



Life Energy Motion

**Press release - Ad hoc announcement pursuant to Art. 53 LR**

## **LEM announces results for 9 months 2021/22: momentum continues despite supply chain challenges**

**Geneva, Switzerland, 04 February 2022 – LEM (SIX: LEHN)**, a leading global company in electrical measurement for industry and automotive applications, announces 9 months results for 2021/22 (April-December) compared to 2020/21:

- Sales increased by 26.2% to CHF 275.5 million (CHF 218.2 million); at constant exchange rates, sales improved by 24.3%
- The company benefits from a diverse global distribution of sales, led by China and Europe:
  - China CHF 106.5m (38.7% of total)
  - Europe CHF 84.8m (30.8% of total)
  - North America CHF 24.3m (8.8% of total)
  - Rest of World CHF 59.7m (21.7% of total)
- Bookings nearly doubled to CHF 436.9 million (CHF 222.3 million)
- R&D up by 13.6% to CHF 22.5 million (CHF 19.8 million), but declined to 8.2% of sales (9.1%)
- EBIT rose by 47.1% to CHF 64.2 million (CHF 43.6 million); the EBIT margin increased to 23.3% (20.0%)
- Net profit for the period rose by 49.1% to CHF 53.7 million (CHF 36.0 million)

**Frank Rehfeld, Chief Executive Officer**, said: “Our business continued its strong momentum from the first half of the year and we expect to celebrate the 50<sup>th</sup> anniversary of LEM with all-time record sales. We could have sold even more and were disappointed not to be able to satisfy customer demand, despite our best efforts to overcome the ongoing supply chain challenges. Our global bookings remain at record levels, with customers firmly committing to orders over longer time horizons. China, Europe and Asia continue to lead our growth.

Our Industry segment is benefitting overall from the acceleration of decarbonization and electrification across the world. Investment confidence remains solid in all our businesses, helped by government policies and infrastructure development. The well-reported shortages of semiconductors and other components affected all our businesses, particularly the Automotive segment, although we remain encouraged by the fundamental transition towards Electric Vehicles.”

**Andrea Borla, Chief Financial Officer**, remarked: “Our strong EBIT performance continues to be driven by top-line sales growth and vigilance over costs, while we still are investing significantly in R&D. We are slightly increasing our full year sales outlook to around CHF 360 million, although supply chain issues will impact our business for several quarters to come.”



### Industry segment: strong growth despite capacity constraints

9 months sales in the Industry segment totaled CHF 212.9 million, up 28.8%. At constant exchange rates, sales improved by 27.0%. All our businesses and regions continue to benefit from the return of investment confidence and customer demand, although our sales were held back by supplier and partly by capacity constraints. The fundamentals remain strong, as decarbonization and electrification accelerates across the world. The Drives business is at its mid-cycle, and benefited from demand for small and medium power applications, including tooling machines and HVAC (Heating, Ventilation, and Air Conditioning) as well as end-consumer products, such as heat pumps. Renewable Energy continues to grow due to government policies supporting wind and solar energy. The infrastructure investment for e-mobility is driving the successful rollout of our new DC meter and this market is only at an early stage of expansion. Demand in the test and measurement sector for batteries and EVs and demand for medical equipment increased sales of our High Precision sensors. Our Traction business, with its long investment horizons, has returned to growth with demand coming from the Europe and India.

Europe (+37.3%), China (+20.2%) and Rest of World (+33.8%) benefited from the demand across Drives, Renewables, and High Precision. Europe continues to be our largest market. North America (+21.7%) benefited from the demand for Drives, but less so for Renewables. Global orders nearly doubled for the 9 months, as customers firmly committed to orders over longer time horizons.

in CHF millions	2021/22	2020/21	Change	Comments
<b>Businesses</b>				
Drives	96.5	69.7	+38.4%	<ul style="list-style-type: none"> <li>• Small &amp; medium power applications</li> <li>• Manufacturing capacity investment in semiconductors</li> </ul>
Renewable Energy	77.6	61.4	+26.5%	<ul style="list-style-type: none"> <li>• China solar driven by infrastructure</li> <li>• Europe boosted by DC meter</li> </ul>
Traction	31.6	28.8	+9.7%	<ul style="list-style-type: none"> <li>• Europe and India driving demand</li> </ul>
High precision	7.2	5.5	+31.8%	<ul style="list-style-type: none"> <li>• Demand for test and measurement products still picking up</li> <li>• Medical recovered to pre-pandemic level</li> </ul>
<b>Total Industry</b>	<b>212.9</b>	<b>165.4</b>	<b>+28.8%</b>	

