



Life Energy Motion

## Ad hoc announcement pursuant to Art. 53 LR – Press release

# LEM announces record financial results for full year 2022/23

**Geneva, Switzerland, 25 May 2023 – LEM (SIX: LEHN)**, a leading global company in electrical measurement for renewable energy, automation, power network and e-mobility applications, announces full year results for 2022/23 (April-March) compared to 2021/22:

- Bookings decreased by 19.3% to CHF 465.2 million (CHF 576.4 million)
- Sales increased by 8.8% to CHF 406.4 million (CHF 373.4 million); at constant exchange rates, sales increased by 12.6%
- The company benefits from a diverse global distribution of sales, led by China and EMEA:
  - China CHF 157.9 m (38.9% of total)
  - EMEA CHF 127.7 m (31.4% of total)
  - Rest-of-Asia CHF 71.0 m (17.5% of total)
  - Americas CHF 49.8 m (12.3% of total)
- R&D investments of CHF 32.2 million (CHF 29.4 million), or 7.9% of sales
- EBIT increased by 4.3% to CHF 92.2 million (CHF 88.4 million); the EBIT margin decreased to 22.7% (23.7%)
- Net profit for the period increased to CHF 75.3 million (CHF 72.4 million)
- Operating cash flow increased to CHF 87.0 million (CHF 50.4 million)
- Proposed dividend increased to CHF 52 per share (CHF 50 for 2021/22)

**Frank Rehfeld, Chief Executive Officer**, said: “We are delighted to again report record annual results. Our revenues demonstrated the fundamental demand for our products and the strengths of the company operationally.

We thank our teams around the world for their flexibility and determination to find innovative solutions. Their ingenuity led to 9 product launches and 21 patents granted. Another milestone was our move to our new headquarters in Meyrin, Geneva, in April 2022. At headquarters, LEM's innovative spirit is visible, and collaboration between teams is facilitated.

Our record performance once again is evidence of our positive outlook for the long-term growth of our company. The mega trends of electrification and decarbonization that drive our business are accelerating, offering many opportunities to capture growth. However, in the short term we remain vigilant, as growth may be affected in some businesses and regions by market adjustments and component shortages. Nevertheless, we see our orderbook normalizing towards the 3-4 month visibility that we had before the supply chain challenges started.”

**Andrea Borla, Chief Financial Officer**, remarked: “Top-line growth of 8.8% and an EBIT margin of 22.7% are indeed pleasing. Without the foreign exchange impact, sales would have increased by 12.6%. We achieved this despite lockdowns in China, supply chain difficulties, and geopolitical challenges. We congratulate our employees for this year's record performance, and are proud to invest in their development, new skillsets, and technological expertise.”





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## Performance by businesses

in CHF millions		2022/23	2021/22	Change
<b>Businesses</b>	<b>Scope</b>			
Automation	drives, robots, tooling machines, elevators, HVAC	136.3	130.3	+4.6%
Automotive	battery (EV & CE), motor control, onboard charging	100.7	85.8	+17.4%
Renewable Energy	solar, wind	67.0	66.0	+1.6%
Energy Distribution & High Precision	charging stations, smart grid, energy storage, high precision	59.4	48.6	+22.3%
Track	trains, metro, trackside	43.0	42.8	+0.4%
<b>Total</b>		<b>406.4</b>	<b>373.4</b>	<b>+8.8%</b>

### Automation

We have seen strong demand for our products in manufacturing equipment such as tooling machines, robotics, and conveyor belts. Extreme weather conditions caused by global climate change are driving demand for sensors in applications such as coolers and heat pumps.

### Automotive

Our Automotive business, which is driven by sensors for battery management and motor control, showed impressive results for both Q4 and full year, despite lockdowns and supply constraints. Leading OEMs strengthened their market positions, while Chinese newcomers struggle to maintain momentum. The global fundamental demand for EVs remains strong, and we deliver to most players in the market.

### Renewable Energy

Sales increased only slightly due to component shortages. We had good demand for our products, with China as the major market for our solar products. The prospects for Renewable Energy remain promising. The global trend of decarbonization continues to drive growth, and supply chain constraints are expected to ease.

### Energy Distribution & High Precision

We gained many new customers signing orders for products in EV charging stations and energy grid applications. Global investments in e-mobility infrastructure drive the strong performance of our DC meter product, with Europe and the US contributing to major growth. Our high precision solutions for test benches and MRI scanners continue to develop well.

