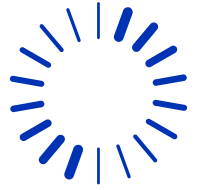


Full Year Results 2020/21

1 April 2020 to 31 March 2021



Agenda



Opening Remarks

Frank Rehfeld

Business Performance

Frank Rehfeld

Financial Results

Andrea Borla

Outlook

Frank Rehfeld

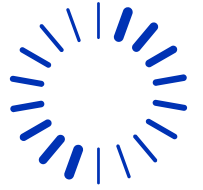
Proposal to Shareholders

Andreas Hürlimann

**life
energy
motion**



Robust financial results for full year 2020/21



- › Robust results, top-line revenue up 0.4% in constant currencies, EBIT up 4.4%
- › Better shape than we could have foreseen, due to the resilience and agility of our talent, and the long-standing relationships with our customers and suppliers
- › Fundamental strengths remain:
 - › diversity of business across sectors and regions,
 - › exposure to both mature industries and novel technologies.
- › Leveraging new technologies through R&D investment rate of above 9% of sales; We launched ten new products during the last 12 months
- › Despite the global attention on the pandemic, the underlying challenges of climate change remain, and this is a key area where LEM is making its mark

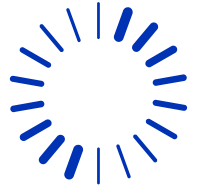
Dealing with Covid-19: Stories of resilience and agility



Song Xiaoyang (Chloé)
Supply Chain Manager, China

- > Our teams are to be congratulated on their performance this past year
- > We are working smarter, adapting to new ways of remote collaboration, and identifying new processes which will benefit us and our customers for the future
- > *“With top management’s support, we set up a special squad in China to organize all resources, from supply to production. Everything ran just-in-time to shorten process lead time. And we delivered on time.”*

Agenda



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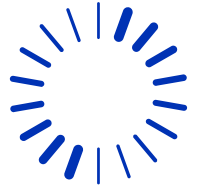
Outlook




Frank Rehfeld

Proposal to Shareholders

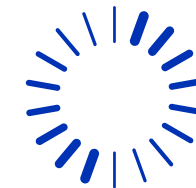
Andreas Hürlimann

A leading company in electrical measurement

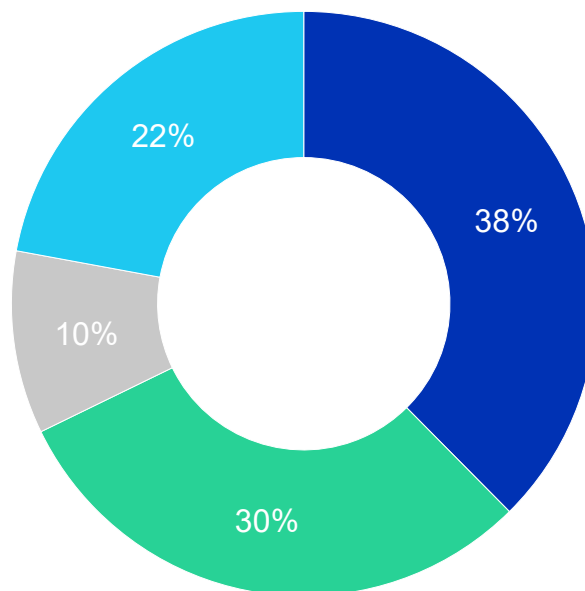


Core applications	Motor Drives			Power Storage, Generation, Conversion			Energy Measurement
							
Segments	Automotive			Industry			
	Motor control	Battery management	Charging systems	Drives & Welding	Renewable energies	Traction	High-Precision
FY 2020/21 Sales CHF m	75.7			225.2			
Δ CHF	+12.1%			-6.3%			
Δ constant currency	+14.8%			-3.7%			

Global sales spread



- > China with largest share 37.6%
- > Balanced exposure
- > Close to customers on the ground in all key markets



	Sales CHF m	Growth	
		FY 20/21 vs 19/20	Q4 20/21 vs 19/20
China	113.1	+14.6%	+53.2%
Europe	90.9	-7.1%	+5.1%
North America	30.4	-18.6%	-4.2%
RoW	66.5	-10.1%	-0.9%
Total	301.0	-2.3%*	+14.7%

* +0.4% at constant currency rates



Industry segment performance

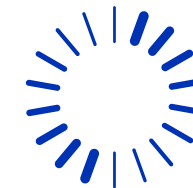
Powerful

Steadfast



Industry segment

Sales performance

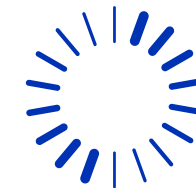


CHF m

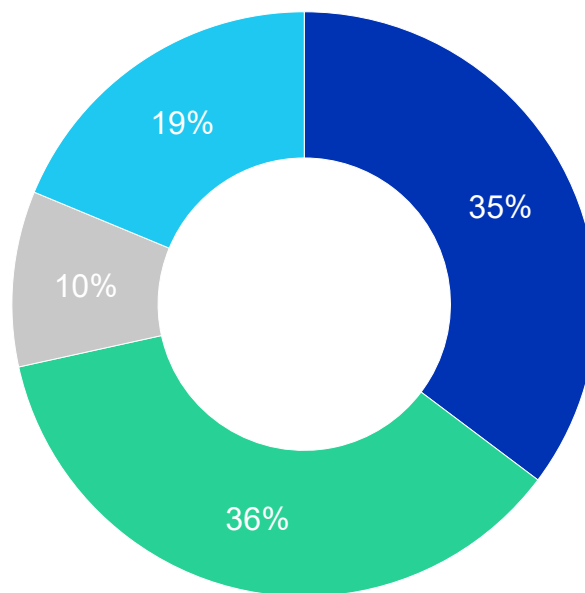
Businesses	2020/21	2019/20	Change	Comments
Drives	98.0	99.5	-1.5%	<ul style="list-style-type: none">• Growth in automation and energy savings applications• Asia and USA recovering
Renewable Energy	81.6	78.7	+3.6%	<ul style="list-style-type: none">• China solar driven by infrastructure• Europe boosted by DC meter
Traction	38.0	51.0	-25.5%	<ul style="list-style-type: none">• Longer-term investment cycles• India and China rail traffic impacted by Covid-19
High precision	7.7	11.1	-31.0%	<ul style="list-style-type: none">• Budgets switched to Covid needs• Lack of investment confidence for test benches & medical equipment
Total Industry	225.2	240.4	-6.3%	

