



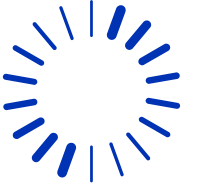
Half Year Results 2022/23

1 April 2022 to 30 September 2022

**Celebrating
ingenuity and
inspiration**



Agenda



Opening Remarks

Frank Rehfeld

Business Performance

Frank Rehfeld

Financial Results

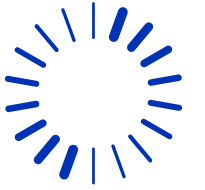
Andrea Borla

Outlook

Frank Rehfeld

Opening remarks

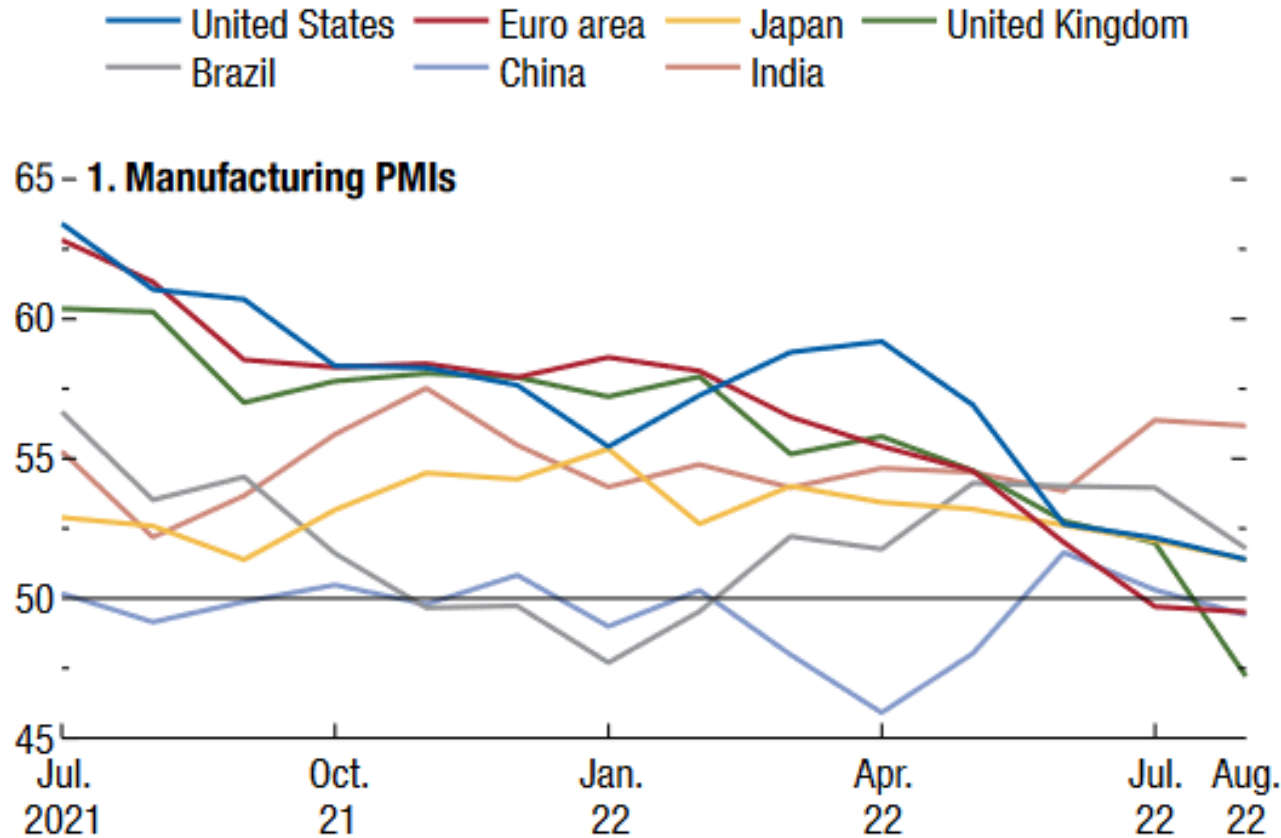
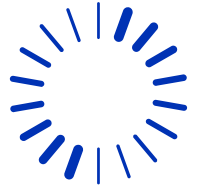
Record sales and EBIT



- › We are delighted to report record sales results for H1 of CHF 198.1 million
 - › Q2 best ever quarter sales CHF 107.3 million
- › Sales driven mainly by our Automotive and Energy Distribution businesses
- › China recovered from the lockdown effects in Q1, but we still face major challenges in fulfilling orders for customers
- › Americas' strong performance was led by the accelerating adoption of electric vehicles, charging infrastructure, and renewable energy
- › Top-line growth and an improved gross margin led to a record EBIT result for H1 of CHF 45.8 million
- › Our order book has dropped to more normal levels after the extreme disruptions of the past two years

Global manufacturing

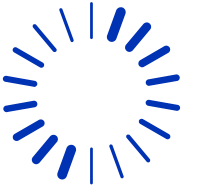
Leading indicators show signs of slowdown



IMF, Global Economic Outlook, October 2022

- Global economic activity shows sharper-than-expected slowdown, with inflation higher than in several decades
- Cost-of-living crisis, tightening financial conditions, Russia's invasion of Ukraine, and lingering COVID-19 pandemic weigh on outlook
- Global growth to slow from 6% in 2021 to 3.2% in 2022 and 2.7% in 2023

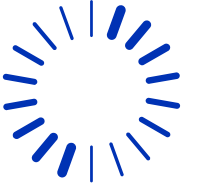
New organizational structure drives growth



- › With effect from 01 April 2022, the company is organized on a regional and functional matrix
- › This is designed to move decision making closer to the customer in different parts of the world and empower local management
- › Global functional teams will support regional markets across all customer applications and the entire LEM product portfolio, thereby providing synergies of expertise and development

- › Financial reporting to provide clarity and transparency:
 - › 4 regions
 - › 5 businesses
 - › single company-wide P&L every quarter
 - › balance sheet twice a year

Agenda



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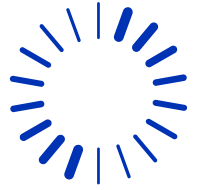
Financial Results






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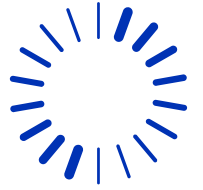
A leading company in electrical measurement



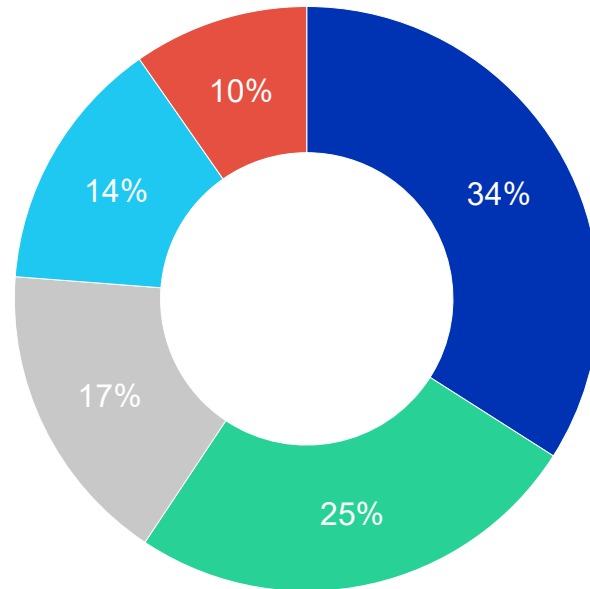
Five Businesses	Automation	Automotive	Renewable Energy	Energy Distribution & High Precision	Track
					

