



Life Energy Motion

## Ad hoc announcement pursuant to Art. 53 LR

7 February 2025

### LEM faced headwinds in 9 months 2024/25 – "Fit for Growth" program to deliver improvement in EBIT starting next year

- Sales declined 27.1% to CHF 230.9 million (9 months 2023/24: CHF 316.6 million); at constant exchange rates, the decrease was 26.0%. In sequential terms, Q3 2024/25 sales were down 1.7% compared to Q2 2024/25.
- Sales in the Chinese market stabilized further in the third quarter, notably in the automotive sector, which grew 23% sequentially, reaffirming its role as a key pillar for LEM in that region. LEM also strengthened its market position across all key businesses in China.
- At CHF 188.5 million, bookings were slightly above the previous year's level (CHF 187.9 million); the book-to-bill ratio was 0.82. The China region recorded a significant increase of 77.2%.
- Gross profit for the 9 months 2024/25 dropped by 32.3% to CHF 100.7 million (CHF 148.8 million). The gross profit margin decreased from 47.0% to 43.6%, primarily driven by the under-absorption of production fixed costs resulting from lower volumes, along with provisions for slow-moving stock.
- SG&A costs were reduced by 0.6% to CHF 53.8 million (CHF 54.1 million), while R&D costs increased by 5.4% to CHF 26.8 million (CHF 25.5 million) in connection with expanded R&D activities.
- EBIT dropped by 71.0% to CHF 20.1 million (CHF 69.3 million); the EBIT margin stood at 8.7%. Net profit fell by 78.2% to CHF 12.1 million (CHF 55.4 million).
- With the "Fit for Growth" program launched in November 2024, LEM will become a significantly more agile company by streamlining its organizational structure and optimizing operating expenses to support the fast-increasing business focus on the Asia region. The headquarters in Geneva will focus on Strategy and Innovation, while more R&D-related activities are to be moved closer to the Asian market. There we observe the biggest growth potential and have already established a manufacturing footprint both in Beijing, China, and Penang, Malaysia, piloting this development. Other transactional activities will be moved to the shared service center in Bulgaria, which will be further extended. From 2025/26 onwards, LEM will leverage this new structure and operate at a new level of competitiveness.
- In this context, LEM expects a reduction of approximately 150 positions, mainly in Europe. Consultation processes and dialogue with employee representatives have been initiated at the locations concerned.
- The realignment of the organization also impacts the management structure. Effective 1 April 2025, the Executive Committee will be reduced from seven to five positions. Reflecting the new dynamics, the market regions EMEA and Americas will report directly to CEO Frank Rehfeld. After more than two years successfully leading the region, Bastien Musy, previously SVP Europe and Americas, will leave the organization at the end of March 2025.
- Rodolphe Boschet, previously Chief People and Sustainability Officer, is leaving the Executive Committee to take the lead in implementing the "Fit for Growth program". Sylvain Lieb is appointed Senior Vice President People and Sustainability, reporting to Frank Rehfeld, effective 5 May 2025. Sylvain Lieb joins LEM from Bobst, where he has held the roles of Chief Human Resources Officer and Head of Corporate Sustainability.





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- Finally, LEM announces that Antoine Chulia will be joining the LEM Executive Committee as Chief Financial Officer effective 1 May 2025. Antoine spent the past two years as CFO of Britax, a leading international manufacturer of child safety products. Before that, Antoine held several senior finance positions in the energy, automation and electronics industries, at Schneider Electric, Toshiba and the global healthcare company Medline Industries. We would like to thank Thomas Mellano very much for successfully leading the Finance organization in the interim.
- The Executive Committee will thus comprise Frank Rehfeld, CEO, Antoine Chulia, CFO, John Mcluskie, SVP Asia, Verena Vescoli, Chief Technology Officer and Uwe Gerber, SVP Operations.
- LEM expects the “Fit for Growth” program to deliver a significant improvement in EBIT on the order of CHF 18 to 22 million in 2025/26 compared to 2024/25. The full savings from 2026/27 should be around CHF 35 million. About half of this will be attributable to personnel costs, with the rest coming from the reduction of other expenses. This improvement in the cost positions will be instrumental for LEM to make the sustainability journey, on which our strategy is based, affordable, and at the same time to achieve our medium-term EBIT target in 2029/30.
- The program costs will amount to a one-off charge of approximately CHF 10 million in EBIT, of which two-thirds will be charged to the income statement of the current financial year. The remaining third will be booked in the financial year 2025/26.
- LEM confirms the full year 2024/25 guidance of sales in the range of CHF 290 to 310 million and a single-digit EBIT margin before restructuring costs.