Industry segment

Regional markets



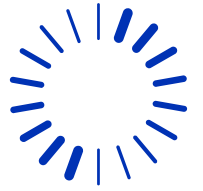
- › China continues to grow due to renewable energy
- › Covid-19 continues to impact sales
- › Customers remain hesitant to invest in certain areas like High Precision and Traction



	Sales CHF m	Growth	
		FY 20/21 vs 19/20	Q4 20/21 vs 19/20
China	79.4	+8.5%	+16.8%
Europe	81.7	-11.4%	-1.1%
North America	21.9	-16.4%	-5.6%
RoW	42.2	-13.5%	-2.2%
Total	225.2	-6.3%*	+2.8%

* -3.7% at constant currency rates

Industry next generation products



Drives



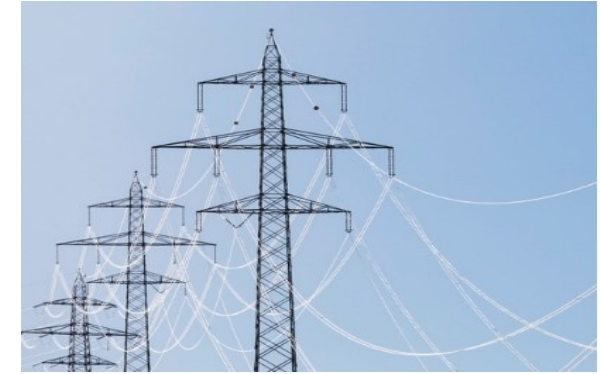
Renewables



Traction



Smart Grid



HMSR



DCBM



CDSR



TOP-90

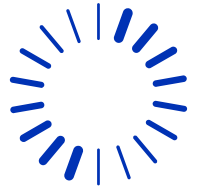


ARU



AI-P1A

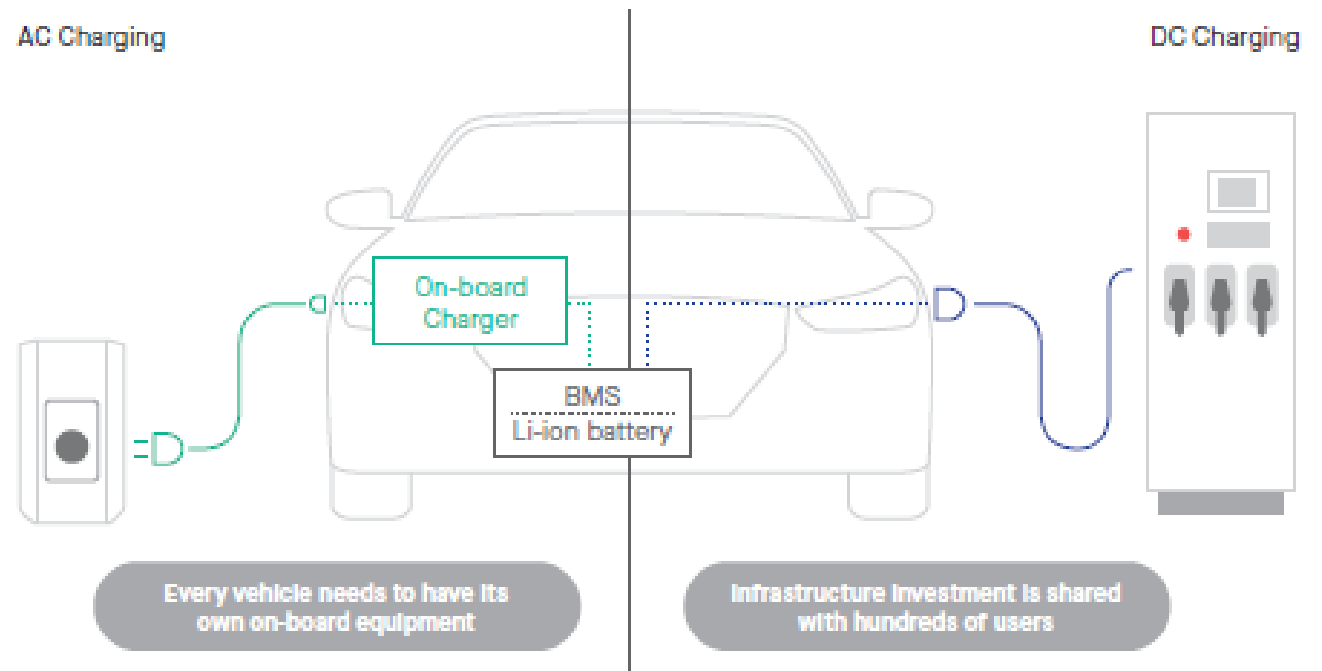
E-mobility infrastructure



- DC charging takes the entire process of converting AC current into DC outside of the car
- Sensors need to measure within the norms and standards that have been set
- Only one disadvantage of EV– lack of infrastructure
- If we all drive EVs, it will harmonize power production and power usage
- Government support and investments in the new technology very important

AC charging versus DC charging

On-board versus Off-board equipment



Source: ABB, EV Infrastructure Product Group presentation, Niels Knapen, January 2020