HY 2022/23 Sales CHF m	67.4	50.1	33.4	27.9	19.2
Δ CHF	+3.1%	+25.2%	-0.9%	+20.7%	-10.2%
Δ constant currency	+5.2%	+23.4%	+1.0%	+24.7%	-6.0%

Sales spread by business



- > Balanced portfolio
- > Growth lead by Automotive and Energy Distribution & High Precision
- > Track impacted by the cessation of our operations in Russia

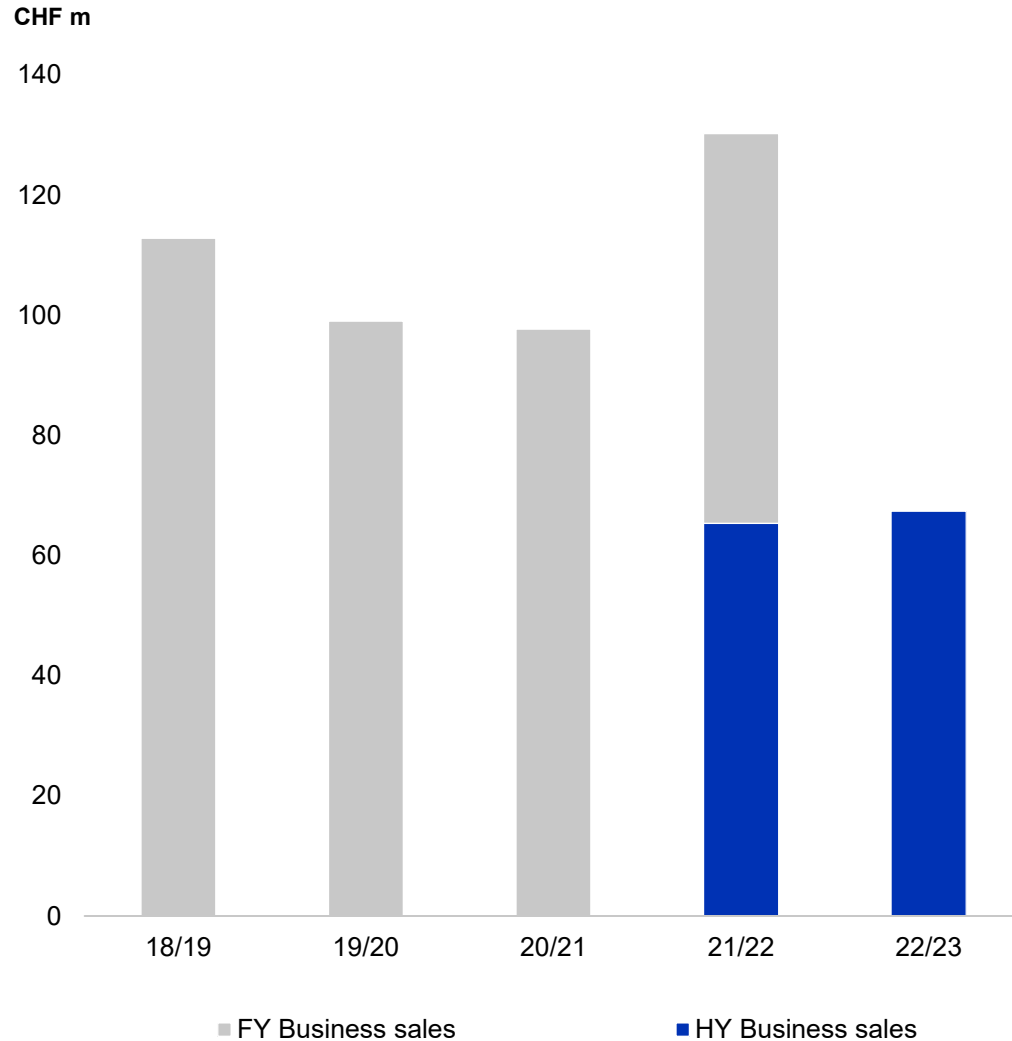
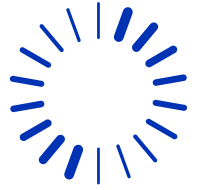


	Sales CHF m	Growth	
		HY 22/23 vs 21/22	Q2 22/23 vs 21/22
Automation	67.4	+3.1%	+15.0%
Automotive	50.1	+25.2%	+42.1%
Renewable Energy	33.4	-0.9%	+7.6%
Energy Distribution & High Precision	27.9	+20.7%	+31.8%
Track	19.2	-10.2%	-8.7%
TOTAL	198.1	+7.8%*	+18.8%

* +9.5% at constant currency rates

Automation

Drives, robots, tooling machines, elevators, and HVAC

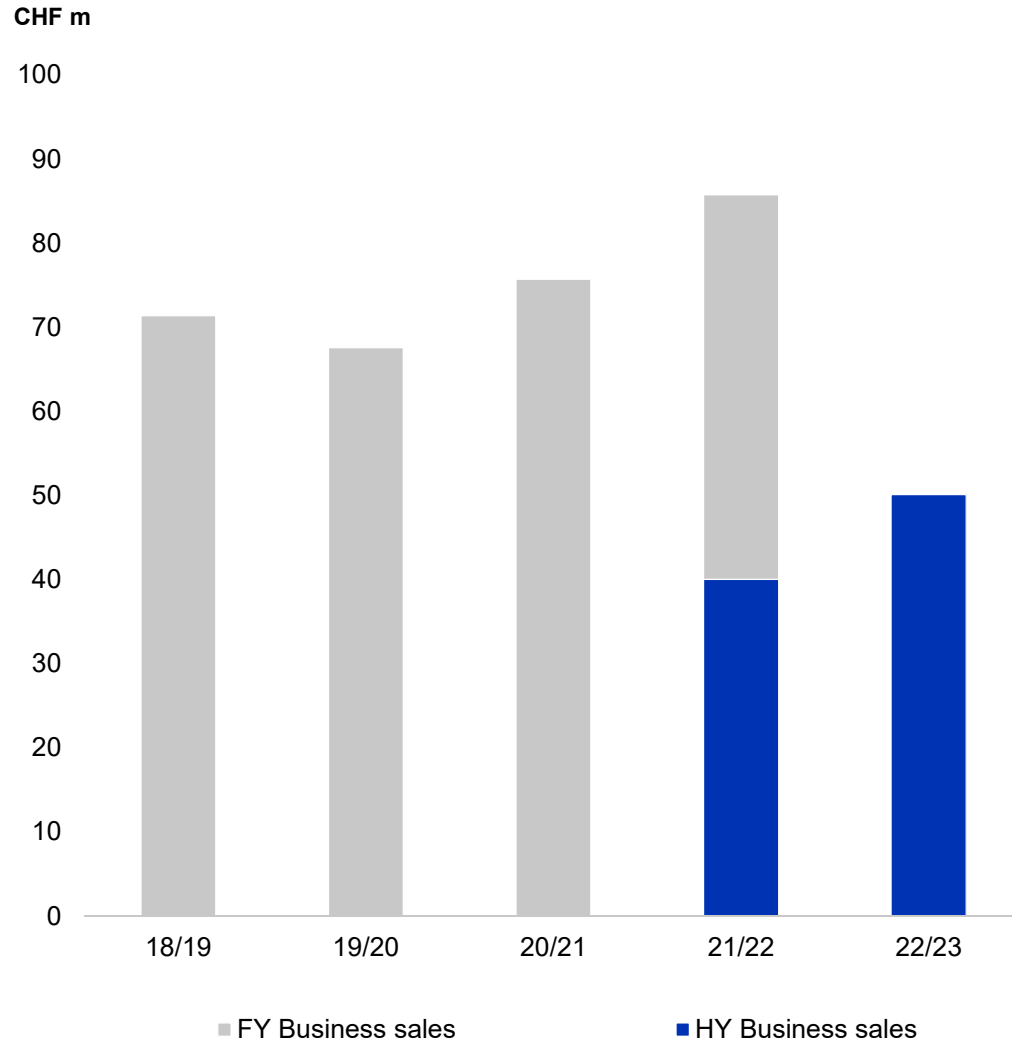
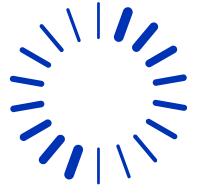


