



Life Energy Motion

Ad hoc announcement pursuant to Art. 53 LR

LEM with strong performance in the first half of 2023/24

Geneva, 10 November 2023 – LEM (SIX: LEHN), a global leader in electrical measurement for automation, e-mobility, renewable energy, power network and railroad applications, announces its results for the first half of 2023/24 (April-September):

- Sales climbed 12.8% to CHF 223.3 million (H1 2022/23: CHF 198.1 million); at constant exchange rates, the increase was 22.0%.
- LEM achieved the strongest growth in the EMEA region with 47.1%; Rest of Asia reached 30.2% and Americas 5.6%. China was down 16.9% year-on-year due to the economic slowdown, at constant exchange rates, the decline was only 4.7%.
- Starting from the previous year's peak, bookings further normalized to CHF 141.5 million (CHF 270.1 million); the book-to-bill ratio is 0.63.
- EBIT increased by 12.9% to CHF 51.7 million (CHF 45.8 million); the EBIT margin was maintained at a high 23.1%. Net profit climbed to CHF 43.4 million, resulting in a net profit margin of 19.4% (CHF 35.2 million; 17.8%).
- Operating cash flow amounted to CHF 37.3 million (CHF 36.8 million).
- Following the strong first half of the year, LEM takes a more cautious view on the second half; for the full financial year 2023/24 sales in the range of CHF 420 to 440 million and an EBIT margin above 20% are expected.

Frank Rehfeld, Chief Executive Officer, said: "The first half of 2023/24 was the best in LEM's history. We were able to successfully develop our businesses and benefit from fundamental, environmentally friendly developments in electrification, renewable energies and e-mobility. These megatrends will remain dominant in the future. LEM continues to drive innovation to expand its technological leadership. In addition to our usual high level of investment in R&D, we recently entered a collaboration with TDK Corporation. TDK will supply next-generation chips for our integrated current sensors, whose performance parameters will benefit our customers in the automotive and industrial markets in the long term."

Andrea Borla, Chief Financial Officer, commented, "Sales growth of 12.8% to a new record and an EBIT margin of 23.1% are encouraging. Considering the strong negative currency impact, without which sales would have increased by as much as 22.0%. The lower order intake reflects the normalization of ordering patterns to pre-pandemic levels and the slowdown in some key markets. However, the fundamental growth drivers remain intact. To meet the growing demand over the coming years, we are expanding our production capacities. The new plant in Malaysia will start production ahead of schedule, before the end of 2023."



Sales by business

| in CHF millions | | 2023/24 H1 | 2022/23 H1 | Change |
|--------------------------------------|---|---------------|---------------|---------------|
| Business | Scope | | | |
| Automation | drives, robots, tooling machines, elevators, HVAC | 66.9 | 67.4 | -0.8% |
| Automotive | battery (EV & CE), motor control, onboard charging | 53.4 | 50.1 | +6.5% |
| Renewable Energy | solar, wind | 40.8 | 33.4 | +22.2% |
| Energy Distribution & High Precision | charging stations, smart grid, energy storage, high precision | 32.6 | 27.9 | +16.7% |
| Track | trains, metro, trackside | 29.7 | 19.2 | +54.6% |
| Total | | 223.3 | 198.1 | +12.8% |

Automation

The automation business showed solid development. However, growth was offset by negative exchange rate effects. One driver of the business is the trend towards sustainable and customer-oriented solutions in manufacturing, particularly in EMEA, where LEM is excellently positioned with its products. In China, sales weakened slightly due to declining exports.

Automotive

Automotive growth was driven by strong sales in EMEA and South Korea. In both regions, LEM saw strong demand for products for battery management systems, engine control and onboard chargers. In China, the most important market, sales were below the prior-year period. LEM is working at a high pace to make up for the lag caused by supply shortages during the Covid pandemic through innovation and pricing initiatives.