Automotive segment performance



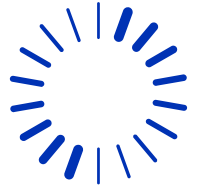
Dynamism

Persistence



Automotive segment

Sales performance



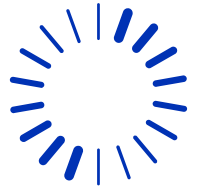
CHF m

Businesses	2020/21	2019/20	Change	Comments
Battery Management	45.7	44.9	+1.7%	<ul style="list-style-type: none">• US reduction in 12V demand• Increased demand for High Voltage products
Motor Control	26.7	19.7	+35.0%	<ul style="list-style-type: none">• Strong demand spurred by EV cars
Charging Systems	3.4	2.9	+16.1%	<ul style="list-style-type: none">• Continued momentum for battery electric and hybrid vehicles
Total Automotive	75.7	67.6	+12.1%	

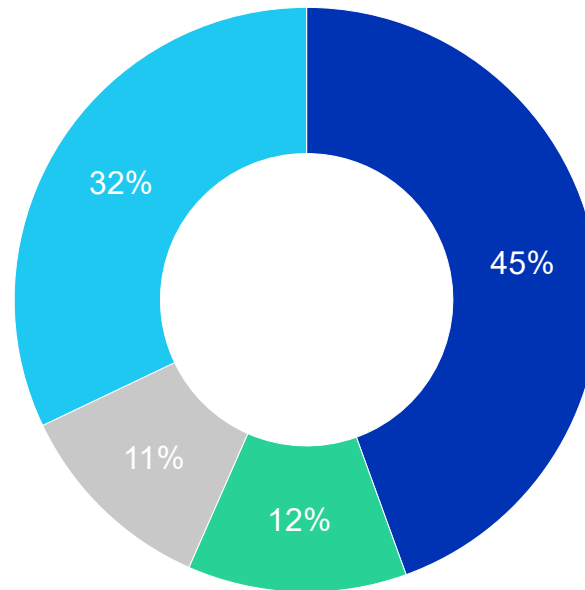
- › The Q4 sales of CHF 22.9 million (+64.5%) are the highest quarterly sales yet achieved by the business
- › With the acceleration of the deployment of EV platforms by carmakers, our products have been designed-in for several vehicles which entered production in 2020

Automotive segment

Regional markets



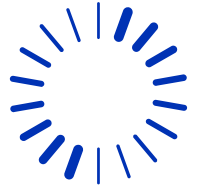
- > China YoY sales up +32.2%, driven by consumer demand for EVs and the launch of several new vehicles
- > Europe grew due to OEMs continuing to ramp-up production operations
- > North America transition to green cars still at a slower pace
- > RoW declined, with strong sales in Korea offset by Japan



	Sales CHF m	Growth	
		FY 20/21 vs 19/20	Q4 20/21 vs 19/20
China	33.7	+32.2%	+208.9%
Europe	9.2	+63.5%	+125.2%
North America	8.6	-23.8%	-1.2%
RoW	24.3	-3.7%	+1.5%
Total	75.7	+12.1%*	+64.5%

* +14.8% at constant currency rates

Automotive next generation products



Battery management



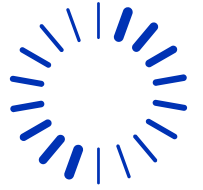
CAB 1500 SF

Motor control



HC16F

Driving forces on current sensing technologies



- > Battery management: functional integration
- > Motor control: physical integration

