

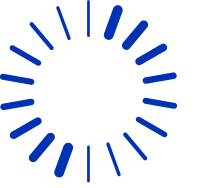


Full Year Results 2022/23

1 April 2022 to 31 March 2023



Agenda



Opening Remarks

Frank Rehfeld

Business Performance

Frank Rehfeld

Financial Results

Andrea Borla

Outlook

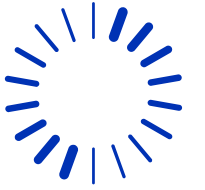
Frank Rehfeld

Proposal to Shareholders

Andreas Hürlimann

Excellent performance despite challenging year

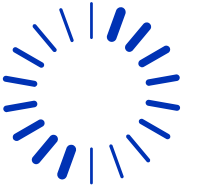
Our global teams showed great resolve, flexibility and determination



- › Getting through last year
 - › Lockdowns in China in April, May, and November, followed by sudden lifting of restrictions in December
 - › Intensified component shortages challenged our supply chains
 - › If we'd had access to the supplies we needed, we could have sold even more
- › Revenues are evidence of product demand and operational strengths
 - › Electrification and decarbonization, which drive our business, are accelerating
 - › Strong underlying growth in all our markets offers many opportunities to capture growth
 - › LEM is ideally positioned to support customers in the electrification era

Record financial results for full year 2022/23

Profitability remains robust

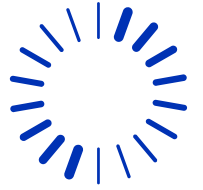


- › We are delighted to report record annual results
 - › Sales increased by 8.8% to CHF 406.4 million
 - › Without FX impact, sales would have increased by 12.6%
 - › We achieved this despite lockdowns in China, supply chain difficulties, and geopolitical challenges
 - › Our revenues demonstrated the fundamental demand for our products and the strengths of the company operationally

- › Another milestone was our move to our new headquarters in Meyrin, Geneva, in April 2022
 - › LEM's innovative spirit is visible, and collaboration between teams is facilitated

Penang, Malaysia, site progress

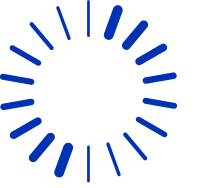
Building handover planned for end of September 2023



Site per May 2023

- › Construction slightly ahead of schedule
- › Recruitment showing significant progress, high quality candidates available in Malaysia
- › First exports expected early 2024
- › Strategic location to improve supply chains, increase resilience, and better meet the needs of customers in Asia, as well as Europe and the Americas
- › Main testing base for integrated current sensor (ICS) products for Automation, Automotive and Renewable Energy

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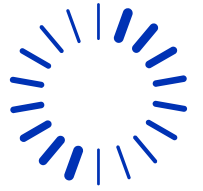
Outlook






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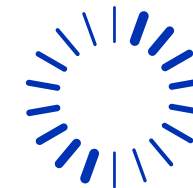
A leading company in electrical measurement



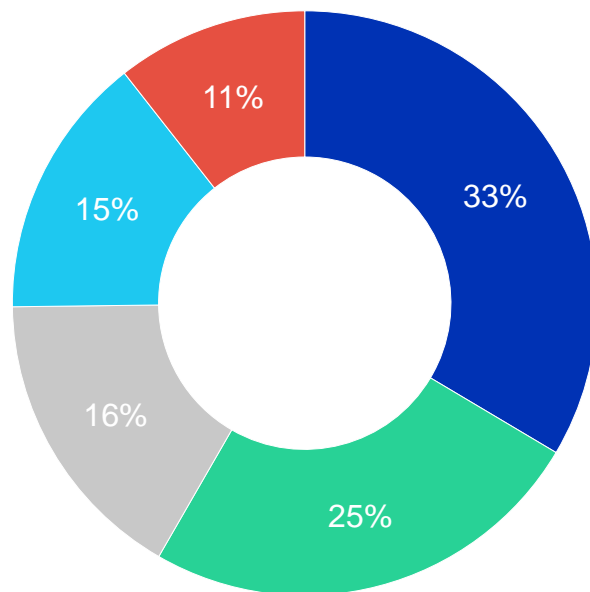
Five Businesses	Automation	Automotive	Renewable Energy	Energy Distribution & High Precision	Track
					

FY 2022/23 Sales CHF m	136.3	100.7	67.0	59.4	43.0
Δ CHF	+4.6%	+17.4%	+1.6%	+22.3%	+0.4%
Δ constant currency	+8.2%	+19.0%	+6.3%	+27.6%	+5.7%

Sales spread by business



- > Balanced portfolio
- > Growth led by Automotive and Energy Distribution
- > Strong demand for EVs and EV charging stations
- > Prospects for Renewable Energy remain promising

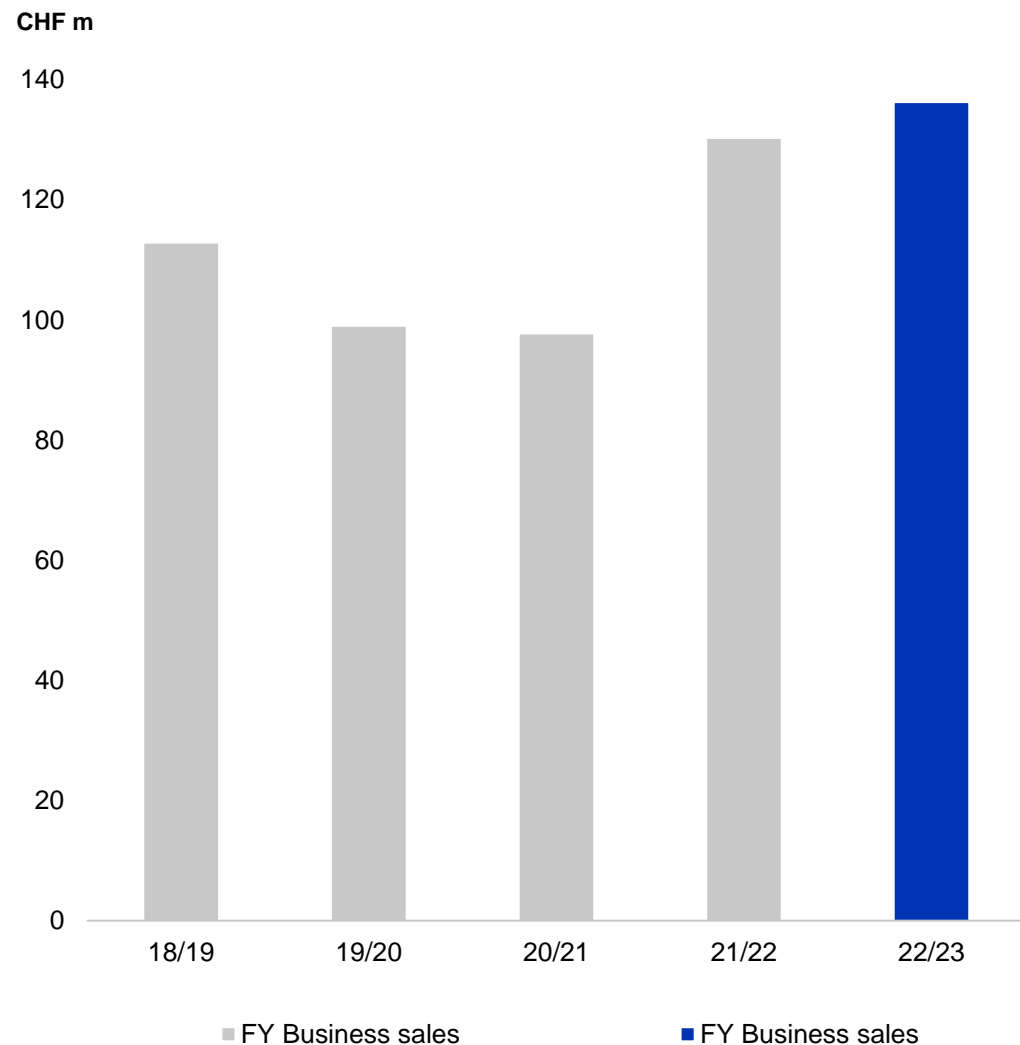
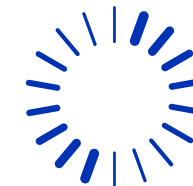


