastructure market remained subdued. Demand in High Precision remained soft, reflecting cautious customer investment in test and measurement applications, while Medical was broadly stable. Strong order intake in data center-related applications provides greater visibility.

**Track**
Track recorded lower sales. Demand remained solid in China, supported by investment in high-speed rail, new train platforms and export business with international manufacturers. Activity in Europe remained subdued, although demand for new train platforms and retrofit applications continued. The underlying market was stable, supported by ongoing rail infrastructure investment and a healthy pipeline of new projects.

**Sales by region**

| in CHF millions<br><br>**Region** | **H1 2026/27** | **H1 2025/26** | **Change** | **Change at constant exchange rates** |
|---|---|---|---|---|
| China | 67.8 | 55.1 | +23.0% | +17.9% |
| Rest of Asia | 31.3 | 25.4 | +22.8% | +27.3% |
| EMEA | 55.7 | 49.7 | +12.0% | +13.1% |
| Americas | 19.8 | 18.0 | +10.3% | +11.8% |
| **Total** | **174.6** | **148.3** | **+17.7%** | **+17.2%** |

**China**
China delivered strong sales growth, particularly in Automation and Energy Distribution & High Precision, supported by demand from domestic and export-oriented customers serving data center applications. Renewable Energy benefited from the recovery in energy storage, while Track performed well on the back of local investment in high-speed rail. Automotive remained under pressure from intense competition and lower volumes, despite sequential improvement in the second quarter. Broader distributor engagement and selective price increases supported performance, while the region's overall competitive environment remained challenging.

**Rest of Asia**
The region delivered strong sales growth, with positive contributions from Japan, Korea and India. In Japan, demand benefited from investment in machine tools for data center infrastructure and robotics applications. Automotive was supported by the ramp-up of customer projects. India benefited from demand for data center power infrastructure and electric mobility. Strong order intake for UPS and on-site power generation applications provided greater visibility.

**EMEA**
EMEA delivered solid sales growth, led by Automation and Energy Distribution & High Precision and supported by strong demand for data center-related applications. Renewable Energy also contributed positively, driven by commercial solar installations and energy storage systems. Automotive remained stable, supported by robust demand in commercial vehicle applications and ongoing battery-management projects, while Track activity declined due to project timing. LEM signed a new distribution agreement with AVNET Silica to broaden its market reach across EMEA, with initial contributions expected in the next financial year. Selective pricing measures were also implemented to offset higher input costs.

**Americas**
Sales in the Americas increased, supported by strong demand from data center-related applications, particularly in Automation and Energy Distribution & High Precision. Underlying industrial activity remained broadly stable, while order patterns among key Automation customers improved and distributors continued to perform above expectations. Automotive remained challenging due to subdued electric vehicle demand and limited new project awards. Renewable Energy continued to face weak demand for solar applications amid reduced government incentives.

**Strong operating leverage drives substantial improvement in profitability and cash generation**
Gross margin expanded by 80 basis points to 40.4%, supported by pricing discipline, operational efficiencies and improved absorption of fixed production costs. These benefits helped offset higher input costs, including spot purchases and wage inflation, as well as continued customer pricing pressure.

EBIT more than doubled to CHF 25.7 million from CHF 11.4 million in the prior-year period, lifting the EBIT margin to 14.7% from 7.7%. SG&A expenses remained broadly stable at CHF 32.2 million (CHF 31.5 million) and declined to 18.4% of sales from 21.3%, demonstrating strong operating leverage. R&D expenses decreased by 13.5% to CHF 12.6 million (CHF 14.6 million), representing 7.2% of sales (9.9%).

With the restructuring program now largely completed, restructuring costs fell to CHF 0.1 million from CHF 1.5 million, further supporting the improvement in profitability.

Net financial expenses declined to CHF 2.0 million from CHF 2.4 million, reflecting lower average financial debt.

Net profit nearly tripled to CHF 19.2 million, corresponding to a net profit margin of 11.0% (CHF 6.8 million; 4.6%).

Free cash flow more than tripled to CHF 19.9 million from CHF 5.6 million in the prior-year period, reflecting strong cash conversion and disciplined management of working capital and capital expenditure despite significantly higher business activity. Strong cash generation reduced net financial debt by CHF 15.2 million to CHF 44.6 million (31 March 2026: CHF 59.8 million), further strengthening LEM's balance sheet.

**Outlook**
Supported by strong recent activity, LEM expects full-year 2026/27 sales of CHF 310 million to CHF 330 million, representing high single-digit to double-digit year-on-year growth, and a low to mid-teens EBIT margin, reflecting structural improvements in profitability. Supply-chain constraints, material availability and geopolitical developments affecting demand and supply remain key sources of uncertainty.