Source: Strategy Engineers; AVL

Agenda



Opening Remarks

Frank Rehfeld

Business Performance

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Andrea Borla

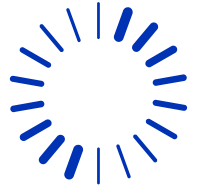
Outlook

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Proposal to Shareholders

Andreas Hürlimann

Performance at a glance

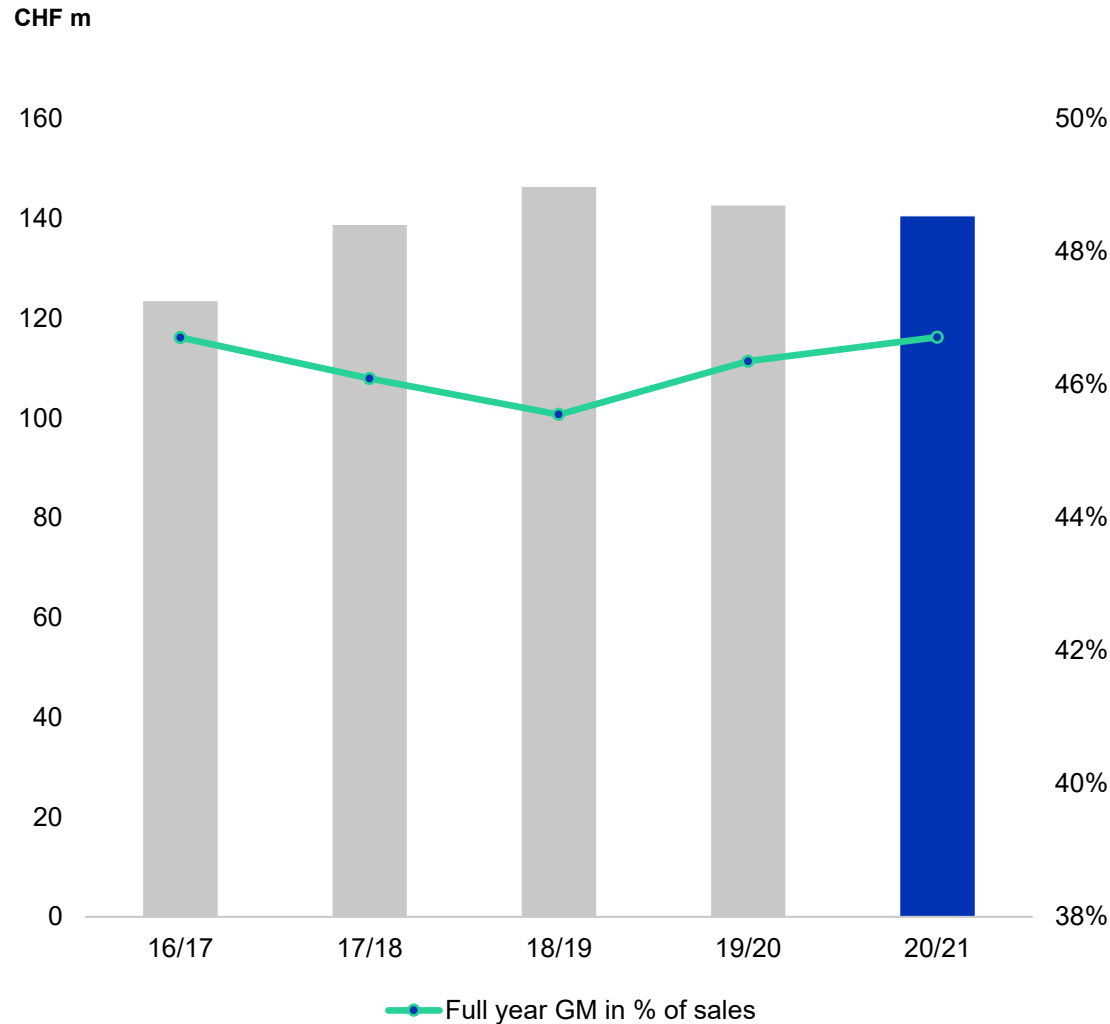
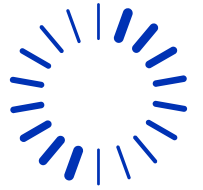


CHF m	FY 2020/21	FY 20/21 vs 19/20	Q4 20/21 vs 19/20
Orders received	362.0	+12.3%	+72.8%
Sales	301.0	-2.3%*	+14.7%
EBIT	60.9	+4.4%	+44.9%
Net profit	55.6	-8.4%	+125.2%

* +0.4% at constant currency rates

- › Sales at constant exchange rates increased by 0.4%
- › EBIT improved mainly due to improved gross margin and reduction in SG&A
- › Last year's net result boosted by a non-recurring positive tax impact
- › Net profit margin decreased to 18.5% compared with 19.7% (excluding the positive tax impacts the net profit margin last year was 15.2%)

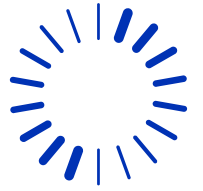
Gross margin



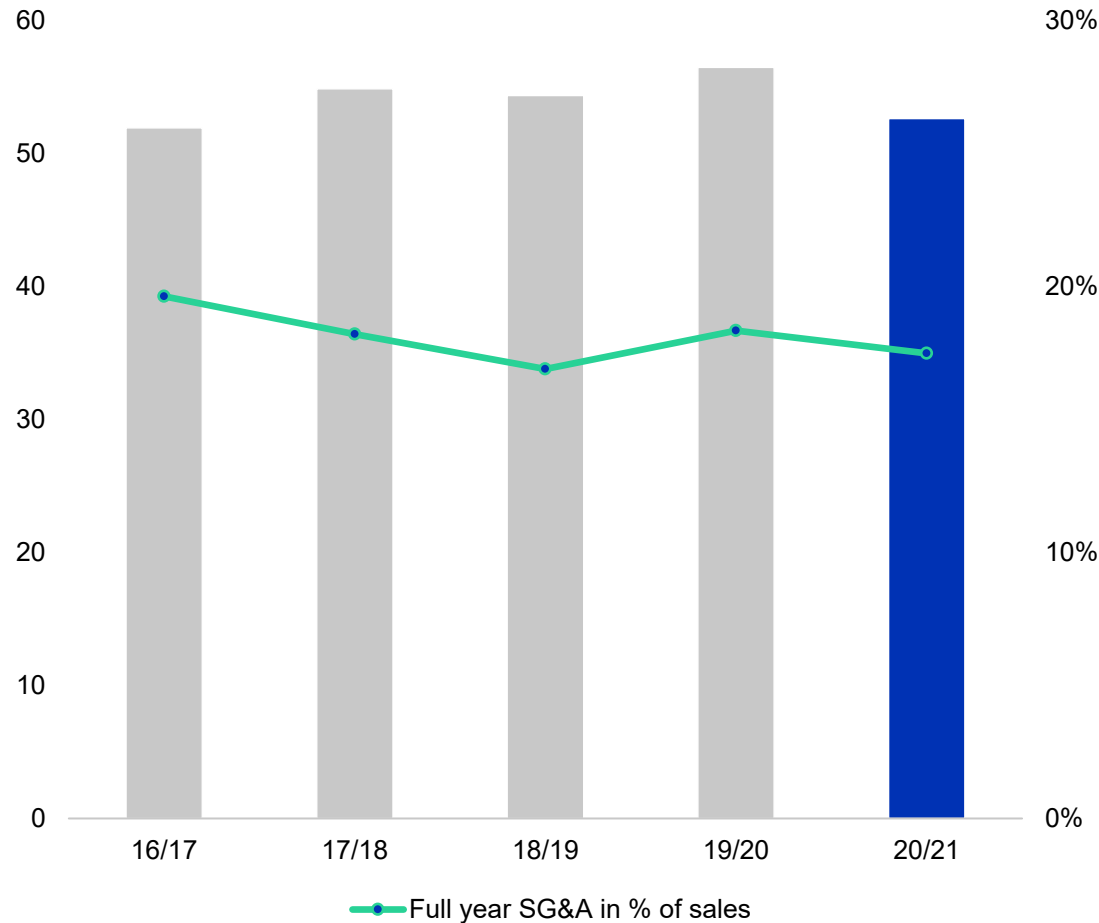
	FY	FY	Q4	Q4
	2020/21	2019/20	2020/21	2019/20
In CHF m	140.6	142.7	40.0	31.9
In % of sales	46.7%	46.4%	48.3%	44.2%