	HY 2022/23	HY 2021/22	Q2 2022/23	Q2 2021/22
In CHF m	67.4	65.4	36.9	32.1

- > Sales growth, despite component shortages
- > Business driven by the manufacturing investment cycle and the strong demand for small and medium power applications, including tooling machines, and HVAC (Heating, Ventilation, and Air Conditioning)
- > Continue to receive positive feedback about our new product family of ICSs for small drives and robotics

Automotive

Battery (EV & CE), motor control, and onboard charging

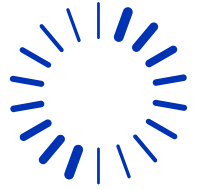


	HY 2022/23	HY 2021/22	Q2 2022/23	Q2 2021/22
In CHF m	50.1	40.0	28.4	20.0

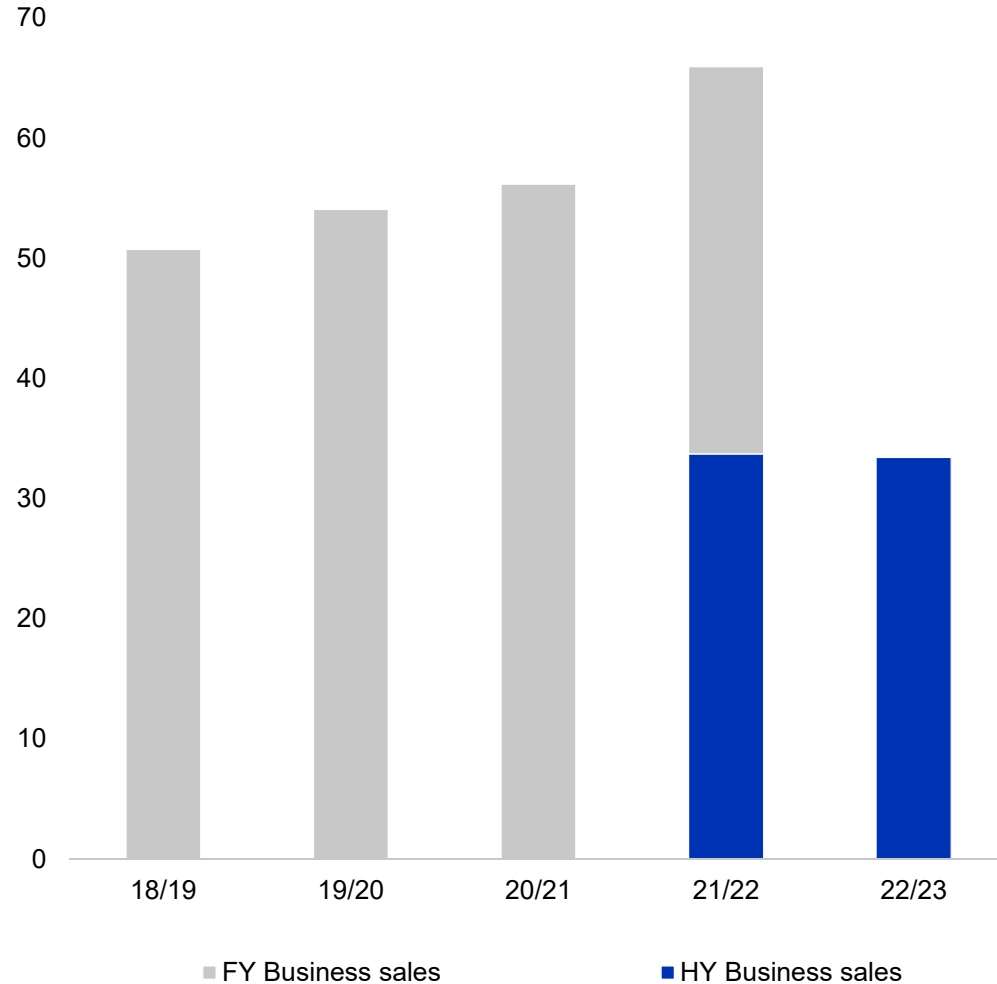
- > Q2 with record sales, after end of Shanghai lockdown
- > Bookings decreased in absolute terms, but the book-to-bill ratio is still above 1.0, as the fundamental demand for EVs remains
- > New sector players in China continue to outperform the more established OEMs

