



Life Energy Motion

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

LEM announces strong sales but lower orders in Q1 2023/24

Geneva, Switzerland, 27 July 2023 – LEM (SIX: LEHN), a leading global company in electrical measurement for renewable energy, automation, power network and e-mobility applications, announces Q1 results for 2023/24 (April-June) compared to 2022/23:

- Bookings decreased by 48.8% to CHF 81.0 million (CHF 158.1 million)
- Sales increased by 23.8% to CHF 112.3 million (CHF 90.7 million); at constant exchange rates, sales increased by 34.6%
- The company benefits from a diverse global distribution of sales, led by China and EMEA:
 - China CHF 39.8 m (35.5% of total)
 - EMEA CHF 39.4 m (35.1% of total)
 - Rest-of-Asia CHF 20.5 m (18.2% of total)
 - Americas CHF 12.6 m (11.2% of total)
- R&D investments of CHF 8.3 million (CHF 8.5 million), or 7.4% of sales
- EBIT increased by 34.3% to CHF 26.2 million (CHF 19.5 million); the EBIT margin increased to 23.3% (21.5%)
- Net profit for the period increased to CHF 20.5 million (CHF 14.7 million)

Frank Rehfeld, Chief Executive Officer, said: “The first quarter of our new business year 23/24 was the strongest in LEM history. We are very pleased about the top-line growth of 23.8% and increased EBIT margin of 23.3%. At constant currencies, our sales even increased by 34.6%. With supply chains improving, we delivered many long-standing orders. Long-term demand for electrification continues to increase, and the fundamentals of our business remain excellent. Therefore, we are continuing to invest and ramping up production capacity to meet future demand, and our new factory in Malaysia will start production in early 2024.”

Andrea Borla, Chief Financial Officer, remarked: “EBIT increased by 34.3% to CHF 26.2 million, which confirms the successful first quarter. Our lower bookings are a result of normalization of ordering patterns back to pre-pandemic levels, and they also reflect slowing markets, especially in China. We remain vigilant about possible market volatility in the coming quarters, while we continue to benefit from risk spread across businesses and regions.”



Performance by businesses

in CHF millions		Q1 2023/24	Q1 2022/23	Change
Businesses	Scope			
Automation	drives, robots, tooling machines, elevators, HVAC	34.3	30.5	+12.5%
Automotive	battery (EV & CE), motor control, onboard charging	27.4	21.8	+25.7%
Renewable Energy	solar, wind	21.0	15.4	+36.2%
Energy Distribution & High Precision	charging stations, smart grid, energy storage, high precision	15.6	13.8	+12.6%
Track	trains, metro, trackside	14.2	9.3	+52.8%
Total		112.3	90.7	+23.8%

Automation

Our products for motor drives in manufacturing equipment, tooling machines, robotics, and conveyor belts, experienced good sales growth.

Automotive

Sales in our most important market, China, reduced slightly due to supply chain constraints preceding Q1. This was balanced out by strong sales in Korea and EMEA. We are increasing our production capacity at our Bulgaria site, which was accredited for Automotive production by IATF.

Renewable Energy

We had very good demand, with China as the major market for our solar products. There was also considerable demand coming from Europe. The prospects for Renewable Energy remain promising, as the global trend of decarbonization continues to drive long-term growth.

Energy Distribution & High Precision

We increased sales of our DC meter for EV charging stations, with Europe and the US contributing to major growth. Demand for our energy grid solutions remained strong, while our High Precision solutions for test benches and MRI scanners continued to develop well.

Track

Our traction business, with its project-based long investment horizons, grew due to extra demand coming from the EU, which is renewing energy meters for locomotives in various countries.



Performance by regions

in CHF millions		Q1 2023/24	Q1 2022/23	Change
Regions	Scope			
China		39.8	37.6	+5.9%
Rest-of-Asia	Japan, South Korea, India, Southeast Asia	20.5	15.1	+35.8%
EMEA	Europe, Middle East & Africa	39.4	28.0	+41.0%
Americas	NAFTA & Latin America	12.6	10.1	+25.3%
Total		112.3	90.7	+23.8%

China

Sales increased despite a competitive market with many new players and sluggish economic growth. Demand for electric vehicles and solar combined with energy storage slowed considerably. The Automation business was relatively flat.