Renewable Energy

In Renewable Energy, LEM saw strong demand from EMEA, Americas, Japan and India. This compensated for declining business in China, where exports of solar energy generation equipment have declined, and destocking is currently taking place at Chinese manufacturers and their distributors. However, the fundamental growth trend for renewable energies is continuing in the Chinese market.

Energy Distribution & High Precision

Energy Distribution & High Precision reported robust growth. Strong momentum was provided by the DC Meter for charging stations for electric vehicles. After major customers in EMEA had already placed substantial orders, smaller manufacturers of charging infrastructure also followed suit.

Track

Starting from a weak prior-year base, the Track business achieved a jump in sales. The renewal of energy meters for locomotives in various EU countries generated additional demand in EMEA. In China, Track can also report double-digit growth. Hence the business, which is characterized by long investment cycles, returned to its usual growth path.



Sales by region

| in CHF millions | | 2023/24 H1 | 2022/23 H1 | Change |
|-----------------|---|---------------|---------------|---------------|
| Region | Scope | | | |
| China | | 68.2 | 82.1 | -16.9% |
| Rest of Asia | Japan, South Korea, India, South-East Asia | 44.2 | 34.0 | +30.2% |
| EMEA | Europe, Middle East & Africa | 85.9 | 58.4 | +47.1% |
| Americas | NAFTA & Latin America | 25.0 | 23.6 | +5.6% |
| Total | | 223.3 | 198.1 | +12.8% |

China

The environment in China was challenging in the first half of 2023/24. This was due to slow economic growth, declining exports of solar systems, lower sales of products for e-mobility, high price pressure, and significantly negative currency effects. Nevertheless, the strong growth in the Track business was particularly satisfying.

Rest of Asia

In sensors for electric and hybrid vehicles, LEM achieved strong growth in South Korea and to a lesser extent in Japan. Automation solutions were also in demand in Japan. In India, there was good demand from the infrastructure sector for track and energy distribution solutions, as well as for solar and wind power generation products. The new production facility in Penang, Malaysia was handed over to LEM and the teams have moved into the premises. The first products to be exported from Malaysia will be manufactured before the end of 2023.

EMEA

Business in EMEA went extremely well, driven by strong demand in all business areas and a normalization of supply chains. DC Meters saw a jump in sales due to extensive investments in the expansion of charging infrastructure. Automotive, Renewable Energy and Track also performed well.

Americas

The Americas region delivered a solid performance in the face of overall subdued investment activity and a negative currency impact. One focus in the reporting period was on expanding the sales and field service team to broaden the customer base and accelerate growth, particularly in e-mobility.

Profitability maintained at a high level

Gross profit for the first half of 2023/24 increased by 11.6% to CHF 104.7 million (CHF 93.8 million). The gross profit margin decreased slightly from 47.4% to 46.9%. While the gross margin was 46.1% in the first quarter due to higher costs for electronic components, it increased to 47.7% in the second quarter thanks to an improved business mix.

SG&A costs increased by 11.8% to CHF 35.1 million (CHF 31.4 million). This increase was due to LEM's investments in digitalization projects and build-up costs for the new production facility in Malaysia. Overall, SG&A costs as a percentage of sales remained constant at 15.7% (15.8%). LEM continued its investment in future applications, reflected in the 7.5% increase in R&D costs to CHF 18.0 million or 8.0% of sales (CHF 16.7 million; 8.4%).





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LEM increased EBIT by 12.9% from CHF 45.8 million to CHF 51.7 million. The EBIT margin was kept constant at a high 23.1%.

The effective tax rate is 10.6% due to the increase in deferred tax assets as a result of the increase in the Canton of Geneva tax rate from 1 January 2024. Without this one-off event, the tax rate would have been 15.6%.

Net profit climbed from CHF 35.2 million to CHF 43.4 million, mainly due to the better operating result and lower taxes. As a result, the net profit margin increased to 19.4% (17.8%).