	Sales CHFm	Growth	
		FY 22/23 vs 21/22	Q4 22/23 vs 21/22
Automation	136.3	+4.6%	+2.3%
Automotive	100.7	+17.4%	+9.1%
Renewable Energy	67.0	+1.6%	+1.4%
Energy Distribution & High Precision	59.4	+22.3%	+25.2%
Track	43.0	+0.4%	+3.1%
TOTAL	406.4	+8.8%*	+7.0%

* +12.6% at constant currency rates

Automation

Drives, robots, tooling machines, elevators, and HVAC

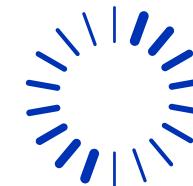


	FY	FY	Q4	Q4
	2022/23	2021/22	2022/23	2021/22
In CHF m	136.3	130.3	34.5	33.7

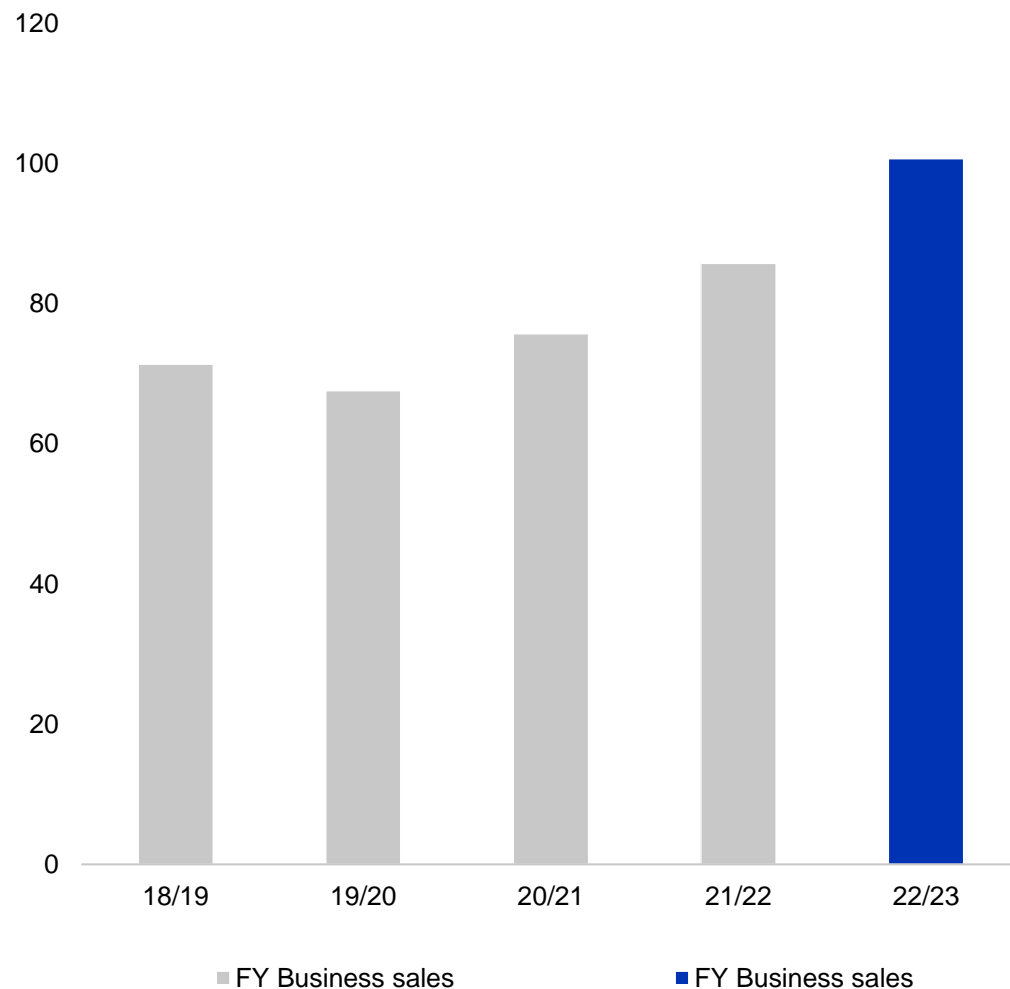
- > Strong demand for products in manufacturing equipment such as tooling machines, robotics, and conveyor belts
- > Extreme weather conditions caused by global climate change are driving demand for sensors in applications such as coolers and heat pumps