Renewable energy

Solar and wind



CHF m

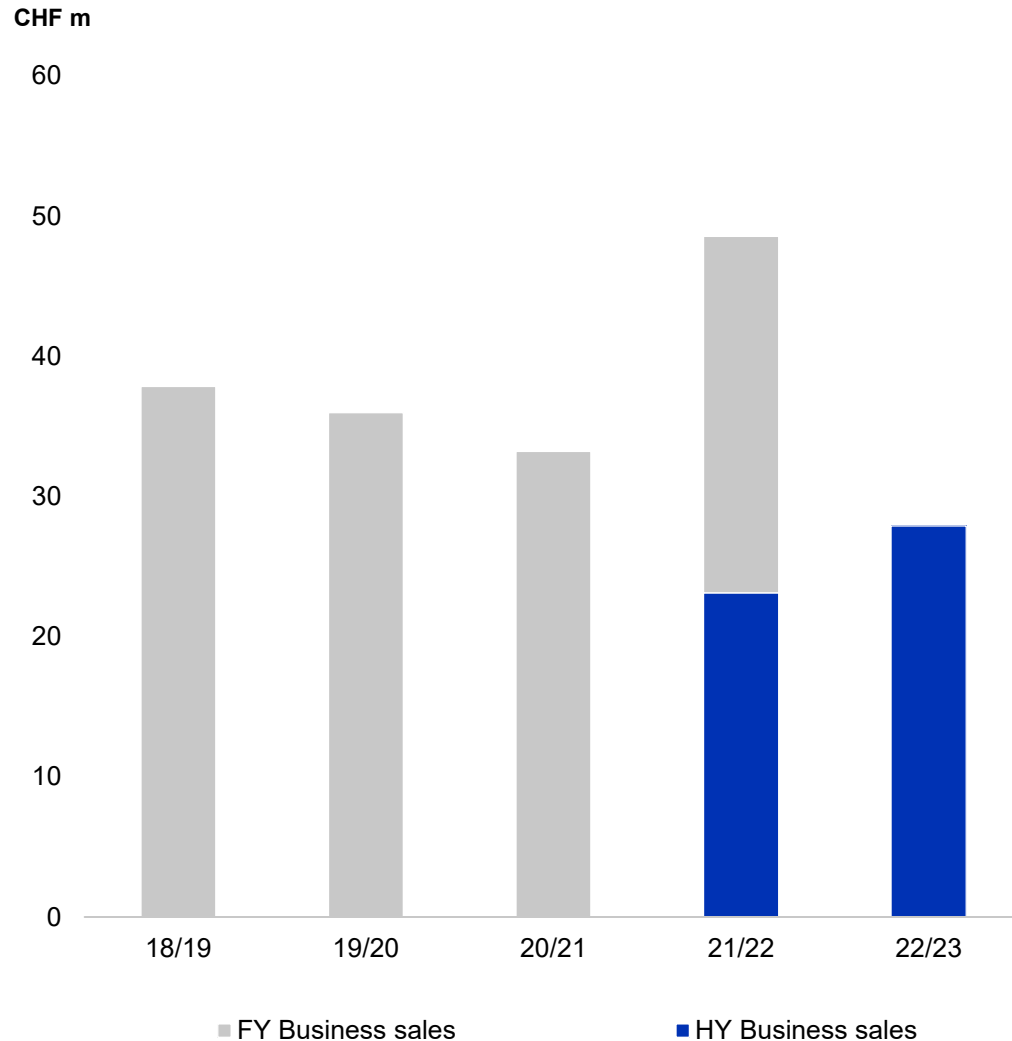
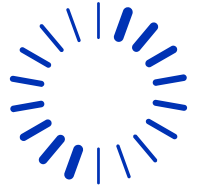


	HY 2022/23	HY 2021/22	Q2 2022/23	Q2 2021/22
In CHF m	33.4	33.7	18.0	16.7

- > Over proportionally impacted by supply chain shortages
- > Future prospects remain strong
- > Global concerns about dependency on fossil fuels continue to accelerate favorable government policies and commercial investment

Energy distribution and high precision

Charging stations, smart grid, energy storage, and high precision

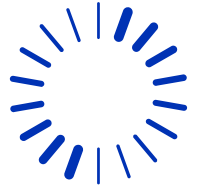


	HY 2022/23	HY 2021/22	Q2 2022/23	Q2 2021/22
In CHF m	27.9	23.1	14.1	10.7

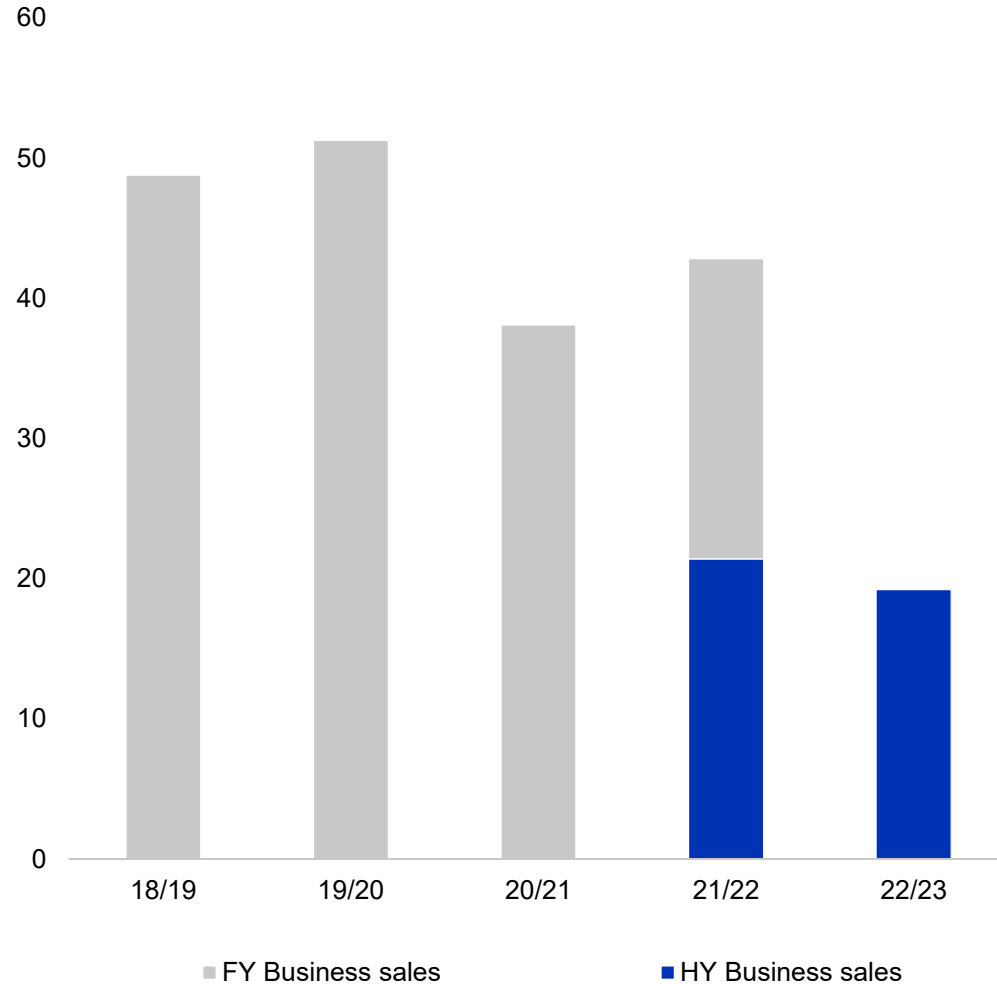
- > The infrastructure investment for e-mobility is driving customer interest in our DC Meter products, which was the main reason for the strong increase in sales
- > Our most recent product line, the IN family, which offers high precision solutions for test benches in the EV market, continues to be well received