**Frank Rehfeld, Chief Executive Officer**, said: "LEM's purpose is to help our customers and society accelerate the transition to a sustainable future. As we fully believe in this sustainability journey, we need to adapt to the business reality that key markets like Renewable Energy and New Energy Vehicles are shifting to Asia. With the 'Fit for Growth' program we will better support our customers by increasing our resources and activities in Asia. This organizational realignment and the intensification of innovation will ensure that LEM remains in an excellent position to benefit from the fundamental trends in the areas of electrification, renewable energies and e-mobility."

### Sales by business

in CHF millions	9M 2024/25	9M 2023/24	Change
<b>Business</b>			
Automation	65.4	94.4	-30.7%
Automotive	62.1	77.1	-19.4%
Renewable Energy	34.9	57.2	-39.0%
Energy Distribution & High Precision	34.4	45.1	-23.6%
Track	34.0	42.9	-20.7%
<b>Total</b>	<b>230.9</b>	<b>316.6</b>	<b>-27.1%</b>

### Automation

The business suffered from the difficult economic environment in Europe. On a positive note, all regions are making progress in adjusting inventories, and most customers now have normalized stock levels. However, some larger international customers still maintain elevated inventory levels. In China, LEM gained market share and slightly expanded its business in the third quarter.

### Automotive

The Automotive business in China increased, driven by the overall growth of the domestic EV market and the regaining of market share. However, this growth could not entirely offset the decline in Japan and





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Korea, where suppliers to European OEMs are still in the process of reducing their inventories. Europe achieved high single-digit growth, driven by project ramp-ups with various automotive customers, such as those for battery management.

### Renewable Energy

The business recorded a significant decrease. In China, the local market developed satisfactorily, and LEM gained market share as its customers benefited from market consolidation. But exports to the US and especially to Europe were significantly weaker as inventory levels in these regions remain elevated.

### Energy Distribution & High Precision

The DC meter business for charging stations experienced a strong decline in Europe and the USA, due to a slowdown in new installations and a loss of market share by some LEM customers. By contrast, there was increased demand for DC meters from Chinese charging station manufacturers for export to Europe and the USA. Demand for smart grid products picked up at a low level, while high-precision solutions performed well, mainly in the areas of UPS (uninterruptible power supplies) for data centers and measuring sensors for medical devices.

### Track

The business, which is characterized by long investment cycles, demonstrated remarkable resilience in Europe, although certain retrofit orders for the replacement of energy meters for locomotives have expired and follow-up orders are not yet fully effective. In China and India, business was weaker as LEM customers lost market share.

### Sales by region

in CHF millions	9M 2024/25	9M 2023/24	Change
<b>Region</b>			
China	88.6	97.0	-8.6%
Rest of Asia	38.6	63.8	-39.5%
EMEA	78.8	119.3	-33.9%
Americas	24.9	36.6	-32.0%
<b>Total</b>	<b>230.9</b>	<b>316.6</b>	<b>-27.1%</b>

### China

The Chinese market further stabilized in the third quarter. This was most noticeable in the automotive business, which grew by 23% sequentially and once again proved to be a strong pillar of the LEM business in China. The energy distribution business also performed well, while solar suffered from weak exports. In all these key businesses, LEM was able to strengthen its Chinese market position.

