



Life Energy Motion

Ad hoc announcement pursuant to Art. 53 LR

29 July 2025

LEM with resilient sales in Q1 2025/26 – Growth in Automotive and Track

- **Sales impacted by depreciation of CNY:** Sales declined 6.5% to CHF 75.7 million (2024/25: CHF 81.0 million); at constant exchange rates, the decrease was 0.1%. Automotive and Track grew 9.0% and 10.6%, respectively. In sequential terms, Q1 2025/26 sales were down 0.4% compared to Q4 2024/25; at constant exchange rates they went up by 3.3%.
- **Healthy Bookings:** At CHF 89.1 million, bookings* were 19.0% above the previous year's level (CHF 74.9 million). The EMEA and China regions recorded strong increases of 40.0% and 15.6%, respectively. The Book-to-bill ratio stayed at a healthy 1.18 in Q1 2025/26, after reaching 1.23 in Q4 2024/25.
- **Gross Margin decline:** The gross profit margin decreased from 44.4% to 38.2%, impacted by price pressure in China, negative mix effects and the under-absorption of production fixed costs resulting from still low volumes, and the fact not all cost increases triggered by the tariff policy were passed on to customers.
- **EBIT declined** by 44.4% to CHF 4.2 million (CHF 7.5 million); the EBIT margin amounted to 5.5%. The company-wide transformation and efficiency improvement program "Fit for Growth" runs within the planned timing and already showed an initial positive impact, with SG&A down 12.8% compared to a 6.5% decline in sales. Net profit decreased to CHF 2.0 million, resulting in a net profit margin of 2.6% (CHF 4.8 million; 5.9%).
- Despite the positive booking trends across all businesses except Renewable Energy, and because of the short-term visibility, LEM does not expect in the foreseeable future a general change in the business development. Uncertainties remain regarding the global impact of US tariff policy and significant currency fluctuations.

Frank Rehfeld, Chief Executive Officer, said: "The first quarter was marked by a continued high level of uncertainty in the market and continued subdued demand which led our customers to hold back investment decisions. This challenging environment was further compounded by the strengthening of the Swiss franc against the currencies in all our major markets which had a noticeable impact on our top line. Against this backdrop, LEM successfully built on its regained competitiveness in the Automotive segment, extending this strength to other regions and expanding market share. We continued to move forward, building on a business model that is well-positioned to benefit from global megatrends such as electrification, renewable energies and e-mobility. We invested in innovation, strengthened customer proximity and aligned our structure to meet shifting market realities – mainly towards China, where our efforts to win new projects and build regional capabilities have continued to bear fruit."

* LEM has adjusted its order booking system. Contrary to previous practice, orders received and delivered within the same month are now also recorded. For comparison purposes, last year's bookings were restated based on the identical system.





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Sales by business

in CHF millions	Q1 2025/26	Q1 2024/25	Change	Change at constant exchange rates
Business				
Automation	21.2	23.6	-10.3%	-4.3%
Automotive	21.7	19.9	+9.0%	+17.0%
Renewable Energy	10.9	14.1	-22.9%	-17.2%
Energy Distribution & High Precision	9.7	12.2	-20.8%	-15.5%
Track	12.3	11.1	+10.6%	+16.6%
Total	75.7	81.0	-6.5%	-0.1%

Automation

The Automation business experienced a temporary slowdown in demand stabilization, influenced by ongoing news around US tariff policy. At the same time, design activities for new projects continued to gain momentum across most markets. Although inventory levels are now back to normal, the highly competitive pricing environment in several regions continues to weigh on overall performance and limits visibility for a sustained recovery.

Automotive

The Automotive business continued its dynamic growth in line with the global New Energy vehicle market. The advantages of its strong technological capabilities and cost-efficient base in China's EV market were successfully transferred to other regions. While EV market penetration varied across regions, LEM also made good progress in securing new projects in the hybrid segment.

Renewable Energy

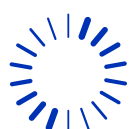
The Renewable Energy business continued to decline across all markets. The downturn was driven by a combination of pricing pressure, mix effects, and persistently high inventory levels in Western end markets. However, China – the largest market – is showing signs of normalization, even as regulatory changes introduce new uncertainties. Revised solar feed-in tariffs in China from June 2025 ended fixed subsidies and shifted to market-based pricing, which could slow new project investments and weigh on demand for LEM's sensors in renewable energy applications.

Energy Distribution & High Precision

The DC meter market is seeing rising demand, but regional developments remain uneven and closely mirror the heterogeneous dynamics of the EV market. With the increasing shift of the industry to China – driven both by the booming domestic market and by exports – positive growth rates were recorded only there. In all regions, business with uninterruptible power supply for data centers developed favorably, while Test & Measurement and high-precision solutions for medical devices declined.

Track

LEM achieved good growth in the track business, although regional developments varied significantly. Both retrofitting and new business are cyclical and project-driven, and the company recorded encouraging momentum in both areas while benefiting from its strong position in China, particularly by serving customers with strong export activities.



Sales by region

in CHF millions	Q1 2025/26	Q1 2024/25	Change	Change at constant exchange rates
Region				
China	29.1	31.8	-8.4%	+0.4%
Rest of Asia	12.2	13.6	-10.1%	-5.5%
EMEA	26.1	26.7	-2.1%	+1.6%
Americas	8.4	9.0	-7.0%	+1.0%
Total	75.7	81.0	-6.5%	-0.1%

China

Stabilization trends broadened in China, and LEM was able to further strengthen its market position, particularly with local players serving the domestic market, while securing new customer projects. In addition, the increasing shift of production in industries such as Automotive, Renewable Energy and Track – as well as products like DC meters – was successfully accompanied by LEM, allowing the company to expand its position with Chinese customers who look for export markets outside of China.