### Track

Our traction business, with its project-based long investment horizons, remains stable. We saw extra demand coming from the EU, which is renewing energy meters in various countries.



## Performance by regions

in CHF millions		2022/23	2021/22	Change
Regions	Scope			
China		157.9	143.8	+9.8%
Rest-of-Asia	Japan, South Korea, India, Southeast Asia	71.0	67.4	+5.3%
EMEA	Europe, Middle East & Africa	127.7	124.7	+2.4%
Americas	NAFTA & Latin America	49.8	37.5	+32.9%
<b>Total</b>		<b>406.4</b>	<b>373.4</b>	<b>+8.8%</b>

### China

We grew despite Covid challenges and component shortages. At constant exchange rates, growth was 12.7%. Markets for electric vehicles and solar combined with energy storage continued to grow; however, the EV market started to slow down at the end of Q4. The Automation business was relatively flat.

### Rest-of-Asia

Our business in Japan benefited from strong demand for EV sensors and an improved supply chain. South Korea showed robust performance with strong demand for EV and hybrid cars, and record sales in March. In India the supply chain for the traction business is improving, and the comparatively smaller Automotive business continues to grow.

### EMEA

The fundamental megatrends driving our businesses continue to gain momentum in Europe. Our DC meter showed strong sales in Germany and the rest of Western Europe. In Track, the German railway market is booming, which led to high demand for our locomotive products. Our EMEA sales performance was held back by our decision to stop our activities in Russia, by the strong Swiss Franc, and component shortages.

### Americas

The US showed very strong performance in the Automotive and Automation business. The government's commitment to sustainable energies continues to benefit our growth drivers. Our DC meter, recently certified for the US and Canada, performed very well. In Automation, we experienced a high demand for sensors for automated processing lines for the food and beverage industry.

### Profitability remains robust

Gross profit was up by 8.4% at CHF 192.2 million (CHF 177.3 million), while the gross profit margin decreased slightly to 47.3%, sales price increases being offset by purchase price increases.

SG&A costs were up by 14.1% to CHF 68.1 million (CHF 59.7 million) and accounted for 16.8% of sales (16.0%). This increase reflects our digitalization projects (investment in software and hardware), external consulting support for several key initiatives, and recruitment of additional talent. We continue with our long-term investment in future applications, with R&D up in absolute terms by 9.5% to CHF 32.2 million (CHF 29.4 million), or flat at 7.9% of sales.

EBIT increased by 4.3% to CHF 92.2 million from CHF 88.4 million, primarily due to improved sales. Our reported EBIT margin was down, at 22.7% compared with 23.7% last year.

The negative impact of foreign exchange translations was CHF 1.9 million, compared to CHF 2.7 million last year, mainly due to depreciation of the EUR. The Group tax expenses of CHF 13.6 million represent a tax rate of 15.3%.





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Net profit increased to CHF 75.3 million, while the net profit margin decreased to 18.5% compared with 19.4% last year.

### **Strong cash flow and balance sheet**

Cash flow from operating activities was CHF 87.0 million (CHF 50.4 million), and free cash flow was CHF 60.5 million (CHF 29.4 million). This reflects the healthy financial situation. Our balance sheet remains strong with limited net debt of CHF 21.8 million. As of 31 March 2023, total assets increased to CHF 327.5 million. Shareholders' equity reached CHF 173.6 million, representing an equity ratio of 53.0% (53.5% as of 31 March 2022).

### **Outlook**

Our businesses have proven successful and will benefit as the mega trends of decarbonization and electrification continue to be fundamental growth drivers. For the mid and long term, we are confident about our company's growth. Demand remains high for our products, as they play an important role in the acceleration of the shift towards sustainability. We see many opportunities to capture future growth.

In the short term, however, growth may be affected in some businesses and regions by market adjustments and component shortages. There may be slowdowns resulting from geopolitical tensions as well. Therefore, we will remain vigilant for the next 12 months.

### **Media, investor, and analyst conference and webcast**

Andreas Hürlimann, Chairman of the Board of Directors, Frank Rehfeld, CEO, and Andrea Borla, CFO, will present the results for the financial year 2022/23 and the outlook for the financial year 2023/24 **today at 10:30 CET** at a conference for investors, analysts, and media at the Widder Hotel in Zurich.