**Mid-term financial ambitions confirmed**
Building on the higher activity level expected in 2026/27, LEM targets annual sales growth of 4% to 7% at constant exchange rates over the medium term, supported by strong expected growth in the current-sensing market, and an EBIT margin of 10% to 15%.

**Conference call and audio webcast**
Frank Rehfeld, CEO, and Antoine Chulia, CFO, will explain the 2026/27 half-year results and outlook for the current financial year today at 10:30 CET during a conference call and audio webcast for media and investors.

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 at 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*

| | |
|---|---|
| 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 1,779 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 September 2026/27 | 2025/26 | Change |
|---|---|---|---|
| Sales | 174'557 | 148'258 | +17.7% |
| Cost of goods sold | (104'069) | (89'507) | |
| **Gross profit** | **70'488** | **58'751** | **+20.0%** |
| Gross profit margin (in %) | 40.4% | 39.6% | |
| Sales expenses | (13'106) | (14'242) | |
| Administration expenses | (19'045) | (17'278) | |
| Research & development expenses | (12'629) | (14'608) | |
| Restructuring | (67) | (1'452) | |
| Other expenses | (211) | (315) | |
| Other income | 295 | 512 | |
| **Operating profit** | **25'724** | **11'369** | **+126.3%** |
| Operating profit margin (in %) | 14.7% | 7.7% | |
| Financial expenses | (2'049) | (2'415) | |
| Financial income | 16 | 65 | |
| Foreign currency exchange effect | 34 | (725) | |
| **Profit before tax** | **23'726** | **8'293** | **+186.1%** |
| Income taxes | (4'510) | (1'501) | |
| **Net profit** | **19'216** | **6'792** | **+182.9%** |
| Net profit margin (in %) | 11.0% | 4.6% | |

## 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** | **Q2 - Q2** | **6M - 6M** |
| **Total LEM** | **104.6** | **97.1** | | | | **89.1** | **61.0** | **65.4** | **80.4** | **295.9** | **+59.2%** | **+34.4%** |
| **Book-to-bill ratio** | **Q1** | **Q2** | **Q3** | **Q4** | **FY** | **Q1** | **Q2** | **Q3** | **Q4** | **FY** | **Q2 - Q2** | **6M - 6M** |
| **Total LEM** | **1.23** | **1.09** | | | | **1.18** | **0.84** | **0.93** | **1.16** | **1.03** | **+29.1%** | **+14.1%** |
| **Sales** | **Q1** | **Q2** | **Q3** | **Q4** | **FY** | **Q1** | **Q2** | **Q3** | **Q4** | **FY** | **Q2 - Q2** | **6M - 6M** |
| Automation | 27.4 | 27.7 | | | | 21.2 | 22.5 | 21.9 | 23.5 | 89.0 | +23.1% | +26.2% |
| Automotive | 19.9 | 22.5 | | | | 21.7 | 19.0 | 20.8 | 17.2 | 78.6 | +18.6% | +4.2% |
| Renewable Energy | 11.5 | 11.5 | | | | 10.9 | 9.4 | 9.7 | 9.0 | 39.0 | +22.4% | +13.6% |
| Energy Distribution & High Precision | 15.1 | 17.4 | | | | 9.7 | 9.3 | 8.9 | 10.9 | 38.8 | +85.8% | +70.9% |
| Track | 11.2 | 10.3 | | | | 12.3 | 12.3 | 8.9 | 8.8 | 42.2 | -15.9% | -12.6% |
| **Total LEM** | **85.1** | **89.4** | | | | **75.7** | **72.5** | **70.1** | **69.3** | **287.7** | **+23.3%** | **+17.7%** |
| **EBIT** | **Q1** | **Q2** | **Q3** | **Q4** | **FY** | **Q1** | **Q2** | **Q3** | **Q4** | **FY** | **Q2 - Q2** | **6M - 6M** |
| **Total LEM** | **12.4** | **13.3** | | | | **4.2** | **7.2** | **7.1** | **5.9** | **24.4** | **+84.7%** | **+126.3%** |
| **Net profit of the period** | **Q1** | **Q2** | **Q3** | **Q4** | **FY** | **Q1** | **Q2** | **Q3** | **Q4** | **FY** | **Q2 - Q2** | **6M - 6M** |
| **Total LEM** | **9.1** | **10.1** | | | | **2.0** | **4.8** | **5.3** | **-2.2** | **9.9** | **+110.9%** | **+182.9%** |