Automotive

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



CHF m

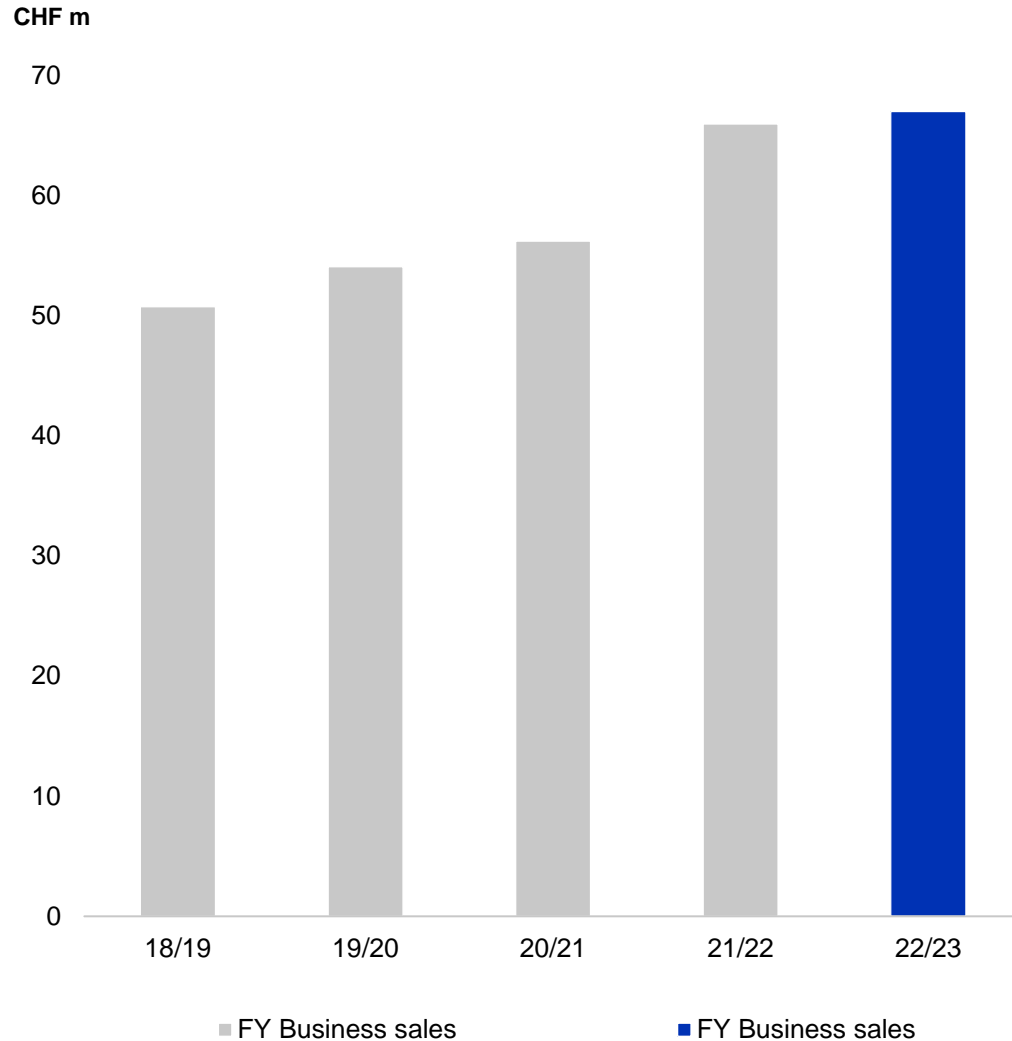
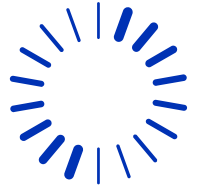


	FY	FY	Q4	Q4
	2022/23	2021/22	2022/23	2021/22
In CHF m	100.7	85.8	25.4	23.3

- Continued sales growth despite lockdowns and supply constraints
- Business driven by sensors for battery management and motor control
- Leading OEMs strengthened their market positions, while Chinese newcomers struggle to maintain momentum
- Global fundamental demand for EVs remains strong, and we deliver to most players in the market

Renewable energy

Solar and wind

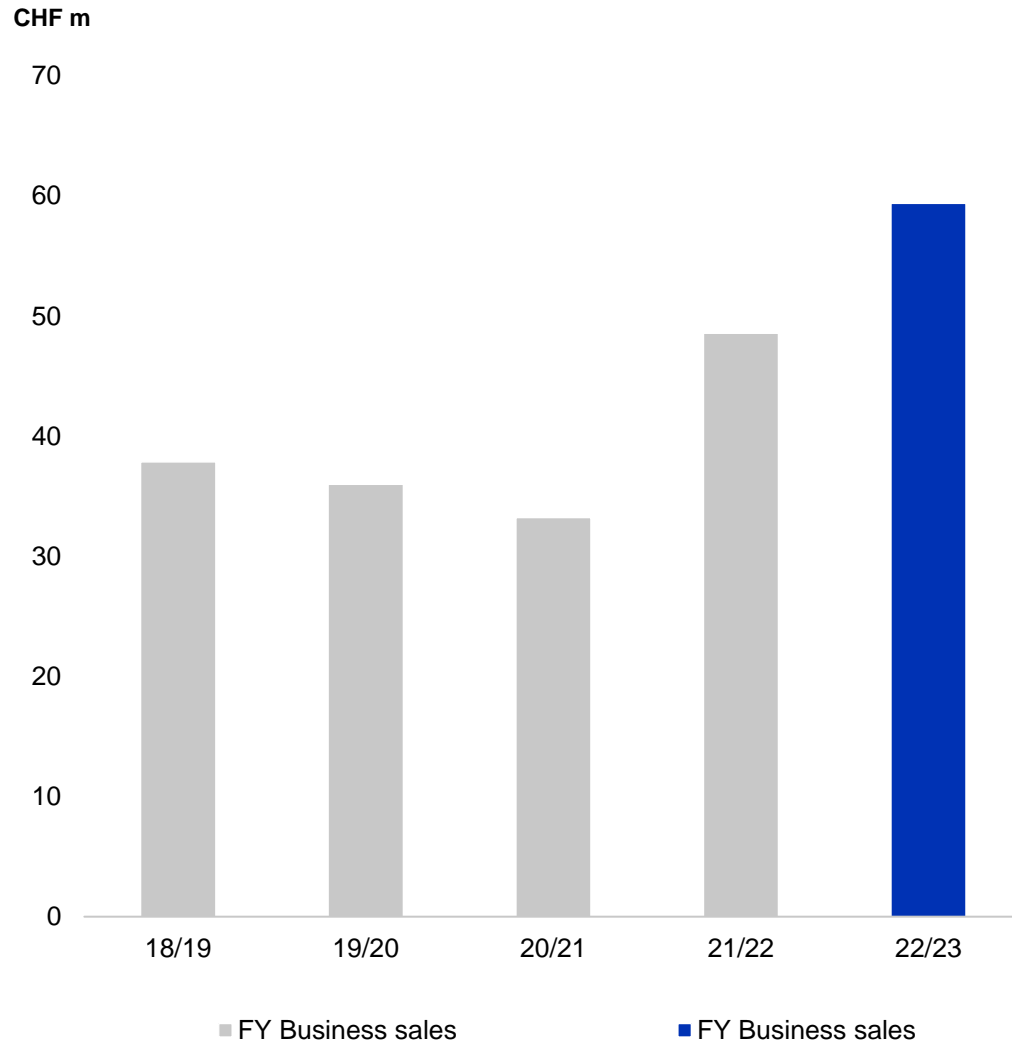
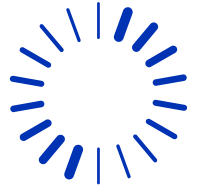