Listen to the conference call and live webcast

<https://media.choruscall.eu/mediaframe/webcast.html?webcastid=n4sNF3QS>

The press release, Annual Review, Financial Report, investor presentation, and the link to the webcast will be available from today, 25 May 2023, on the Investor Relations section of the LEM website (<http://www.lem.com/en/investors>), where the webcast will later also be archived.

### **Dial-In Numbers**

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Other countries: [https://services3.choruscall.ch/NUMBERS/Attended\\_Dial\\_In\\_Numbers.pdf](https://services3.choruscall.ch/NUMBERS/Attended_Dial_In_Numbers.pdf)





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### Annual General Meeting

The Annual General Meeting of Shareholders on 29 June will take place in Geneva, allowing shareholders to attend in person. The formal invitation with proposed resolutions is published today on the company's website.

### Financial calendar

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

29 June 2023	Annual General Meeting for the financial year 2022/23
4 July 2023	Dividend ex-date
6 July 2023	Dividend payment date
27 July 2023	First quarter results 2023/24
10 November 2023	Half year results 2023/24
2 February 2024	9 months results 2023/24
28 May 2024	Full year results 2023/24
27 June 2024	Annual General Meeting for the financial year 2023/24
2 July 2024	Dividend ex-date
4 July 2024	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 1,700 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](http://www.lem.com)

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## Appendix

### Consolidated income statement

In CHF thousands	April to March		
	2022/23	2021/22	Change
Sales	406 350	373 395	+8,8%
Cost of goods sold	(214 156)	(196 116)	
<b>Gross profit</b>	<b>192 194</b>	<b>177 279</b>	<b>+8,4%</b>
Gross profit margin (in %)	47,3%	47,5%	
Sales expense	(29 124)	(28 909)	
Administration expense	(38 950)	(30 778)	
Research & development expense	(32 174)	(29 392)	
Other income	234	158	
<b>EBIT</b>	<b>92 180</b>	<b>88 358</b>	<b>+4,3%</b>
EBIT margin (in %)	22,7%	23,7%	
Financial expense	(1 719)	(650)	
Financial income	392	269	
Foreign exchange effect	(1 928)	(2 700)	
<b>Profit before taxes</b>	<b>88 925</b>	<b>85 277</b>	<b>+4,3%</b>
Income taxes	(13 585)	(12 910)	
<b>Net profit</b>	<b>75 340</b>	<b>72 367</b>	<b>+4,1%</b>
Net profit margin (in %)	18,5%	19,4%	





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## Key Figures

in CHF millions

	2022/23					2021/22					Change	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q4 - Q4	FY - FY
<b>Orders received</b>												
<b>Total LEM</b>	158,1	112,0	92,1	103,0	465,2	146,4	153,7	136,7	139,5	576,4	-26,2%	-19,3%
<b>Book-to-bill ratio</b>												
<b>Total LEM</b>	1,74	1,04	0,89	0,98	1,14	1,57	1,70	1,49	1,42	1,54	-31,0%	-25,8%
<b>Sales</b>												
Automation	30,5	36,9	34,4	34,5	136,3	33,3	32,1	31,2	33,7	130,3	+2,3%	+4,6%
Automotive	21,8	28,4	25,2	25,4	100,7	20,1	20,0	22,5	23,3	85,8	+9,1%	+17,4%
Renewable Energy	15,4	18,0	16,8	16,7	67,0	17,0	16,7	15,7	16,5	66,0	+1,4%	+1,6%
Energy Distribution & High Precision	13,8	14,1	14,9	16,6	59,4	12,4	10,7	12,2	13,2	48,6	+25,2%	+22,3%
Track	9,3	10,0	12,2	11,6	43,0	10,5	10,9	10,2	11,3	42,8	+3,1%	+0,4%
<b>Total LEM</b>	90,7	107,3	103,5	104,7	406,4	93,3	90,4	91,8	97,9	373,4	+7,0%	+8,8%
<b>EBIT</b>												
<b>Total LEM</b>	19,5	26,3	22,6	23,8	92,2	21,2	20,9	22,0	24,2	88,4	-1,5%	+4,3%
<b>Net profit</b>												
<b>Total LEM</b>	14,7	20,5	20,1	20,1	75,3	17,3	17,9	18,5	18,6	72,4	+7,6%	+4,1%