Outlook

After the very strong first half of 2023/24, LEM takes a more cautious view on the second half of the year. The order backlog provides a solid basis, although customer ordering patterns are becoming more short-term again, as was the case before the Covid pandemic. A cautious view is warranted by the recessionary environment in relevant markets.

From today's perspective, LEM expects for the full financial year 2023/24 sales in the range of CHF 420 to 440 million and an EBIT margin above 20%.

Conference call and audio webcast

Frank Rehfeld, CEO, and Andrea Borla, CFO, will explain the 2023/24 half-year results and provide an outlook for the current financial year today at 14:00 CET at a media and investor conference call and audio webcast.

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](#).

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

| | |
|-----------------|---|
| 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 |





Life Energy Motion

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.

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Appendix

Consolidated income statement

| In CHF thousands | April to September | | |
|--------------------------------|--------------------|---------------|---------------|
| | 2023/24 | 2022/23 | Change |
| Sales | 223'341 | 198'066 | +12.8% |
| Cost of goods sold | (118'665) | (104'240) | |
| Gross profit | 104'675 | 93'826 | +11.6% |
| Gross profit margin (in %) | 46.9% | 47.4% | |
| Sales expense | (14'836) | (13'675) | |
| Administration expense | (20'260) | (17'709) | |
| Research & development expense | (17'958) | (16'711) | |
| Other income | 42 | 22 | |
| EBIT | 51'664 | 45'752 | +12.9% |
| EBIT margin (in %) | 23.1% | 23.1% | |
| Financial expense | (1'478) | (717) | |
| Financial income | 213 | 165 | |
| Foreign exchange effect | (1'885) | (2'464) | |
| Profit before taxes | 48'514 | 42'736 | +13.5% |
| Income taxes | (5'119) | (7'526) | |
| Net profit | 43'395 | 35'210 | +23.2% |
| Net profit margin (in %) | 19.4% | 17.8% | |





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Key Figures

in CHF millions

| | 2023/24 | | | | | 2022/23 | | | | | Change | |
|--------------------------------------|--------------|--------------|----|----|----|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 | Q3 | Q4 | FY | Q2 - Q2 | 6M - 6M |
| Orders received | | | | | | | | | | | | |
| Total LEM | 81.0 | 60.5 | | | | 158.1 | 112.0 | 92.1 | 103.0 | 465.2 | -46.0% | -47.6% |
| Book-to-bill ratio | | | | | | | | | | | | |
| Total LEM | 0.72 | 0.55 | | | | 1.74 | 1.04 | 0.89 | 0.98 | 1.14 | -47.8% | -53.5% |
| Sales | | | | | | | | | | | | |
| Automation | 34.3 | 32.6 | | | | 30.5 | 36.9 | 34.4 | 34.5 | 136.3 | -11.7% | -0.8% |
| Automotive | 27.4 | 26.0 | | | | 21.8 | 28.4 | 25.2 | 25.4 | 100.7 | -8.3% | +6.5% |
| Renewable Energy | 21.0 | 19.8 | | | | 15.4 | 18.0 | 16.8 | 16.7 | 67.0 | +10.1% | +22.2% |
| Energy Distribution & High Precision | 15.6 | 17.0 | | | | 13.8 | 14.1 | 14.9 | 16.6 | 59.4 | +20.7% | +16.7% |
| Track | 14.2 | 15.6 | | | | 9.3 | 10.0 | 12.2 | 11.6 | 43.0 | +56.4% | +54.6% |
| Total LEM | 112.3 | 111.0 | | | | 90.7 | 107.3 | 103.5 | 104.7 | 406.4 | +3.4% | +12.8% |
| EBIT | | | | | | | | | | | | |
| Total LEM | 26.2 | 25.5 | | | | 19.5 | 26.3 | 22.6 | 23.8 | 92.2 | -2.9% | +12.9% |
| Net profit | | | | | | | | | | | | |
| Total LEM | 20.5 | 22.9 | | | | 14.7 | 20.5 | 20.1 | 20.1 | 75.3 | +11.3% | +23.2% |