	FY	FY	Q4	Q4
	2022/23	2021/22	2022/23	2021/22
In CHF m	67.0	66.0	16.7	16.5

- > Sales increased only slightly due to component shortages
 - > Good demand for our products, with China as major market for solar products
 - > Prospects remain promising
- > Global trend of decarbonization continues to drive growth, and supply chain constraints are expected to ease

Energy distribution and high precision

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

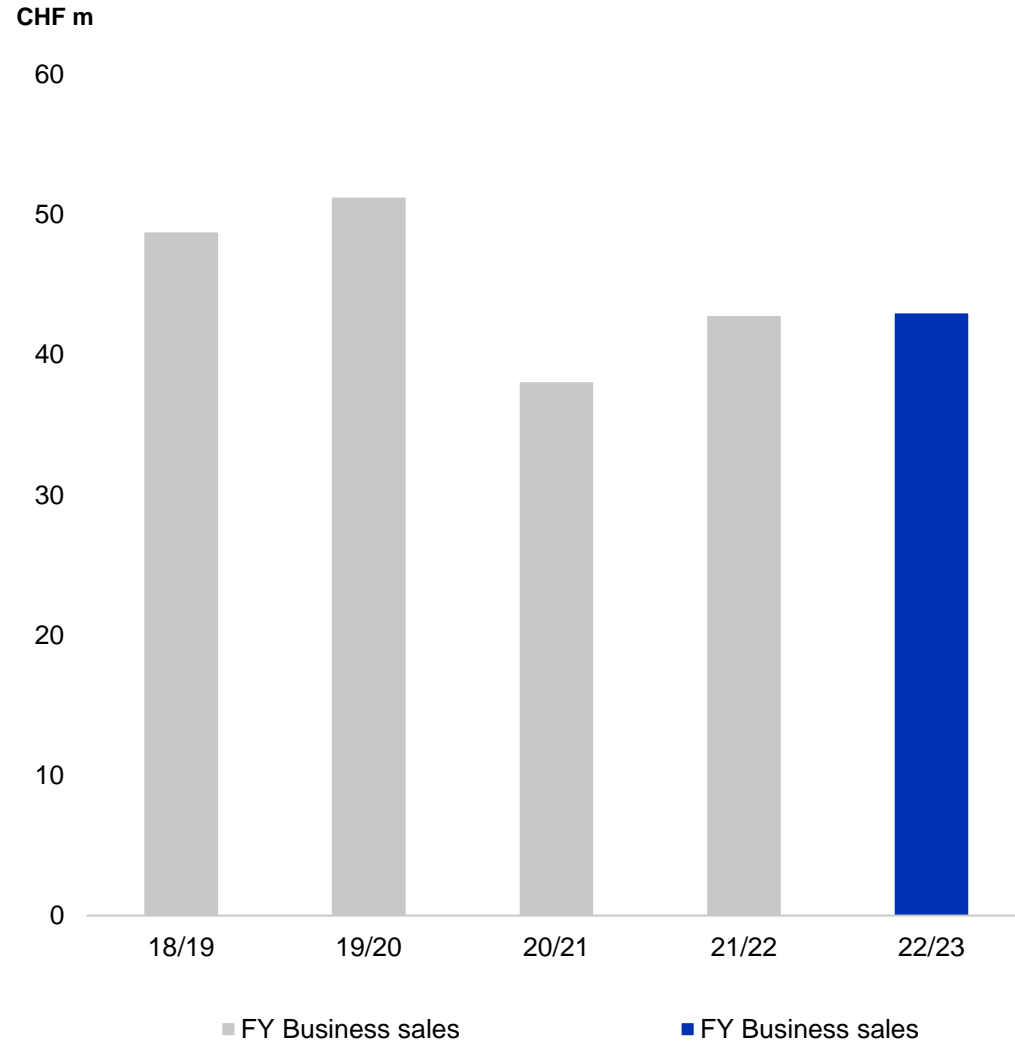
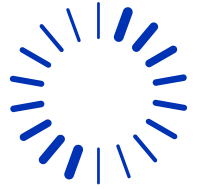


	FY	FY	Q4	Q4
	2022/23	2021/22	2022/23	2021/22
In CHF m	59.4	48.6	16.6	13.2

- > Many new customers signing orders for products in EV charging stations and energy grid applications
- > Global investments in e-mobility infrastructure drive strong performance of DC meter product, with Europe and the US contributing to major growth
- > High precision solutions for test benches and MRI scanners continue to develop well

Track

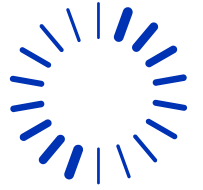
Trains, metro, and trackside



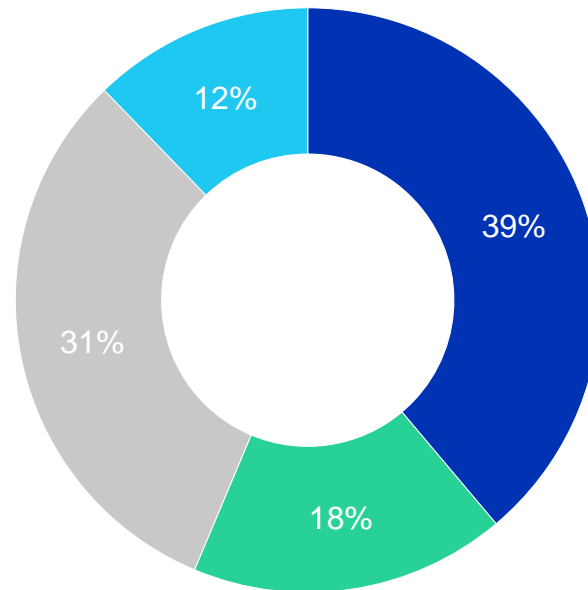
	FY	FY	Q4	Q4
	2022/23	2021/22	2022/23	2021/22
In CHF m	43.0	42.8	11.6	11.3

- > Track business, with its project-based long investment horizons, remains stable
- > Grew by 5.7% at constant exchange rates
- > Extra demand coming from the EU, which is renewing energy meters in various countries

Sales spread by region



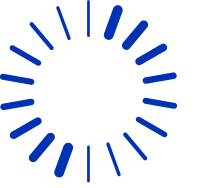
- > Balanced exposure
- > China and Americas lead growth
- > Close to customers on the ground in all key markets



	Sales CHF m	Growth	
		FY 22/23 vs 21/22	Q4 22/23 vs 21/22
China	157.9	+9.8%	-0.1%
Rest of Asia	71.0	+5.3%	+10.5%
EMEA	127.7	+2.4%	+9.9%
Americas	49.8	+32.9%	+15.3%
TOTAL	406.4	+8.8%*	+7.0%

