



Life Energy Motion

Ad hoc announcement pursuant to Art. 53 LR

6 February 2026

LEM reports stable sales in first nine months 2025/26

- **Sales with currency headwinds:** Sales at constant currency rates remained stable with a 0.2% increase, while reported sales in CHF declined 5.4% to CHF 218.4 million due to depreciation of CNY and USD. Key growth segments including Automation and Automotive achieved strong results improving by 6.8% and 5.7% respectively at constant currency.
- **Bookings:** At CHF 215.5 million, bookings* stabilized with slight sequential growth from the second quarter. The book-to-bill ratio underlined positive signs of stabilization, standing at 0.99 after nine months 2025/26, showing momentum in Automation driven by broadening demand in data center cooling and high-voltage infrastructure applications, and Energy Distribution & High Precision driven by favorable developments in power supply for data centers. The full impact from data centers is expected to materialize beyond Q4 given typical lead times and project cycles.
- **Gross margin stabilized over the course of the year:** Q3 2025/26 gross profit margin maintaining momentum from Q2's rebound at 39.8% year-to-date, supported by strategic pricing and supply productivity gains. While navigating market headwinds including China pricing pressure and volume-related cost absorption challenges, and timing differences in US tariffs pass-through recharges, LEM's proactive measures are delivering results.
- **EBIT demonstrated sequential stability in Q3 2025/26** at CHF 7.1 million or 10.2% of sales with year-to-date margin at 8.5%. LEM's "Fit for Growth" transformation program delivered strong operational efficiency reducing SG&A by 12.8% and successfully offsetting market headwinds. This positive execution resulted in stable net profit of CHF 12.1 million, and an improved net profit margin of 5.5%.
- **Outlook:** The company raises its expectations for sales in the range of CHF 275 to 290 million (lifted from CHF 265 to 290 million in HY 2025/26) and targets high single-digit EBIT margin for the full year 2025/26, capitalizing on enhanced operational structure and efficiency gains. Product launches are anticipated to accelerate growth momentum overtime.

Frank Rehfeld, Chief Executive Officer, said: "Over the first nine months, LEM continued to see stabilization in a market still characterized by uncertainty and currency headwinds. We see some positive signals in the western economies and increasingly normalized inventory levels in Renewables and Automation provided additional support. Thanks to the efficiency improvement program 'Fit for Growth', we were able to achieve an encouraging EBIT margin of 8.5% for the nine months. We continue to build on our business model, which is well positioned to capture growth from global megatrends such as data centers, electrification, energy transition and e-mobility."

* LEM adjusted its order booking system in 2025/26. Prior year bookings were restated as disclosed in Q1 2025/26.



Sales by business

in CHF millions	9M 2025/26	9M 2024/25	Change	Change at constant exchange rates
Business				
Automation	65.6	65.4	+0.4%	+6.8%
Automotive	61.4	62.1	-1.2%	+5.7%
Renewable Energy	30.0	34.9	-14.0%	-8.1%
Energy Distribution & High Precision	27.9	34.4	-19.0%	-15.5%
Track	33.5	34.0	-1.6%	+2.2%
Total	218.4	230.9	-5.4%	+0.2%

Automation

The Automation segment is experiencing market recovery with meaningful traction as large customers and key accounts accelerate demand, particularly in high-value mid-power applications including power measurement and cooling systems in data centers. High-voltage applications for infrastructure and factory automation continue to perform well in China, reinforcing LEM's strategic positioning in these growth segments. While increased competition from Chinese suppliers entering the European market presents pricing challenges, LEM is successfully navigating this environment through disciplined pricing strategies and operational excellence.

Automotive

Performance varied significantly from region to region. In China, the domestic market for electric vehicles continued to grow, albeit at a slower pace due to a high comparison base following the ramp-up of a new platform in the prior year. Technological shifts in battery management systems underline the strong innovation momentum, which LEM is addressing through an expansion of its R&D activities in Asia. In Europe, LEM grew in an overall contracting market thanks to battery management projects ramping up well with solid orders. Business in the Rest of Asia and Americas regions suffered from weak demand, with policy changes in the US leading to the termination of certain platforms.