Track

Trains, metro, and trackside



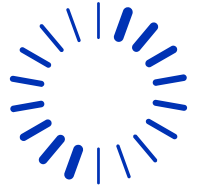
CHF m



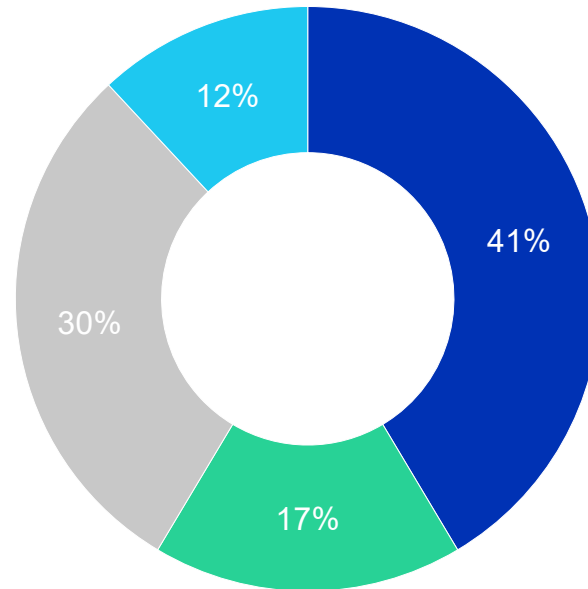
	HY 2022/23	HY 2021/22	Q2 2022/23	Q2 2021/22
In CHF m	19.2	21.4	10.0	10.9

- > Our Traction business, with its project-based long investment horizons, has been impacted by the cessation of our operations in Russia
- > Order book remains strong

Sales spread by region



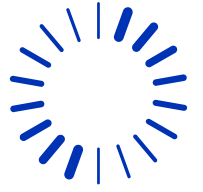
- > Balanced exposure
- > Americas and China lead growth
- > Close to customers on the ground in all key markets



	Sales CHF m	Growth	
		HY 22/23 vs 21/22	Q2 22/23 vs 21/22
China	82.1	+16.0%	+29.9%
Rest of Asia	34.0	+2.2%	+14.0%
EMEA	58.4	-5.0%	+2.0%
Americas	23.6	+30.0%	+38.7%
TOTAL	198.1	+7.8%*	+18.8%

* +9.5% at constant currency rates

Next generation products



Automation



Track

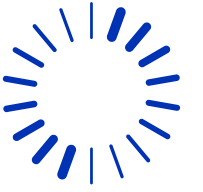


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Agenda



Opening Remarks

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Business Performance

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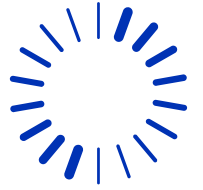
Financial Results

Andrea Borla

Outlook

Frank Rehfeld

Performance at a glance

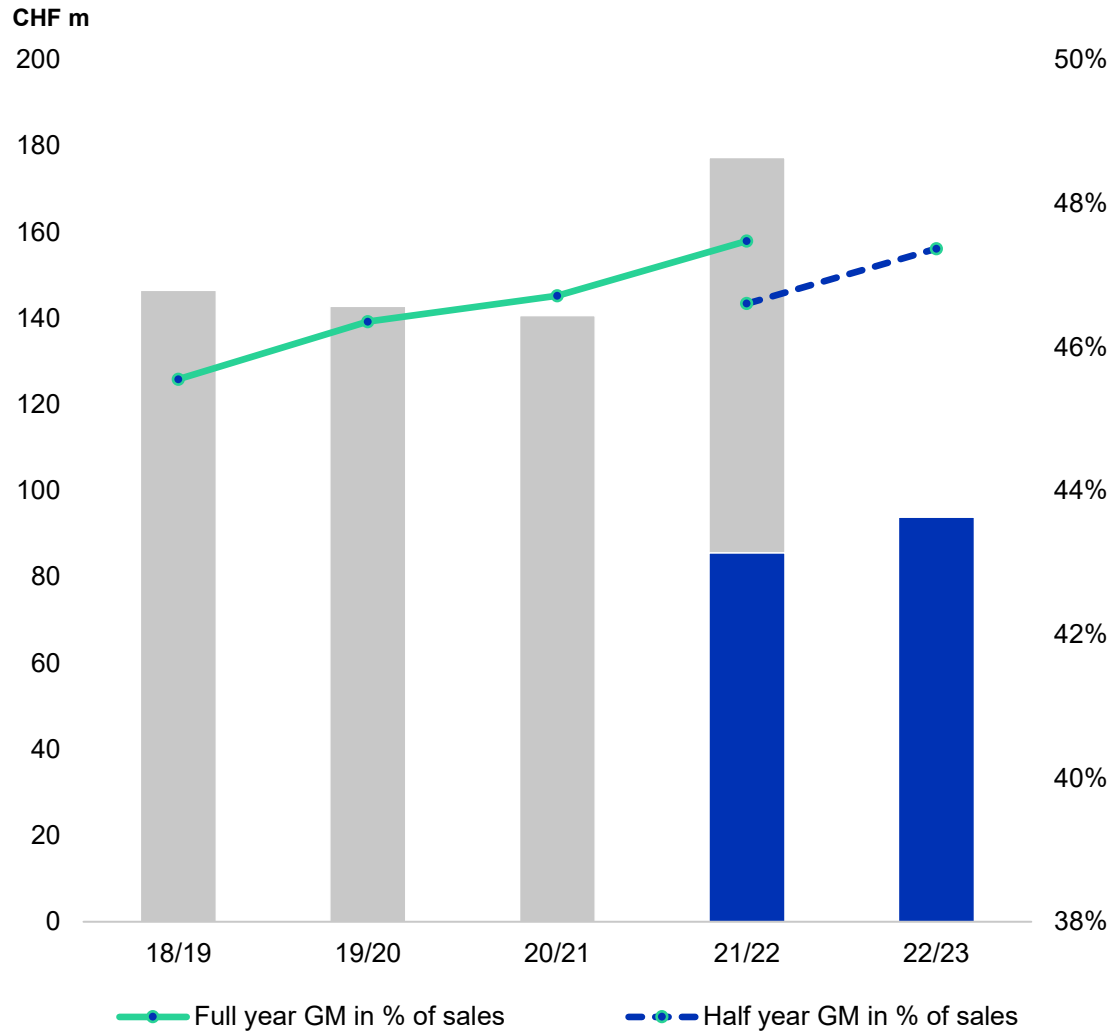
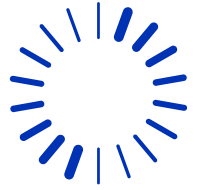


CHF m	HY 2022/23	HY 22/23 vs 21/22	Q2 22/23 vs 21/22
Orders received	270.1	-10.0%	-27.2%
Sales	198.1	+7.8%*	+18.8%
EBIT	45.8	+8.6%	+25.7%
Net profit of the period	35.2	+0.1%	+14.7%

* +9.5% at constant currency rates

- Bookings dropped to more normal levels after the extreme disruptions of the past two years
- Sales at constant exchange rates increased by 9.5 %
- EBIT improved mainly due to sales and better gross margin
- Net profit margin decreased to 17.8% compared with 19.2%