Rest-of-Asia

In South Korea, we sold more sensors for EV and hybrid cars, while business in Japan stood out with strong sales in Automation and High Precision. In India, we were finally able to deliver many orders for our Track clients, and the comparatively smaller Automotive business continued to grow.

EMEA

Traction performed very well, supported by investments across the value chain. Our metering solutions were in high demand, backed by investments in the ramp-up of charging infrastructure. Automotive and Automation performance was solid.

Americas

Automation continues to show high demand for sensors for processing lines. In Automotive, we gained from new designs in motor control for EV platforms, while battery management solutions retained a strong position.

Improved profitability

Gross profit was up by 19.6% at CHF 51.8 million (CHF 43.3 million), while the gross profit margin decreased slightly to 46.1%.

SG&A costs were up by 12.8% to CHF 17.3 million (CHF 15.3 million) and accounted for 15.4% of sales (16.9%). This increase reflects our digitalization projects and recruitment of additional talent. R&D was down in absolute terms by 2.1% to CHF 8.3 million (CHF 8.5 million), or down at 7.4% of sales (9.4%).

EBIT improved by 34.3% to CHF 26.2 million from CHF 19.5 million, primarily due to the increase in revenue. Our EBIT margin was up, at 23.3% compared with 21.5% last year.

The negative impact of foreign exchange translations was CHF 1.2 million, compared to CHF 1.0 million last year, primarily due to CHF appreciation. Group tax expenses of CHF 3.9 million represent a tax rate of 16.1%.

Net profit increased to CHF 20.5 million, while the net profit margin grew to 18.3% compared with 16.2% last year.





Life Energy Motion

Financial calendar

The financial year runs from 1 April to 31 March

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

Contact: Investment community

Andrea Borla, Chief Finance Officer

Phone: +41 22 706 1250

Email: investor@lem.com

Contact: Media

Cabinet Privé de Conseils s.a. (CPC)

Michael Füglistner: fuglistner@cpc-pr.com, mobile: +41 78 839 07 62

Etienne Vioget: vioget@cpc-pr.com, mobile: +41 79 560 54 83



Appendix

Consolidated income statement

In CHF thousands	April to June		
	2023/24	2022/23	Change
Sales	112'344	90'723	+23.8%
Cost of goods sold	(60'593)	(47'451)	
Gross profit	51'752	43'271	+19.6%
Gross profit margin (in %)	46.1%	47.7%	
Sales expense	(7'012)	(6'673)	
Administration expense	(10'257)	(8'629)	
Research & development expense	(8'327)	(8'510)	
Other income	8	25	
EBIT	26'164	19'484	+34.3%
EBIT margin (in %)	23.3%	21.5%	
Financial expense	(579)	(325)	
Financial income	104	63	
Foreign exchange effect	(1'209)	(1'024)	
Profit before taxes	24'481	18'198	+34.5%
Income taxes	(3'936)	(3'517)	
Net profit	20'544	14'681	+39.9%
Net profit margin (in %)	18.3%	16.2%	





Life Energy Motion

Key Figures

in CHF millions

	2023/24					2022/23					Change	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1 - Q1	Q1 - Q4
Orders received												
Total LEM	81.0					158.1	112.0	92.1	103.0	465.2	-48.8%	-21.3%
Book-to-bill ratio												
Total LEM	0.72					1.74	1.04	0.89	0.98	1.14	-58.6%	-26.6%
Sales												
Automation	34.3					30.5	36.9	34.4	34.5	136.3	+12.5%	-0.6%
Automotive	27.4					21.8	28.4	25.2	25.4	100.7	+25.7%	+7.9%
Renewable Energy	21.0					15.4	18.0	16.8	16.7	67.0	+36.2%	+25.6%
Energy Distribution & High Precision	15.6					13.8	14.1	14.9	16.6	59.4	+12.6%	-6.0%
Track	14.2					9.3	10.0	12.2	11.6	43.0	+52.8%	+21.8%
Total LEM	112.3					90.7	107.3	103.5	104.7	406.4	+23.8%	+7.3%
EBIT												
Total LEM	26.2					19.5	26.3	22.6	23.8	92.2	+34.3%	+9.8%
Net profit of the period												
Total LEM	20.5					14.7	20.5	20.1	20.1	75.3	+39.9%	+2.4%