### Automotive segment: EV momentum continues to be impacted by supply chain issues

9 months sales in the Automotive segment totaled CHF 62.5 million, an increase of 18.4%. At constant exchange rates, sales improved by 15.9% compared to 9 months last year. Q3 performance reflects the higher baseline of last year when global production had recovered from previous shutdowns. Our output is constrained for the moment by the continued supply chain issues for semiconductors and other components. These are affecting the entire sector, and some manufacturers are obliged to revise production plans downwards. Q3 bookings are back to more realistic levels, although for the full 9 months bookings more than doubled compared with 9 months 2020/21. This reflects the strong fundamental demand for EV solutions and our customers' commitments to orders over longer time horizons, but the industry's ongoing challenges may take several more quarters to be resolved.

Our largest market China grew by 40.3%, driven by consumer appetite for EVs and the launch of several new vehicles. The pace of electrifications continues to grow in Europe (+11.3%), although sales in Q3 suffered due to the sector's component shortages. North America showed negative growth (-5.5%) compared with 9 months last year, as the transition to EVs is not quick enough to compensate for the decline in demand for traditional combustion engine battery sensors. Rest of





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World increased slightly by 0.5% reflecting a higher sales base, as these markets had been less impacted by the pandemic in 9 months 2020/21.

in CHF millions	2021/22	2020/21	Change	Comments
<b>Businesses</b>				
Battery Management	34.5	31.5	+9.5%	• Significant drop in US 12V demand
Motor Control	25.5	18.8	+35.8%	• Strong demand spurred by EV cars
Charging Systems	2.5	2.5	-1.5%	• Product allocation impacted by semiconductor shortages.
<b>Total Automotive</b>	<b>62.5</b>	<b>52.8</b>	<b>+18.4%</b>	

### Improved profitability

Gross profit for 9 months rose by 29.3% to CHF 130.1 million (CHF 100.6 million), principally due to higher sales volumes compared to 9 months last year. The gross margin improved by 110 basis points to 47.2%, reflecting improved economies of scale.

We remain vigilant with overheads, so while SG&A costs were up by 13.6% to CHF 43.6 million (CHF 38.3 million) to support the extra market demand compared with last year, they declined to 15.8% of sales (17.6%).

We continue with our long-term investment in future applications with R&D up in absolute terms by 13.6% to CHF 22.5 million (CHF 19.8 million), although this decreased to 8.2% of sales (9.1%).

EBIT rose notably for the period by 47.1% to CHF 64.2 million (CHF 43.6 million), mainly due to the increase in revenue. Consequently, our EBIT margin rose by 330 basis points to 23.3% (20.0%).

We posted a net profit for the 9 months of CHF 53.7 million, up 49.1% from CHF 36.0 million last year, reflecting the improved EBIT. The net profit margin was 19.5% compared with 16.5% in the same period last year.

### Outlook

We continue to benefit from the fundamental drivers of electrification, renewable energy and mobility. However, we still face headwinds from the impact of the pandemic on different markets, including shortages for components such as semiconductors. For the full financial year 2021/22, the company is slightly increasing its sales outlook to around CHF 360 million (CHF 301.0 million for 2020/21), and also raising its forecast EBIT margin to around 22% (20.2% for 2020/21).





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### Conference call and webcast

Frank Rehfeld, CEO, and Andrea Borla, CFO, will provide a presentation of the 9 months 2021/22 results today at 10:00 CET at a media and investor community webcast and conference call.

Listen to live webcast

<https://78449.choruscall.com/dataconf/productusers/lem/mediaframe/47711/indexl.html>

The press release, webcast slides, and the link to the webcast are available in the Investor Relations section of the LEM website ([www.lem.com/en/investors](http://www.lem.com/en/investors)), where the recorded webcast will later also be archived.

### Dial-In Numbers

Switzerland & Europe: +41 (0)58 310 50 00

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USA: +1 (1) 631 570 56 13

Other countries: [https://media.choruscall.ch/documents/Attended\\_DI\\_numbers.pdf](https://media.choruscall.ch/documents/Attended_DI_numbers.pdf)

### Financial calendar

*The financial year runs from 1 April to 31 March*

24 May 2022 Full-year results 2021/22

30 June 2022 Annual General Meeting of Shareholders for the financial year 2021/22

5 July 2022 Dividend ex-date

7 July 2022 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 1,500 people in over 15 countries transform technology potential into powerful answers. We develop and recruit the best global talent, working at the forefront of mega trends such as renewable energy, mobility, automation and digitization.