* +12.6% at constant currency rates

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Opening Remarks

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Business Performance

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Financial Results

Andrea Borla

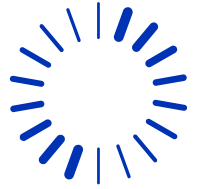
Outlook

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Performance at a glance

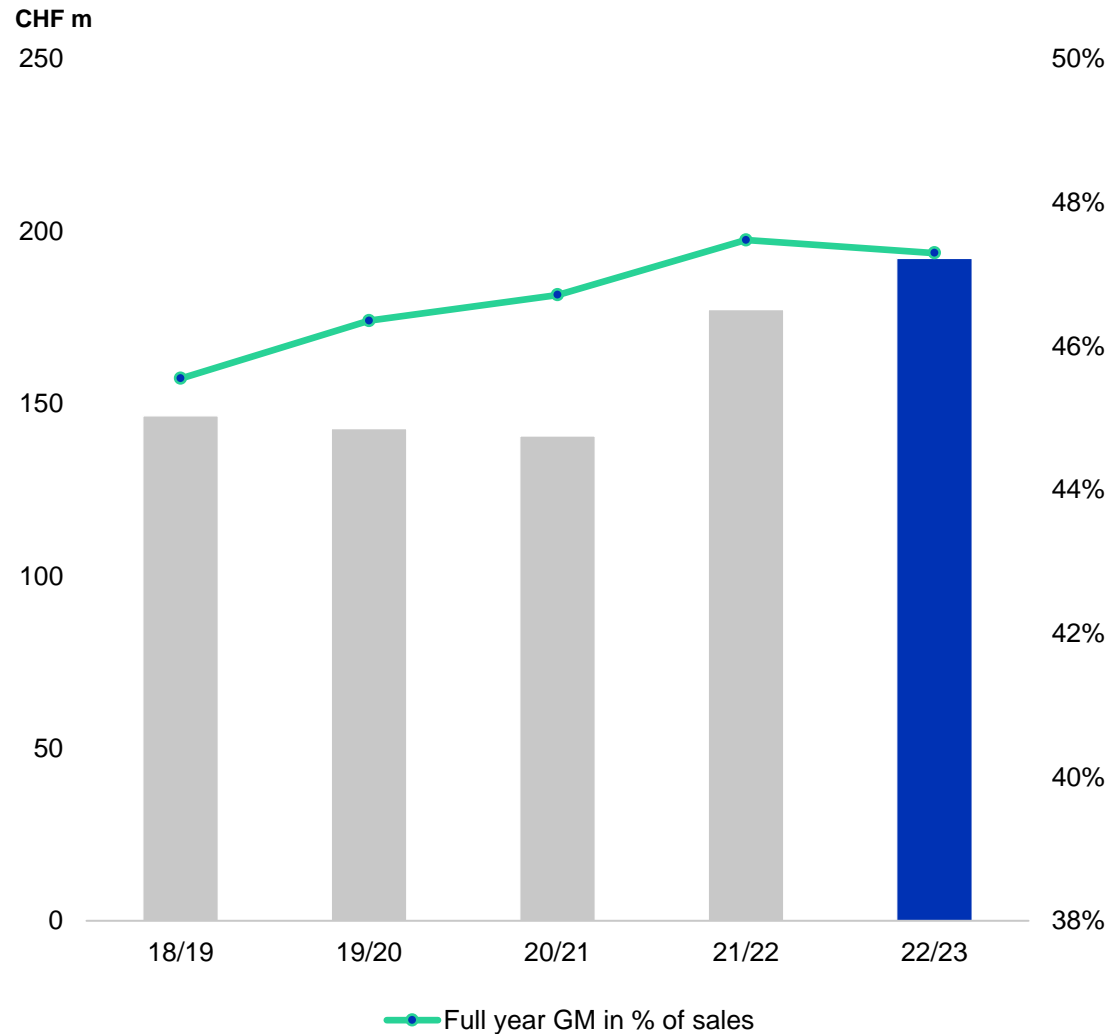
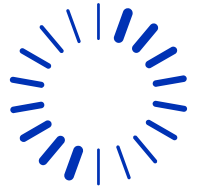


CHF m	FY 2022/23	FY 22/23 vs 21/22	Q4 22/23 vs 21/22
Orders received	465.2	-19.3%	-26.2%
Sales	406.4	+8.8%*	+7.0%
EBIT	92.2	+4.3%	-1.5%
Net profit	75.3	+4.1%	+7.6%

* +12.6% at constant currency rates

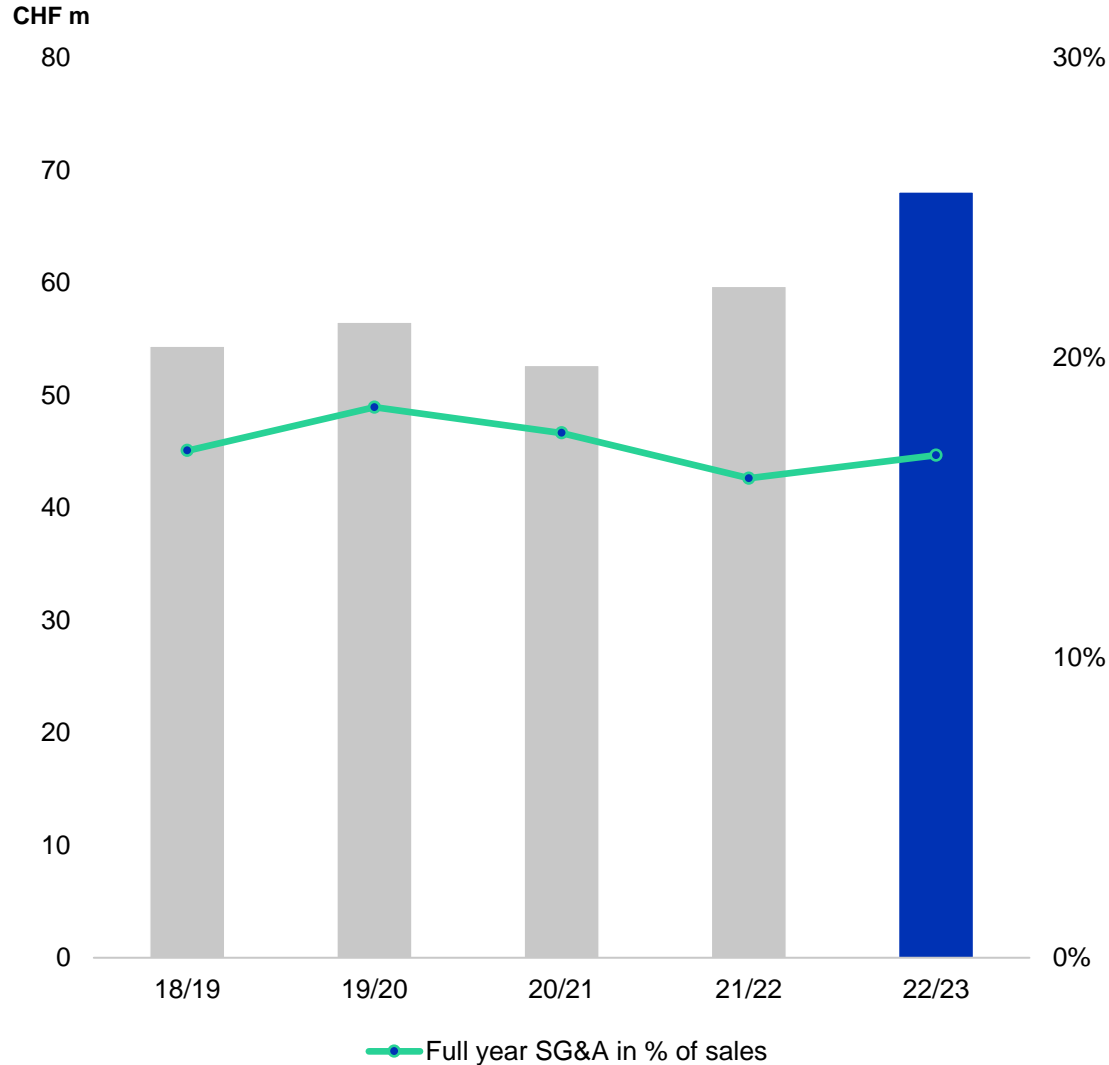
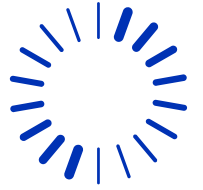
- Bookings decreased to more normal levels after the extreme disruptions of the past two years
- At constant exchange rates, sales increased by 12.6%
- EBIT improved primarily due to sales
- Net profit margin decreased to 18.5% compared with 19.4%