Gross margin increased by 30 basis pts:

- > Higher supply chain costs due to Covid-19
- > Offset by improved purchasing efficiencies and other improvement programs
- > 83% of sales produced in China and Bulgaria



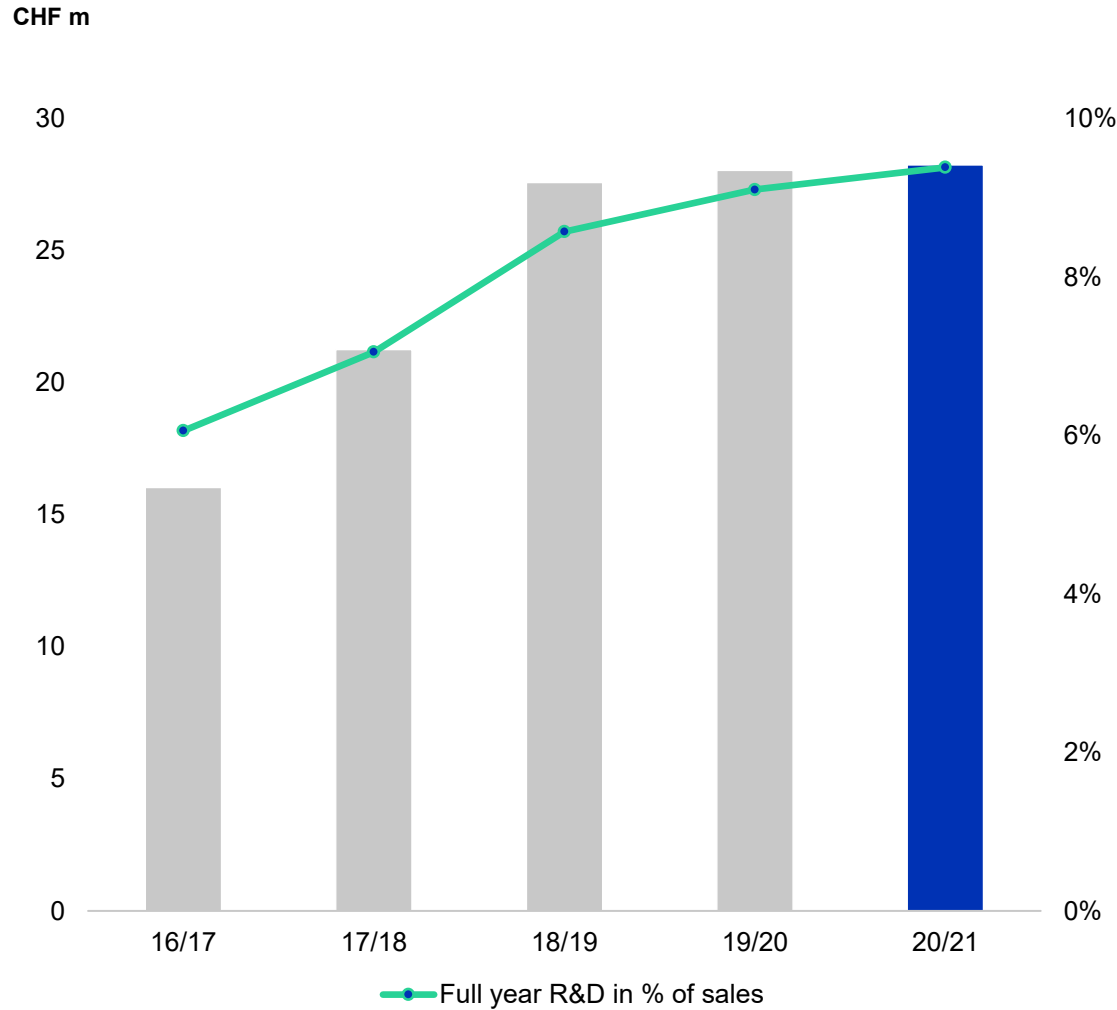
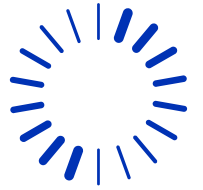
CHF m



	FY 2020/21	FY 2019/20	Q4 2020/21	Q4 2019/20
In CHF m	52.6	56.5	14.3	13.8
In % of sales	17.5%	18.3%	17.3%	19.2%

- > Reduced marketing and travel expenses and changes in working practices
- > SG&A costs fell to 17.5% of sales
- > Like-for-like decrease CHF 3.9m

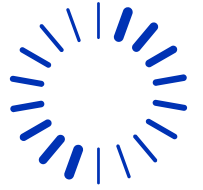
R&D



	FY 2020/21	FY 2019/20	Q4 2020/21	Q4 2019/20
In CHF m	28.2	28.0	8.4	6.1
In % of sales	9.4%	9.1%	10.2%	8.5%

- > R&D expenses basically stable
- > Investment continues to bear fruit with another ten new products launched successfully
- > Long-term strategy ensures targeted new technologies and applications for customers

Financial expense



CHF m	FY 2020/21	FY 2019/20	Q4 2020/21	Q4 2019/20
Exchange effect	0.4	(2.4)	0.2	(1.5)
Other financial expense & income	(0.4)	(0.3)	(0.1)	(0.1)
Total	(0.0)	(2.7)	0.1	(1.6)