Renewable Energy

The business showed initial signs of stabilization, supported by normalized and now low inventory levels. In China, the largest market, the cancellation of feed-in tariffs for solar energy from June 2025 had slowed new project investments, with price pressure remaining unchanged at a high level. In Europe, large commercial installations are performing better, as European manufacturers are prioritized. In Rest of Asia, activity is supported by temporary government spending and subsidy programs, notably in Japan and with an upturn in India. The small wind energy business performed relatively well.

Energy Distribution & High Precision

The DC meter business in China remained stable, while it was more challenging in Europe and the US. Charging infrastructure operators are postponing investments due to low EV sales, increasing competition and price pressure. Some of LEM's customers have lost market share. The high precision segment was boosted by favorable developments in all regions for uninterruptible power supply for data centers. In the US, a dedicated initiative was launched to better serve the growing data center market, with first tangible successes being recorded.

Track

The Track business performed well overall, particularly in China, and achieved solid sales growth. In Europe, momentum moderated somewhat due to the phasing-out of retrofitting projects. LEM successfully secured new retrofit projects which will materialize from the new fiscal year onwards. Solid demand for power and voltage converters for the initial equipment of locomotives and subway trains ensured healthy base capacity utilization.



Sales by region

in CHF millions	9M 2025/26	9M 2024/25	Change	Change at constant exchange rates
Region				
China	81.0	88.6	-8.6%	-0.3%
Rest of Asia	37.7	38.6	-2.3%	+2.7%
EMEA	73.0	78.8	-7.4%	-5.3%
Americas	26.7	24.9	+7.4%	+16.2%
Total	218.4	230.9	-5.4%	+0.2%

China

Business in China remained stable at constant exchange rates. Solid volume growth was offset by high price pressure. LEM gained market share with leading customers in Automation, and the Track business also grew ahead of the market with Chinese and international manufacturers, driven by both initial equipment and retrofit demand. In addition, LEM is working more closely with key distributors in China to further strengthen its go-to-market strategy, supported by targeted training programs across different sales channels, similar to the successful initiative in the Americas. R&D activities in Asia are being further expanded and more closely integrated, improving operational efficiency, strengthening customer connectivity, enabling faster and more focused product launches in close collaboration with key customers.

Rest of Asia

Growth in the region slowed in a mixed market environment. In Japan, activity benefited from subsidy-driven demand in Renewables and from a slight recovery in Automation and Automotive, supported by low inventory levels and the ramp-up of new platforms. In India, momentum was supported by the localization of the solar industry, while inventory reductions following US tariffs weighed on sales in the Energy Distribution & High Precision business.

EMEA

EMEA recorded slightly lower sales, with weak investment activity particularly affecting Energy Distribution & High Precision, where the DC meter business was impacted by elevated inventories, and with limited momentum in Automation. Automotive grew significantly thanks to the successful ramp-up of new projects and long-term customer partnerships. In Renewable Energy, large commercial solar installations are performing better, as European manufacturers are prioritized, and the wind business is showing a broadly positive development.

Americas

The region reported strong sales at constant exchange rates, driven by the tariff impact. Close cooperation with key distributors as part of an improved go-to-market strategy continued and enabled further market share gains. Recovery in Automation broadened on the back of advanced destocking. Energy Distribution & High Precision showed a mixed development, with business with uninterruptible power supply for data centers developing favorably. Automotive declined because of a difficult EV market, with manufacturers shifting their strategies more towards hybrid cars.

Gross margin stabilizing over the course of the year

Gross margin demonstrated stabilization throughout the year with Q3 2025/26 maintaining the positive momentum established in Q2 2025/26. This performance is driven by successful implementation of strategic pricing initiatives and meaningful supply chain productivity gains.





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SG&A were reduced by 12.8% compared to a 5.4% reduction in sales, showing the positive impact of the company-wide transformation and efficiency improvement program “Fit for Growth”. SG&A costs as a percentage of sales decreased to 21.5%. R&D costs declined by 24.6% to CHF 20.2 million or 9.3% of sales.