Rest of Asia

The downturn in the rest of Asia, particularly Korea and Japan, continued. While inventory levels in the Automation business have normalized and signs of recovering demand are emerging, there are no indications of a rebound in the Automotive segment. India, by contrast, delivered positive developments in the Track business. The strategic decision to establish production in Penang is starting to bear fruit, particularly with customers concerned about the ongoing US tariff developments.

EMEA

The encouraging stabilization in Europe manifested very differently across the various businesses. The structurally challenged segments Renewable Energy and EDHP continued to decline. By contrast, in Automotive, the introduction of new products and successful participation in project tenders laid the foundation for continued growth. Notably, there were also positive results in the cyclical project business for Track.

Americas

The development in the Americas region remained weak across most businesses. In addition, some investments were postponed or cancelled due to reduced investment security. The US tariffs development led to increased input cost pressure, which LEM addressed through price increases, enhanced cost efficiency and by leveraging the opportunities of its broad production network.

Profitability weighed by market and operational factors; “Fit for Growth” already delivering impact

The gross profit margin decreased from 44.4% to 38.2%, impacted by pricing pressure from competitors in China, negative mix effects and the under-absorption of production fixed costs resulting from still low volumes, and the fact not all cost increases triggered by the tariff policy were yet passed on to customers.

SG&A decreased by 12.8% compared to a 6.5% decline in sales, already showing an initial positive impact of the company-wide transformation and efficiency improvement program “Fit for Growth. SG&A costs as a percentage of sales decreased to 21.4% (22.9%). R&D costs declined by 16.3% to CHF 8.3 million or 11.0% of sales (CHF 9.9 million; 12.3%).

EBIT declined by 44.4% to CHF 4.2 million (CHF 7.5 million); the EBIT margin amounted to 5.5%. This includes one-time restructuring costs of CHF 0.3 million for the “Fit for Growth” program (Of the total one-





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time costs of around CHF 10 million, CHF 8.2 million have already been incurred). EBIT before restructuring costs would have reached CHF 4.5 million, representing an EBIT margin of 5.9%. The implementation of the “Fit for Growth” program is proceeding according to plan.

Financial expenses increased from CHF 0.6 million to CHF 1.2 million due to higher average financial debt. Exchange rate effects from the Swiss franc appreciation had a smaller negative impact of CHF 0.6 million compared to CHF 1.3 million in the prior year.

Net profit decreased from CHF 4.8 million to CHF 2.0 million, resulting in a net profit margin of 2.6% (5.9%).

Outlook

Despite the positive booking trends across all businesses except Renewable Energy, and because of the short-term visibility, LEM does not expect in the foreseeable future a general change in the business development. Uncertainties remain regarding the global impact of US tariff policy and significant currency fluctuations.

Financial calendar

The financial year runs from 1 April to 31 March

10 November 2025	Half year results 2025/26
6 February 2026	9 months results 2025/26
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 1,702 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

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Appendix

Consolidated income statement

In CHF thousands	April to June		
	2025/26	2024/25	Change
Sales	75'731	80'963	-6.5%
Cost of goods sold	(46'772)	(44'980)	
Gross profit	28'960	35'984	-19.5%
Gross profit margin (in %)	38.2%	44.4%	
Sales expenses	(7'140)	(6'783)	+5.3%
Administration expenses	(9'058)	(11'792)	-23.2%
Research & development expenses	(8'308)	(9'928)	-16.3%
Restructuring	(316)		
Other income	31	11	
Operating profit	4'169	7'491	-44.4%
Operating profit margin (in %)	5.5%	9.3%	
Financial expenses	(1'247)	(668)	
Financial income	38	73	
Foreign currency exchange effect	(589)	(1'259)	
Profit before tax	2'371	5'638	-57.9%
Income taxes	(383)	(862)	
Net profit	1'988	4'776	-58.4%
Net profit margin (in %)	2.6%	5.9%	

Key figures on quarterly basis

in CHF millions		2025/26					2024/25					Change	
	Q1	Q2	Q3	Q4	FY	Q1*	Q2*	Q3*	Q4*	FY*	Q1 - Q1*	Q1 - Q4*	
Orders received													
Total LEM	89.1					74.9	77.8	75.8	93.9	322.4	+19.0%	-5.1%	
Book-to-bill ratio													
Total LEM	1.18					0.93	1.03	1.02	1.23	1.05	+27.2%	-4.7%	
Sales													
Automation	21.2					23.6	21.6	20.2	21.3	86.7	-10.3%	-0.6%	
Automotive	21.7					19.9	19.9	22.3	23.8	85.9	+9.0%	-8.8%	
Renewable Energy	10.9					14.1	11.4	9.5	9.7	44.7	-22.9%	+11.8%	
Energy Distribution & High Precision	9.7					12.2	11.5	10.8	10.3	44.8	-20.8%	-6.5%	
Track	12.3					11.1	11.2	11.7	10.9	44.9	+10.6%	+13.2%	
Total LEM	75.7					81.0	75.6	74.3	76.0	306.9	-6.5%	-0.4%	
EBIT													
Total LEM	4.2					7.5	6.7	5.9	-1.3	18.9	-44.4%	-430.1%	
Net profit of the period													
Total LEM	2.0					4.8	3.8	3.5	-3.7	8.4	-58.4%	-153.8%	