- › Financial expenses offset by foreign exchange gains
- › USD, EUR and JPY cash flows are hedged
- › Interest costs relate mainly to expenses on lease liabilities

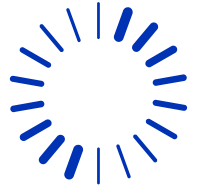
Income taxes



%	FY 2020/21	FY 2019/20
Expected income tax rate	13.7	15.8
Expected withholding tax rate	2.2	1.0
Expected tax rate	15.9	16.8
Other differences	(7.2)	(25.9)
Effective tax rate	8.7	(9.1)

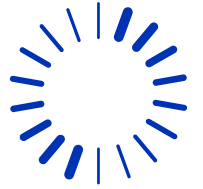
- › Group tax expenses 2020/21 represent a tax rate of only 8.7%, mainly due to the transfer of the trademark usufruct from LEM HOLDING to LEM International
- › Excluding this non-recurring tax benefit, the underlying tax rate would amount to 17.4%
- › Last year as well included a non-recurring tax benefit of CHF 14.0m following the IP transfer from LEM IP to both LEM China and LEM International

Income statement



CHF m	FY	FY	Change	Q4	Q4
	2020/21	2019/20		2020/21	2019/20
Sales	301.0	307.9	-2.3%	82.8	72.2
Gross margin %	46.7%	46.4%	+0.3%pt	48.3%	44.2%
Operating expenses	(79.7)	(84.4)	-5.6%	(22.7)	(19.9)
EBIT	60.9	58.3	+4.4%	17.3	11.9
EBIT margin %	20.2%	18.9%	+1.3%pt	20.9%	16.5%
Net financial expenses	(0.0)	(2.7)	n/a	0.1	(1.6)
Income tax	(5.3)	5.1	n/a	2.1	(1.7)
Net profit	55.6	60.7	-8.4%	19.6	8.7
Net profit margin %	18.5%	19.7%	-1.2%pt	23.6%	12.0%

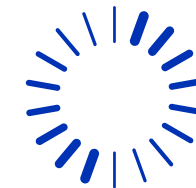
Balance sheet



CHF m	31.3.2021	31.3.2020
Net working capital	25.8	7.2
Fixed assets	122.6	114.9
Noncurrent liabilities	(14.9)	(15.0)
Net operating assets	133.5	107.1
Net cash/(debt)	(1.6)	10.2
Equity	131.9	117.4
Equity ratio	49.9%	51.0%
Days of sales outstanding	74	67
Days of inventory outstanding	108	86
Days of payables outstanding	48	43

- Balance sheet remains strong with practically zero net debt
- Net working capital increase due to higher receivables from strong Q4 sales and built-up of safety stock
- Equity ratio basically stable at 50%

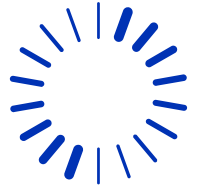
Cash flow



CHF m	FY 2020/21	FY 2019/20
Profit before taxes	60.9	55.6
Adjustment for non-cash items and taxes paid	5.0	8.1
Cash flow from changes in net working capital	(15.0)	9.9
Cash flow from operating activities	50.9	73.6
Cash flow from investing activities	(13.5)	(14.7)
Free cash flow	37.4	58.9
Cash flow from financing activities	(35.0)	(51.3)
Change in cash and cash equivalents	2.4	7.6
Cash and cash equivalents at the end of the period	22.4	19.2

- Cash flow from operating activities was CHF 50.9m (-30.9%) and free cash flow was CHF 37.4 million (-36.4%)
- Net working capital increase of CHF 15.0m and one-off CHF 6.4m tax payment have lowered free cash flow

Agenda



Opening Remarks

Frank Rehfeld

Business Performance

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Financial Results

Andrea Borla

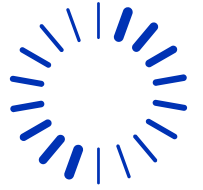
Outlook

Frank Rehfeld

Proposal to Shareholders

Andreas Hürlimann

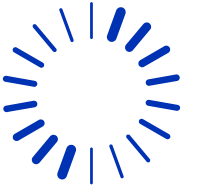
Outlook – Financial Year 2021-22



- › Cautiously optimistic for the 12 months to come
- › LEM benefits from geographic and sector diversity; however, China production is dependent on demand from other economies
- › Shortages and supply chain issues for components and ongoing trade disputes to impact business
- › Fundamental long-term prospects remain strong, driven by renewable energy, mobility and automation
- › Continued investment in R&D between 8-10% of sales
- › Impacts of the pandemic will reverberate across markets and society for many months if not years



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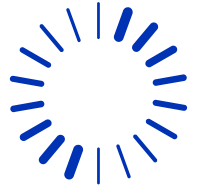
Outlook