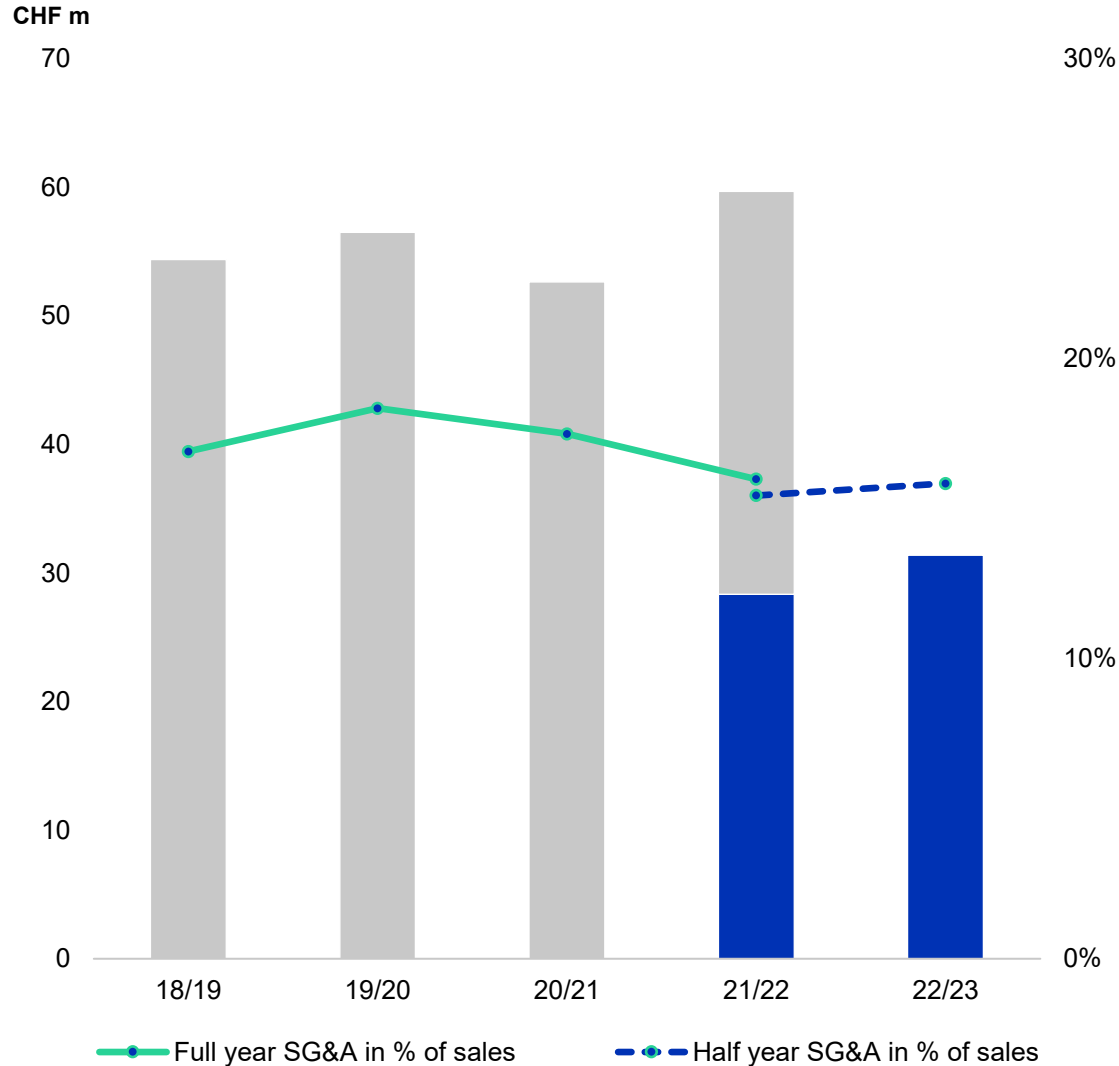
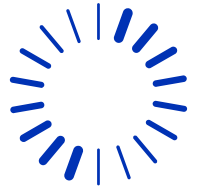
Gross margin



	HY 2022/23	HY 2021/22	Q2 2022/23	Q2 2021/22
In CHF m	93.8	85.6	50.6	42.9
In % of sales	47.4%	46.6%	47.1%	47.5%

Gross margin increased by 80 basis pts:

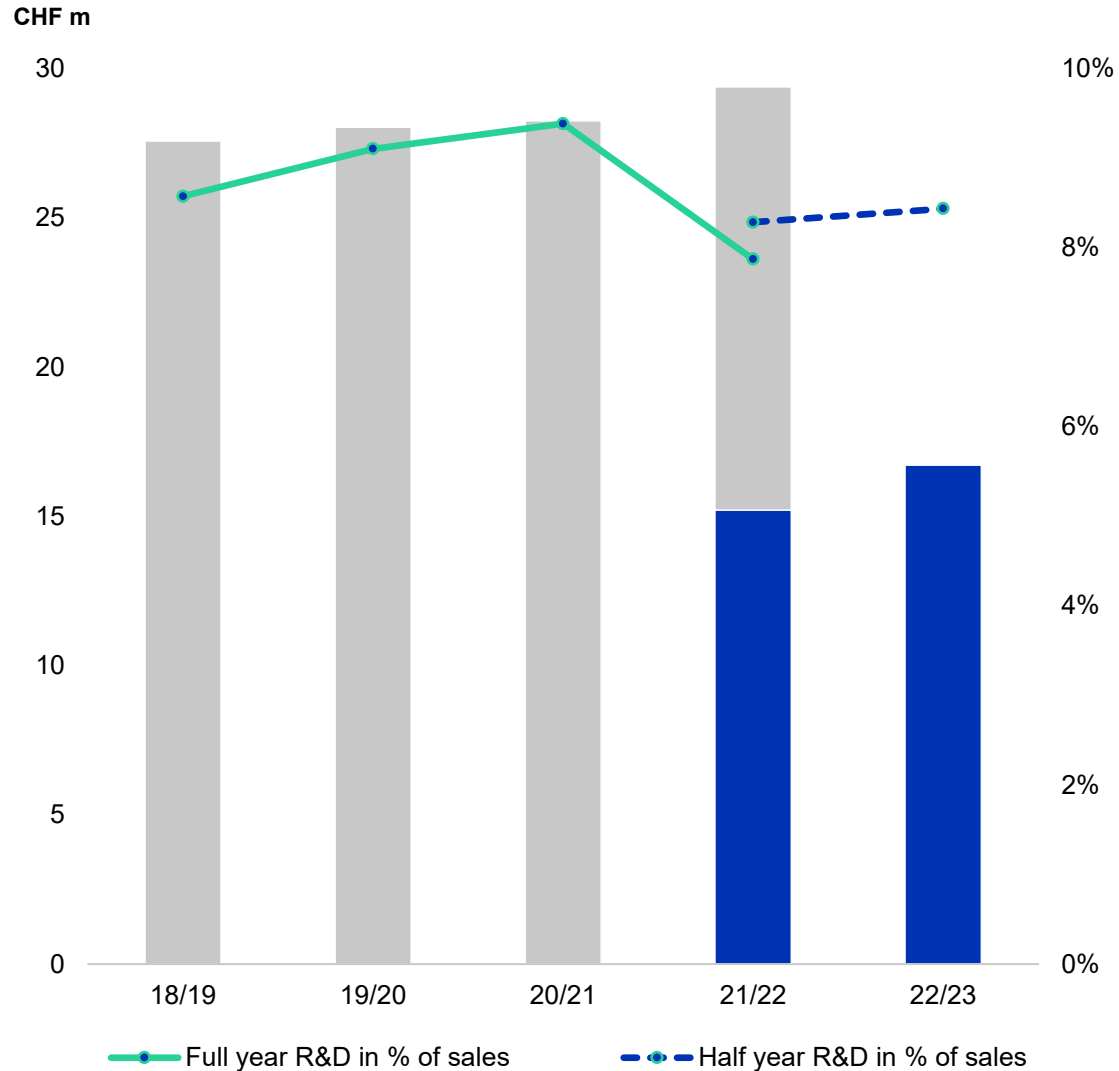
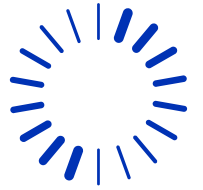
- > Increasing sales prices
- > Benefits from economies of scale
- > 81% of sales produced in China and Bulgaria