With innovative electrical solutions, we are helping our customers and society accelerate the transition to a sustainable future.

Listed on the SIX Swiss Exchange since 1986, the company's ticker symbol is LEHN.

[www.lem.com](http://www.lem.com)

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## Appendix

### Consolidated income statement

In CHF thousands	April to December		
	2021/22	2020/21	Change
Sales	275'462	218'192	+26,2%
Cost of goods sold	(145'358)	(117'607)	
<b>Gross margin</b>	<b>130'104</b>	<b>100'585</b>	<b>+29,3%</b>
Gross margin (in %)	47,2%	46,1%	
Sales expense	(21'592)	(19'085)	
Administration expense	(21'969)	(19'248)	
Research & development expense	(22'508)	(19'817)	
Other income	120	1'188	
<b>EBIT</b>	<b>64'155</b>	<b>43'623</b>	<b>+47,1%</b>
EBIT margin (in %)	23,3%	20,0%	
Financial expense	(367)	(391)	
Financial income	220	124	
Foreign exchange effect	(2'098)	112	
<b>Profit before taxes</b>	<b>61'910</b>	<b>43'468</b>	<b>+42,4%</b>
Income taxes	(8'186)	(7'432)	
<b>Net profit of the period</b>	<b>53'724</b>	<b>36'036</b>	<b>+49,1%</b>
Net profit margin (in %)	19,5%	16,5%	





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### Key Figures

In CHF millions		2021/22					2020/21					Change	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q3 - Q3	9M - 9M	
<b>Orders received</b>													
Industry	110,8	101,3	102,8			47,5	55,7	63,9	100,8	267,8	+60,9%	+88,5%	
Automotive	35,7	52,4	33,9			12,0	20,2	23,1	38,9	94,2	+46,7%	+120,6%	
<b>Total LEM</b>	<b>146,4</b>	<b>153,7</b>	<b>136,7</b>			<b>59,5</b>	<b>75,9</b>	<b>87,0</b>	<b>139,7</b>	<b>362,0</b>	<b>+57,1%</b>	<b>+96,5%</b>	
<b>Book-to-bill ratio</b>													
Industry	1,51	1,44	1,48			0,79	1,06	1,21	1,68	1,19	+22,4%	+46,4%	
Automotive	1,78	2,62	1,51			0,83	1,19	1,08	1,70	1,24	+39,5%	+86,4%	
<b>Total LEM</b>	<b>1,57</b>	<b>1,70</b>	<b>1,49</b>			<b>0,80</b>	<b>1,09</b>	<b>1,17</b>	<b>1,69</b>	<b>1,20</b>	<b>+26,8%</b>	<b>+55,6%</b>	
<b>Sales</b>													
Industry	73,2	70,4	69,4			59,8	52,8	52,8	59,9	225,2	+31,4%	+28,8%	
Automotive	20,1	20,0	22,4			14,5	17,0	21,3	22,9	75,7	+5,1%	+18,4%	
<b>Total LEM</b>	<b>93,3</b>	<b>90,4</b>	<b>91,8</b>			<b>74,3</b>	<b>69,8</b>	<b>74,1</b>	<b>82,8</b>	<b>301,0</b>	<b>+23,9%</b>	<b>+26,2%</b>	
<b>EBIT</b>													
Industry	19,2	18,5	17,6			12,3	12,1	11,4	13,6	49,4	+54,9%	+54,5%	
Automotive	2,0	2,4	4,5			1,0	2,9	3,9	3,6	11,5	+13,5%	+13,3%	
<b>Total LEM</b>	<b>21,2</b>	<b>20,9</b>	<b>22,0</b>			<b>13,3</b>	<b>15,0</b>	<b>15,3</b>	<b>17,3</b>	<b>60,9</b>	<b>+44,3%</b>	<b>+47,1%</b>	
<b>Net profit of the period</b>													
<b>Total LEM</b>	<b>17,3</b>	<b>17,9</b>	<b>18,5</b>			<b>11,1</b>	<b>12,3</b>	<b>12,6</b>	<b>19,6</b>	<b>55,6</b>	<b>+46,7%</b>	<b>+49,1%</b>	