Gross margin



	FY 2022/23	FY 2021/22	Q4 2022/23	Q4 2021/22
In CHF m	192.2	177.3	49.4	47.2
In % of sales	47.3%	47.5%	47.1%	48.2%

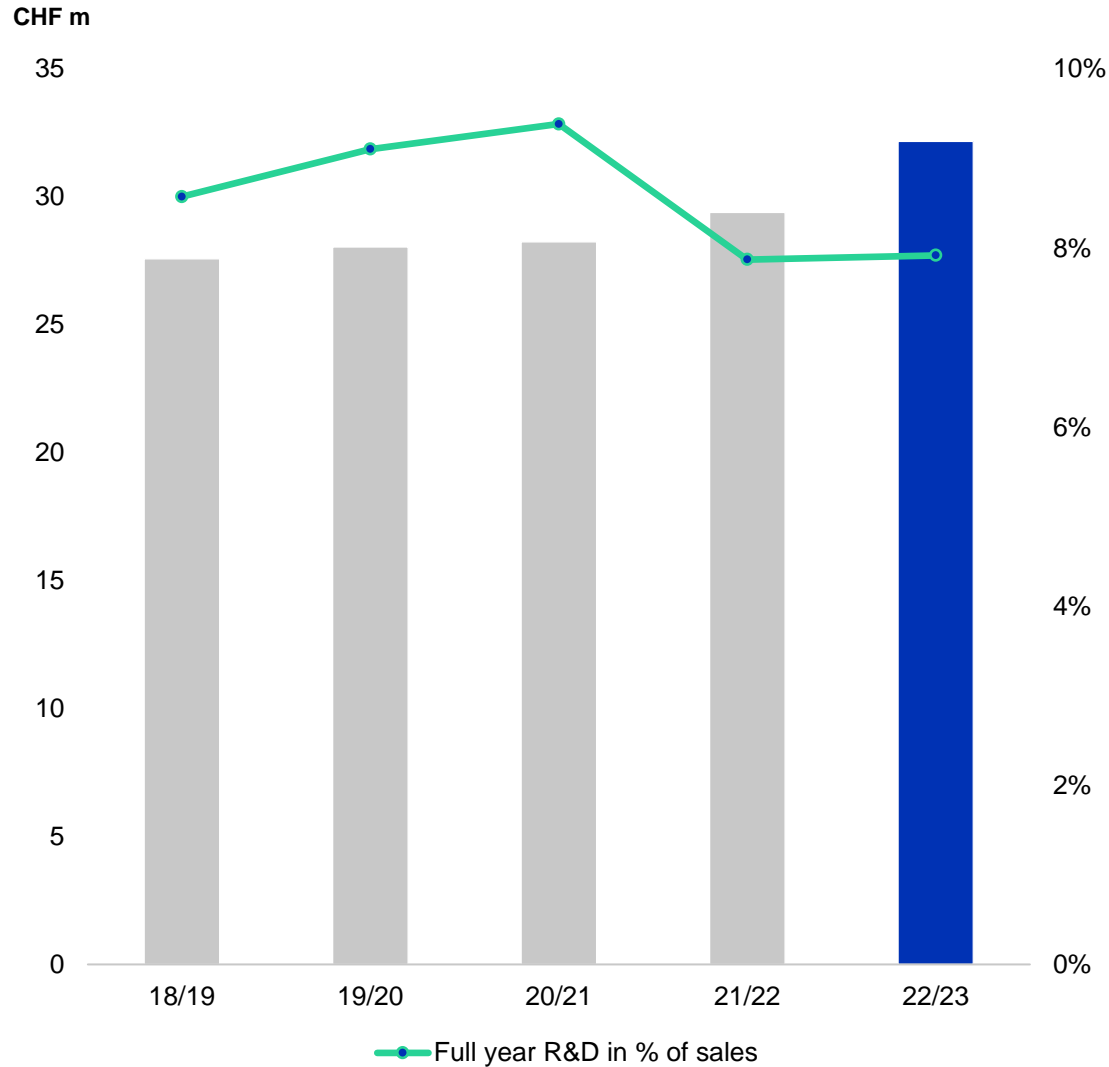
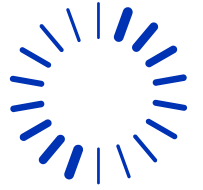
- > Gross margin decreased by 20 basis pts:
 - > 80% of sales produced in China and Bulgaria
 - > Sales price increases are being offset by purchase price increases



	FY 2022/23	FY 2021/22	Q4 2022/23	Q4 2021/22
In CHF m	68.1	59.7	18.1	16.1
In % of sales	16.8%	16.0%	17.3%	16.5%

- > Absolute increase of CHF 8.4 million
 - > Digitalization projects
 - > External consulting support
 - > Recruitment of additional talent

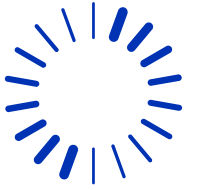
R&D



	FY 2022/23	FY 2021/22	Q4 2022/23	Q4 2021/22
In CHF m	32.2	29.4	7.4	6.9
In % of sales	7.9%	7.9%	7.1%	7.0%