EBIT reached CHF 18.5 million with margins holding stable at 8.5%. This includes one-time restructuring costs of CHF 1.3 million for the “Fit for Growth” program. EBIT before restructuring costs achieved CHF 19.8 million, yielding a strong EBIT margin of 9.1%. The company has substantially completed its restructuring initiatives with CHF 9.2 million of the total one-time costs of around CHF 10 million already invested.

Financial expenses increased from CHF 3.3 million to CHF 3.6 million due to higher average financial debt. Exchange rate effects from the Swiss franc appreciation had a smaller negative impact of CHF 0.7 million compared to CHF 2.8 million in the prior year.

Net profit remained stable at CHF 12.1 million, resulting in a slightly improved net profit margin of 5.5%.

Outlook: The company raises its expectations for sales in the range of CHF 275 to 290 million (lifted from CHF 265 to 290 million in HY 2025/26) and targets high single-digit EBIT margin for the full year 2025/26, capitalizing on enhanced operational structure and efficiency gains. Product launches are anticipated to accelerate growth momentum overtime.

Financial calendar

The financial year runs from 1 April to 31 March

26 May 2026	Full year results 2025/26
25 June 2026	Annual General Meeting for the financial year 2025/26
29 June 2026	Dividend ex-date
1 July 2026	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 1,629 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 (LEHN). www.lem.com

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Appendix

Consolidated income statement

In CHF thousands	April to December		
	2025/26	2024/25	Change
Sales	218'393	230'878	-5.4%
Cost of goods sold	(131'573)	(130'155)	
Gross profit	86'820	100'722	-13.8%
Gross profit margin (in %)	39.8%	43.6%	
Sales expenses	(21'023)	(21'239)	
Administration expenses	(25'892)	(32'576)	
Research & development expenses	(20'248)	(26'846)	
Restructuring	(1'332)		
Other expenses	(475)	(6)	
Other income	665	75	
Operating profit	18'515	20'130	-8.0%
Operating profit margin (in %)	8.5%	8.7%	
Financial expenses	(3'613)	(3'256)	
Financial income	89	172	
Foreign currency exchange effect	(732)	(2'776)	
Profit before tax	14'259	14'270	-0.1%
Income taxes	(2'187)	(2'181)	
Net profit	12'072	12'089	-0.1%
Net profit margin (in %)	5.5%	5.2%	

Key figures on quarterly basis

in CHF millions	2025/26					2024/25					Change	
	Q1	Q2	Q3	Q4	FY	Q1*	Q2*	Q3*	Q4*	FY*	Q3 - Q3*	9M - 9M*
Orders received												
Total LEM	89.1	61.0	65.4			74.9	77.8	75.8	93.9	322.4	-13.7%	-5.7%
Book-to-bill ratio												
Total LEM	1.18	0.84	0.93			0.93	1.03	1.02	1.23	1.05	-8.5%	-0.3%
Sales												
Automation	21.2	22.5	21.9			23.6	21.6	20.2	21.3	86.7	+8.4%	+0.3%
Automotive	21.7	19.0	20.8			19.9	19.9	22.3	23.8	85.9	-6.8%	-1.1%
Renewable Energy	10.9	9.4	9.7			14.1	11.4	9.5	9.7	44.7	+2.9%	-14.0%
Energy Distribution & High Precision	9.7	9.3	8.9			12.2	11.5	10.8	10.3	44.8	-17.7%	-19.0%
Track	12.3	12.3	8.9			11.1	11.2	11.7	10.9	44.9	-23.6%	-1.6%
Total LEM	75.7	72.5	70.1			81.0	75.6	74.3	76.0	306.9	-5.6%	-5.4%
EBIT												
Total LEM	4.2	7.2	7.1			7.5	6.7	5.9	-1.3	18.9	+20.1%	-8.0%
Net profit of the period												
Total LEM	2.0	4.8	5.3			4.8	3.8	3.5	-3.7	8.4	+50.4%	-0.1%