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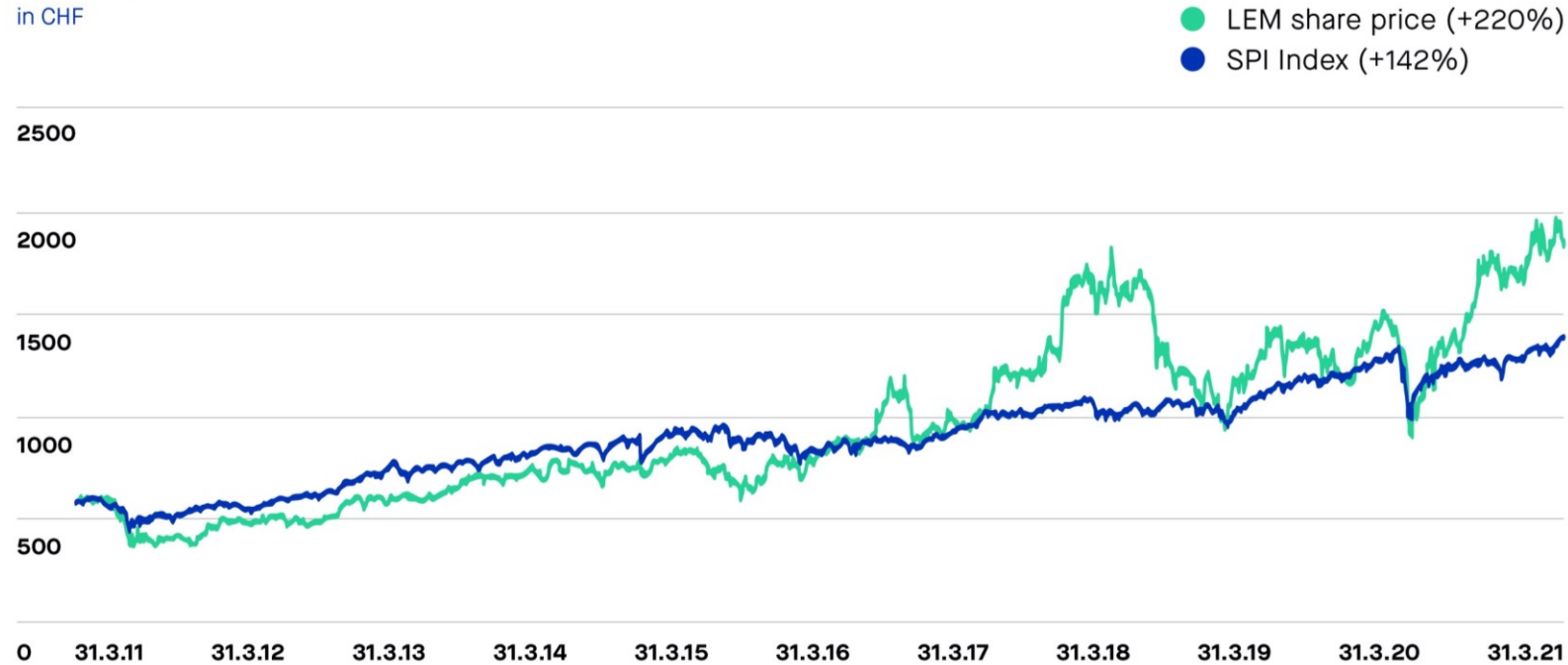
Proposal to Shareholders

Andreas Hürlimann

The long-term view



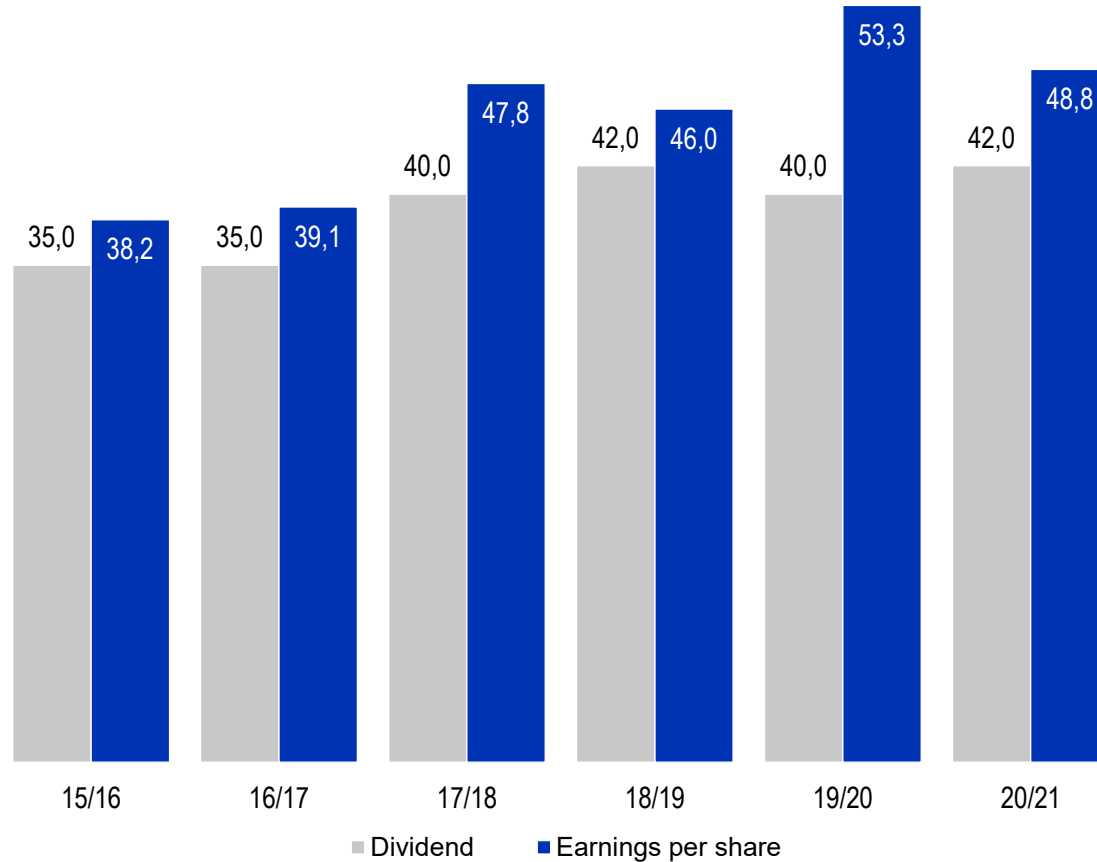
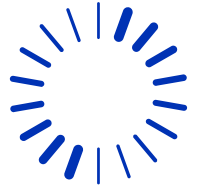
Share price development LEM HOLDING SA (LEHN) compared to SPI