- > R&D investment up by 9.5% to CHF 32.2 million due to new hires
- > Long-term investment in future applications
- > Investment continues to bear fruit with 9 product launches and 21 patents granted

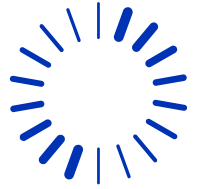
Financial expense



CHF m	FY 2022/23	FY 2021/22	Q4 2022/23	Q4 2021/22
Exchange effect	(1.9)	(2.7)	0.2	(0.6)
Other financial expense & income	(1.3)	(0.4)	(0.4)	(0.2)
Total	(3.3)	(3.1)	(0.2)	(0.8)

- › Currency gains of CHF 0.2 million in Q4, however year-to-date negative foreign exchange effects of CHF 1.9 million, mainly due to Euro depreciation
- › Financial expenses impacted by expenses of CHF 0.8 million on lease liabilities of our new headquarters
- › Higher interest expenses on loans due to increasing CHF and MYR interest rates

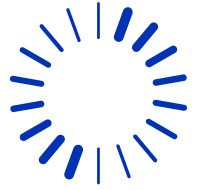
Income taxes



%	FY 2022/23	FY 2021/22
Expected income tax rate	15.6	15.2
Expected withholding tax rate	0.8	1.3
Expected tax rate	16.4	16.5
Other differences	(1.1)	(1.4)
Effective tax rate	15.3	15.1

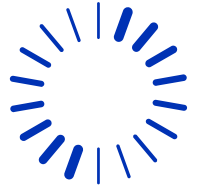
- › The Group tax expenses of CHF 13.6 million represent a tax rate of 15.3%
- › Future tax rate expected to increase slightly due to upcoming regulatory changes

Income statement



CHF m	FY 2022/23	FY 2021/22	Change	Q4 2022/23	Q4 2021/22
Sales	406.4	373.4	+8.8%	104.7	97.9
Gross profit margin %	47.3%	47.5%	-0.2%pt	47.1%	48.2%
Operating expenses	(100.0)	(88.9)	+12.5%	(25.5)	(23.0)
EBIT	92.2	88.4	+4.3%	23.8	24.2
EBIT margin %	22.7%	23.7%	-1.0%pt	22.8%	24.7%
Net financial expenses	(3.3)	(3.1)	+5.6%	(0.2)	(0.8)
Income tax	(13.6)	(12.9)	+5.2%	(3.5)	(4.7)
Net profit	75.3	72.4	+4.1%	20.1	18.6
Net profit margin %	18.5%	19.4%	-0.9%pt	19.2%	19.0%

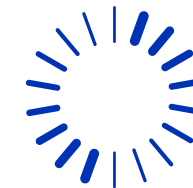
Balance sheet



CHF m	31.3.2023	31.3.2022
Net working capital	75.4	72.4
Fixed assets	153.9	147.9
Noncurrent liabilities	(39.0)	(35.7)
Net operating assets	190.3	184.6
Net cash/(debt)	(21.8)	(23.5)
Equity	173.6	161.2
Equity ratio	53.0%	53.5%
Days of sales outstanding	72	70
Days of inventory outstanding	102	89
Days of payables outstanding	54	42

- Balance sheet remains strong with limited net debt of CHF 21.8 million
- Net working capital increased in line with business growth
- Equity ratio basically stable at 53.0%

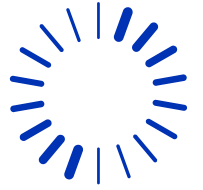
Cash flow



CHF m	FY 2022/23	FY 2021/22
Profit before taxes	88.9	85.3
Adjustment for non-cash items and taxes paid	9.0	(20.0)
Cash flow from changes in net working capital	(11.0)	(14.9)
Cash flow from operating activities	87.0	50.4
Cash flow from investing activities	(26.5)	(21.0)
Free cash flow	60.5	29.4
Cash flow from financing activities	(54.9)	(34.6)
Change in cash and cash equivalents	5.6	(5.2)
Cash and cash equivalents at the end of the period	21.8	17.2

- Cash flow from operating activities was CHF 87.0 million compared with CHF 50.4 million
- Free cash flow was CHF 60.5 million (CHF 29.4 million), reflecting the healthy financial situation

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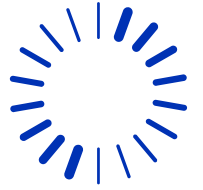
Outlook

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Proposal to Shareholders

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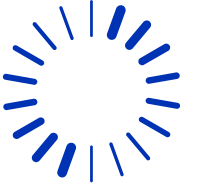
Outlook – Financial Year 2022/23



- › Our businesses have proven successful and will benefit as the mega trends of decarbonization and electrification continue to be fundamental growth driver
- › For the mid and long term, we are confident about our company's growth
- › Demand remains high for our products, which play an important role in the acceleration of the shift towards sustainability
- › In the short term, growth may be affected in some businesses and regions by market adjustments and component shortages
- › There may be slowdowns resulting from geopolitical tensions as well
- › Therefore, we will remain vigilant for the next 12 months