	HY 2022/23	HY 2021/22	Q2 2022/23	Q2 2021/22
In CHF m	31.4	28.4	16.1	14.4
In % of sales	15.8%	15.4%	15.0%	16.0%

- > Absolute increase of CHF 3.0m
 - > External consulting support
 - > Investments in technology infrastructure
 - > Recruitment of additional talent
- > SG&A costs increased to 15.8% of sales

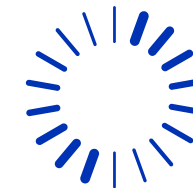
R&D



	HY 2022/23	HY 2021/22	Q2 2022/23	Q2 2021/22
In CHF m	16.7	15.2	8.2	7.6
In % of sales	8.4%	8.3%	7.6%	8.4%

- > R&D investment up by 9.8% to CHF 16.7m
- > Long-term investment in future applications
- > Investment continues to bear fruit with new products launched successfully

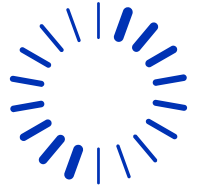
Financial expense



CHF m	HY 2022/23	HY 2021/22	Q2 2022/23	Q2 2021/22
Exchange effect	(2.5)	(0.3)	(1.4)	(0.1)
Other financial expense & income	(0.6)	(0.0)	(0.3)	(0.1)
Total	(3.0)	(0.4)	(1.7)	(0.2)

- › Net financial result CHF -3.0 million, mainly due to foreign currency losses following the Euro depreciation during the first half year
- › Interest costs relate mainly to expenses on lease liabilities of our new HQ
- › USD, EUR and JPY cash flows are hedged

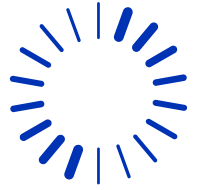
Income taxes



%	HY 2022/23	HY 2021/22
Expected income tax rate	16.2	15.1
Expected withholding tax rate	1.0	1.7
Expected tax rate	17.2	16.9
Other differences	0.4	(1.2)
Effective tax rate	17.6	15.7

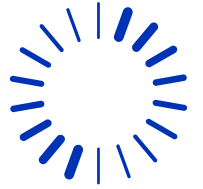
- › The Group tax expenses of CHF 7.5 million represent a tax rate of 17.6%
- › Tax credits are newly reflected in R&D expenses
- › Excluding this effect, the overall tax rate remains stable

Income statement



CHF m	HY	HY	Change	Q2	Q2
	2022/23	2021/22		2022/23	2021/22
Sales	198.1	183.7	+7.8%	107.3	90.4
Gross margin %	47.4%	46.6%	+0.8%pt	47.1%	47.5%
Operating expenses	(48.1)	(43.5)	+10.5%	(24.3)	(22.1)
EBIT	45.8	42.1	+8.6%	26.3	20.9
EBIT margin %	23.1%	22.9%	+0.2%pt	24.5%	23.1%
Net financial expenses	(3.0)	(0.4)	n/a	(1.7)	(0.2)
Income tax	(7.5)	(6.6)	+14.9%	(4.0)	(2.8)
Net profit	35.2	35.2	+0.1%	20.5	17.9
Net profit margin %	17.8%	19.2%	-1.4%pt	19.1%	19.8%

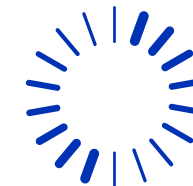
Balance sheet



CHF m	30.9.2022	31.3.2022
Net working capital	77.7	72.4
Fixed assets	146.5	147.9
Noncurrent liabilities	(34.9)	(35.7)
Net operating assets	189.3	184.6
Net cash/(debt)	(55.9)	(23.5)
Equity	135.7	161.2
Equity ratio	43.4%	53.5%
Days of sales outstanding	69	70
Days of inventory outstanding	88	89
Days of payables outstanding	42	42

- Equity ratio pretty stable at 43.4%
- Net working capital increased as a consequence of more business activity
- Limited net debt of 56.0 million, consisting of 79.0 million third party debt and 23.0 million cash on hand

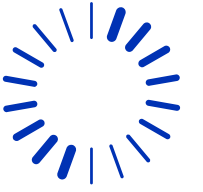
Cash flow



CHF m	HY 2022/23	HY 2021/22
Profit before taxes	42.7	41.7
Adjustment for non-cash items and taxes paid	3.7	(21.9)
Cash flow from changes in net working capital	(9.7)	(8.0)
Cash flow from operating activities	36.8	11.9
Cash flow from investing activities	(10.6)	(6.8)
Free cash flow	26.2	5.1
Cash flow from financing activities	(19.8)	(1.0)
Change in cash and cash equivalents	6.4	4.1
Cash and cash equivalents at the end of the period	23.3	26.7

- Overall cash flow was strong and increasing compared to last year
- Excluding last year's non-recurring tax payment related to the sale of intellectual property, operating cash flow remained stable
- Increasing investments due to new Malaysia plant, R&D center extension in Lyon, and new assembly lines globally

Agenda



Opening Remarks

Frank Rehfeld

Business Performance

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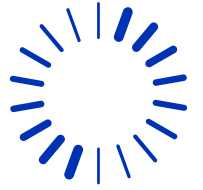
Financial Results