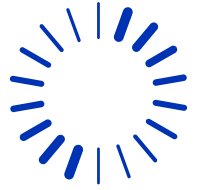
Source: Bloomberg

- › Share price development from 31 March 2011 to 31 March 2021: +220%
- › Distributed dividends over the last 10 years: CHF 344m

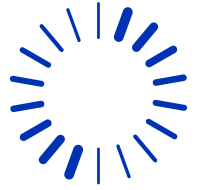
Proposal to shareholders



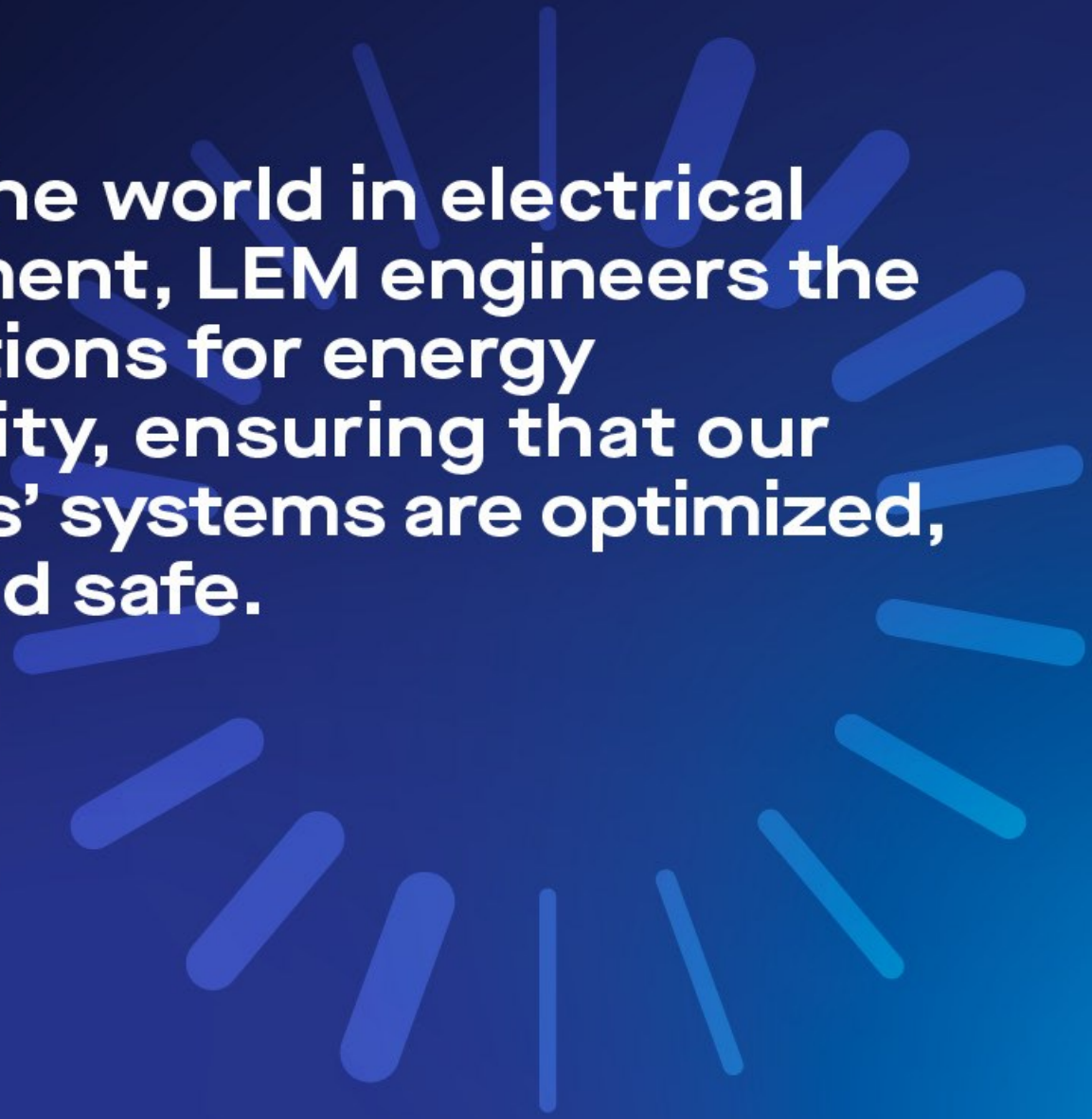
- Dividend policy of distributing significantly more than 50% of consolidated net profit
- Consideration of financial strength and difficult economic environment
- Proposed ordinary dividend of CHF 42 per share, up from CHF 40
- Payout ratio of 86.1%, up from 75.1%
- Represents a dividend yield of 2.3% (as per 31 March 2021)
- Sign of trust in the Company's future



Thank you

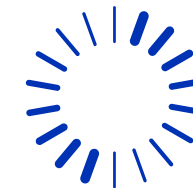


Q&A

A decorative graphic consisting of numerous blue brush strokes of varying lengths and orientations, arranged in a circular pattern around the text.

Leading the world in electrical measurement, LEM engineers the best solutions for energy and mobility, ensuring that our customers' systems are optimized, reliable and safe.

Financial calendar and contact details



The financial year runs from 1 April to 31 March

24 June 2021	Annual General Meeting 2020/21
1 July 2021	Dividend ex-date
6 July 2021	Dividend payment date
28 July 2021	First-quarter results 2021/22
8 November 2021	Half-year results 2021/22
4 February 2022	Third-quarter results 2021/22
24 May 2022	Year-end results 2021/22
30 June 2022	Annual General Meeting FY 2021/22
5 July 2022	Dividend ex-date
7 July 2022	Dividend payment date

For further information

Andrea Borla, CFO

Phone: +41 22 706 12 50

E-mail: investor@lem.com