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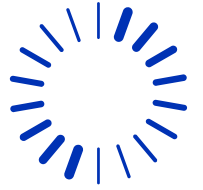
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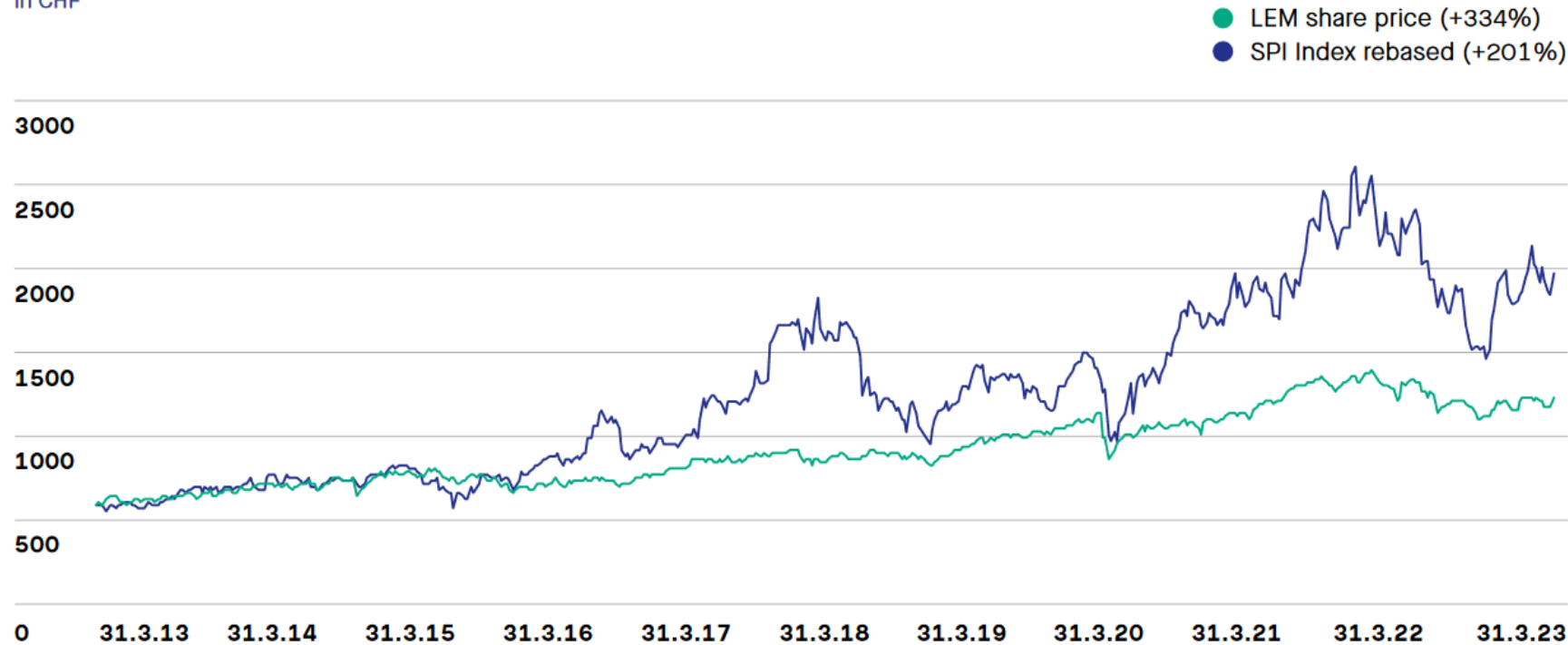
Andreas Hürlimann

The long-term view



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

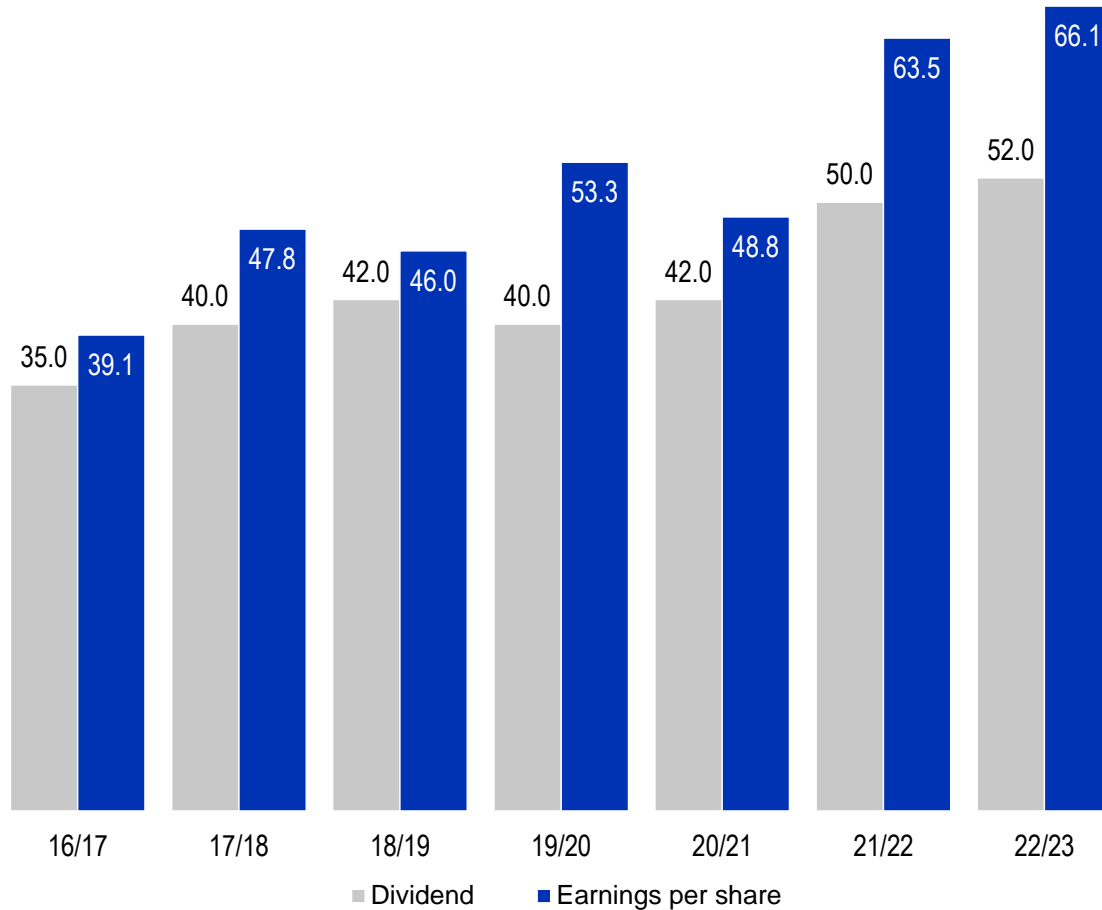
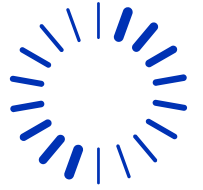
in CHF



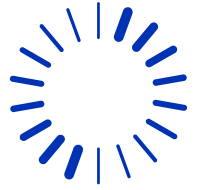
Source: Bloomberg

- › Share price development from 31 March 2013 to 31 March 2023: +334%
- › Distributed dividends over the last 10 years: CHF 449m

Proposal to shareholders

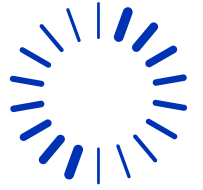


- Dividend policy of distributing significantly more than 50% of consolidated net profit
- Based on the excellent results for 2022/23, the long-term fundamentals for the business
- Proposed ordinary dividend of CHF 52 per share, up from CHF 50
- Pay-out ratio of 78.7%, down from 78.8%
- Represents a dividend yield of 2.6% (as per 31 March 2023)
- Sign of trust in the company's future



Q&A

Financial calendar and contact details



The financial year runs from 1 April to 31 March

For further information

29 June 2023	Annual General Meeting FY 2022/23
4 July 2023	Dividend ex-date
6 July 2023	Dividend payment date
27 July 2023	First quarter results 2023/24
10 November 2023	Half year results 2023/24
2 February 2024	9 months results 2023/24
28 May 2024	Full year results 2023/24
27 June 2024	Annual General Meeting FY 2023/24
2 July 2024	Dividend ex-date
4 July 2024	Dividend payment date

Andrea Borla, CFO

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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.