### Rest of Asia

In other Asian markets, particularly in Korea and Japan, the broad-based downturn continued. Automation suffered from the general economic weakness and high inventory levels, while subdued exports and delayed launches of new platforms slowed down the Automotive business. The new production site in Penang has brought further production lines into operation.

### EMEA

LEM's business in Europe experienced a significant downturn compared to the strong base of the previous year. The Automation business suffered from the continued low demand for capital investments due to the economic downturn. The slower-than-expected expansion of charging capacity reduced demand for DC meters, while solar energy is suffering from competition from China. Only the Automotive business was a





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bright spot due to project ramp-ups for various automotive customers and healthy demand for hybrid vehicles.

### Americas

The Americas region was still confronted with customers in the automation business reducing their investments due to weak end-customer demand. In the third quarter, the Automotive division benefited from the ramp-up of new battery management projects and was able to increase sales compared to the previous quarter.

### Financial calendar

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

27 May 2025	Full year results 2024/25
26 June 2025	Annual General Meeting for the financial year 2024/25
1 July 2025	Dividend ex-date
3 July 2025	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 1'800 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 December		
	2024/25	2023/24	Change
Sales	230'878	316'618	-27.1%
Cost of goods sold	(130'155)	(167'788)	
<b>Gross profit</b>	<b>100'722</b>	<b>148'830</b>	<b>-32.3%</b>
Gross profit margin (in %)	43.6%	47.0%	
Sales expenses	(21'239)	(22'188)	
Administration expenses	(32'576)	(31'934)	
Research & development expenses	(26'846)	(25'466)	
Other expenses	(6)	0	
Other income	75	53	
<b>Operating profit</b>	<b>20'130</b>	<b>69'295</b>	<b>-71.0%</b>
Operating profit margin (in %)	8.7%	21.9%	
Financial expenses	(3'256)	(2'330)	
Financial income	172	331	
Foreign currency exchange effect	(2'776)	(4'410)	
<b>Profit before tax</b>	<b>14'270</b>	<b>62'886</b>	<b>-77.3%</b>
Income taxes	(2'181)	(7'455)	
<b>Net profit</b>	<b>12'089</b>	<b>55'431</b>	<b>-78.2%</b>
Net profit margin (in %)	5.2%	17.5%	

### Key figures on quarterly basis

in CHF millions	2024/25					2023/24					Change	
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q3 - Q3	9M - 9M
<b>Orders received</b>												
Total LEM	65.1	62.7	60.6			81.0	60.5	46.4	55.3	243.3	+30.5%	+0.3%
<b>Book-to-bill ratio</b>												
Total LEM	0.80	0.83	0.82			0.72	0.55	0.50	0.62	0.60	+63.8%	+37.5%
<b>Sales</b>												
Automation	23.6	21.6	20.2			34.3	32.6	27.5	25.6	120.0	-26.6%	-30.7%
Automotive	19.9	19.9	22.3			27.4	26.0	23.7	21.5	98.6	-5.9%	-19.4%
Renewable Energy	14.1	11.4	9.5			21.0	19.8	16.4	13.5	70.8	-42.4%	-39.0%
Energy Distribution & High Precision	12.2	11.5	10.8			15.6	17.0	12.5	15.8	60.9	-14.1%	-23.6%
Track	11.1	11.2	11.7			14.2	15.6	13.2	12.7	55.5	-11.4%	-20.7%
Total LEM	81.0	75.6	74.3			112.3	111.0	93.3	89.2	405.8	-20.3%	-27.1%
<b>EBIT</b>												
Total LEM	7.5	6.7	5.9			26.2	25.5	17.6	11.8	81.1	-66.3%	-71.0%
<b>Net profit of the period</b>												
Total LEM	4.8	3.8	3.5			20.5	22.9	12.0	9.9	65.3	-70.8%	-78.2%