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Outlook

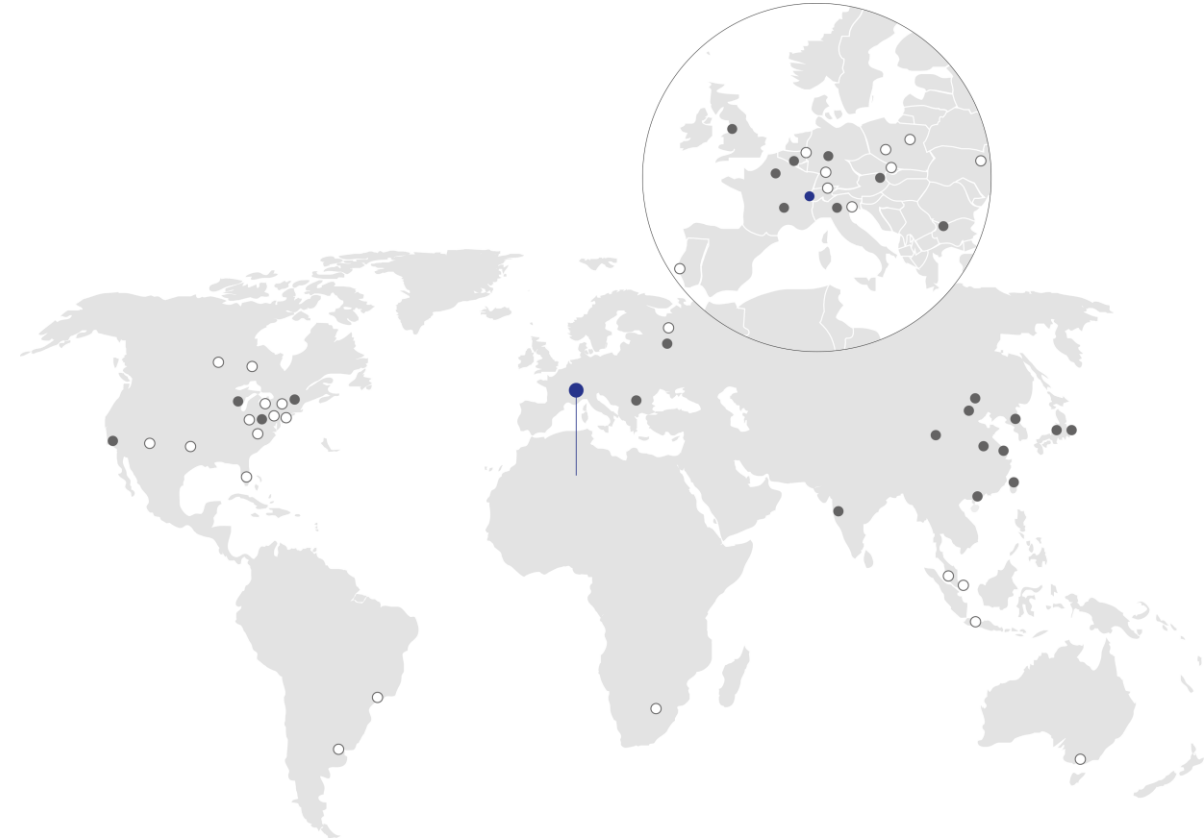
Frank Rehfeld

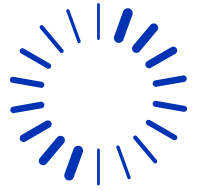
Outlook – Financial Year 2022/23



- › Businesses continue to benefit from the fundamental drivers of electrification, renewable energy and mobility
- › Growth restrained by shortages for electronic components
- › Risk of upcoming recessions in key markets

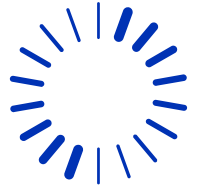
- › For FY 2022/23, we expect
 - › Sales of CHF 390 – 400 million (CHF 373.4 million for 2021/22)
 - › EBIT margin above 20%
 - › Excludes the potential impact of significant lockdowns in China





Q&A

Financial calendar and contact details



The financial year runs from 1 April to 31 March

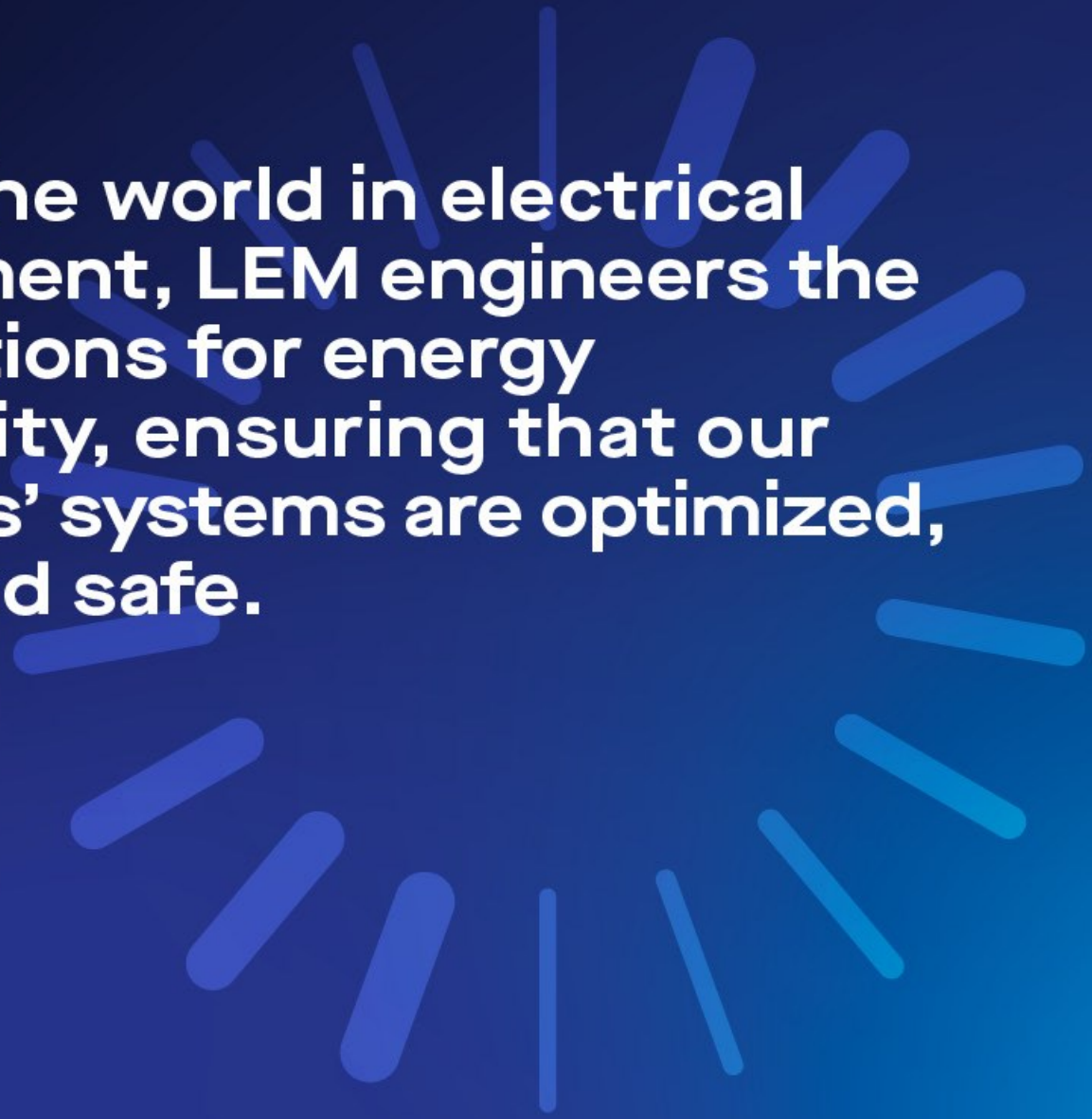
6 February 2023	9 months results 2022/23
25 May 2023	Full year results 2022/23
29 June 2023	Annual General Meeting FY 2022/23
4 July 2023	Dividend ex-date
6 July 2023	Dividend payment date

For further information

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E-mail: investor@lem.com

A decorative graphic consisting of numerous blue brush strokes of varying lengths and orientations, arranged in a circular pattern around the text. The strokes are in shades of blue, ranging from a deep navy to a lighter sky blue.

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.