



Life Energy Motion



Financial Half-Year Report
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Interim consolidated statement of financial position

Assets

In CHF thousands	Notes	30.9.2024	31.3.2024
Current assets			
Cash and cash equivalents		18,628	23,710
Accounts receivable		73,560	76,125
Inventories		62,494	56,361
Income tax receivable	12	12,813	10,457
Other current assets		8,701	5,099
Total current assets		176,195	171,751
Non-current assets			
Property, plant and equipment		87,076	85,085
Right-of-use assets		32,327	25,897
Intangible assets		9,606	9,026
Deferred tax assets	12	49,502	49,536
Other non-current assets	8	1,743	3,029
Total non-current assets		180,254	172,574
Total assets		356,449	344,325

Liabilities and equity

In CHF thousands	Notes	30.9.2024	31.3.2024
Current liabilities			
Accounts payable		21,109	28,352
Accrued expenses		31,990	31,952
Lease liabilities		3,531	2,796
Income tax payable	12	4,046	5,229
Current provisions	6	808	856
Interest-bearing loans and borrowings		61,321	57,275
Other current liabilities		1,606	2,392
Total current liabilities		124,411	128,852
Non-current liabilities			
Non-current lease liabilities		31,663	26,035
Non-current provisions	6	1,008	303
Deferred tax liabilities	12	2,292	2,347
Interest-bearing loans and borrowings	7	70,367	9,550
Other non-current liabilities		563	561
Total non-current liabilities		105,892	38,796
Total liabilities		230,303	167,648
Equity			
Share capital		570	570
Treasury shares		(1,507)	(1,988)
Reserves		(2,878)	(1,176)
Retained earnings		129,962	179,272
Total equity	9	126,147	176,677
Total liabilities and equity		356,449	344,325

Interim consolidated income statement

In CHF thousands	Notes	April to September	
		2024/25	2023/24
Sales		156,550	223,341
Cost of goods sold		(87,516)	(118,665)
Gross profit		69,033	104,675
Sales expenses		(14,428)	(14,836)
Administration expenses		(21,957)	(20,260)
Research & development expenses		(18,483)	(17,958)
Other income		16	42
Operating profit	10	14,181	51,664
Financial expenses		(1,978)	(1,478)
Financial income		131	213
Foreign currency exchange effect		(2,296)	(1,885)
Profit before tax		10,038	48,514
Income taxes	12	(1,460)	(5,119)
Net profit		8,578	43,395
Earnings per share, in CHF			
Basic earnings per share		7.53	38.09
Diluted earnings per share		7.51	38.02

The accompanying notes are an integral part of the interim consolidated financial statements.

Interim consolidated statement of comprehensive income

In CHF thousands	Notes	April to September	
		2024/25	2023/24
Net profit for the period recognized in the income statement		8,578	43,395
Other comprehensive income to be reclassified to profit and loss in subsequent periods			
Currency translation difference		(1,221)	(5,027)
Income tax		150	469
Total other comprehensive income to be reclassified to profit and loss in subsequent periods		(1,071)	(4,558)
Other comprehensive income not to be reclassified to profit and loss in subsequent periods			
Recognised surplus on defined benefit plans	8	(1,257)	
Deferred tax on other comprehensive income		177	
Net gain/(loss) on equity instruments at fair value through other comprehensive income			(5)
Total other comprehensive income not to be reclassified to profit and loss in subsequent periods		(1,080)	(5)
Other comprehensive income /(loss) for the period, net of tax		(2,151)	(4,563)
Total comprehensive income for the period		6,427	38,832

Interim consolidated statement of changes in equity

Attributable to shareholders

In CHF thousands	Notes	Share capital	Treasury shares	Capital reserve	Translation reserve	Retained earnings	Total equity
1 April 2023		570	(1,069)	13,011	(10,062)	171,185	173,633
Net profit for the period						43,395	43,395
Other comprehensive income/(loss)					(5,027)	464	(4,563)
<i>Total comprehensive income</i>					<i>(5,027)</i>	<i>43,859</i>	<i>38,834</i>
Share-based payments	11					455	455
Dividends paid	9					(59,252)	(59,252)
Movement in treasury shares	9		(1,050)	1,050		(951)	(951)
30 September 2023		570	(2,118)	14,061	(15,090)	155,296	152,719
1 April 2024		570	(1,988)	13,931	(15,107)	179,272	176,677
Net profit for the period						8,578	8,578
Other comprehensive income/(loss)					(1,221)	(930)	(2,151)
<i>Total comprehensive income</i>					<i>(1,221)</i>	<i>7,648</i>	<i>6,427</i>
Share-based payments	11					(261)	(261)
Dividends paid	9					(56,936)	(56,936)
Movement in treasury shares	9		481	(481)		239	239
30 September 2024		570	(1,507)	13,450	(16,328)	129,962	126,147

Interim consolidated cash flow statement

In CHF thousands	Notes	April to September	
		2024/25	2023/24
Cash flow from operating activities			
Profit before tax		10,038	48,514
Adjustment for non-cash items		12,077	9,750
Interest received/paid and taxes paid		(6,763)	(5,375)
Cash flow before changes in net working capital		15,352	52,889
Cash flow from changes in net working capital		(18,028)	(15,623)
Cash flow from operating activities		(2,675)	37,266
Cash flow from investing activities			
Investment in fixed assets		(10,028)	(14,557)
Investment in intangible assets		(166)	(2,247)
Increase (–) in other non-current assets		(1,901)	(77)
Decrease (+) in other non-current assets		3,175	37
Cash flow from investing activities		(8,920)	(16,844)
Cash flow from financing activities			
Treasury shares acquired (–)	9	(3,639)	(4,569)
Treasury shares divested (+)	9	4,120	3,618
Payment of lease liabilities		(1,770)	(2,057)
Dividends paid to the shareholders of LEM HOLDING SA	9	(56,936)	(59,252)
Increase (+) in financial liabilities	7	92,000	84,910
Decrease (–) in financial liabilities	7	(26,800)	(39,050)
Cash flow from financing activities		6,976	(16,400)
Change in cash and cash equivalents		(4,620)	4,023
Cash and cash equivalents at the beginning of the period		23,710	21,775
Exchange effect on cash and cash equivalents		(462)	(1,118)
Cash and cash equivalents at the end of the period		18,628	24,680

Notes to the interim consolidated financial statements

1. General information

LEM Group (the Group) is a leading company in the field of electrical measurement. LEM engineers best-in-class solutions for energy and mobility, ensuring that its customers' systems are optimized, reliable, and safe.

The parent company of LEM Group is LEM HOLDING SA (the Company), which is a limited company incorporated in Switzerland.

2. Significant accounting principles

These unaudited consolidated financial statements for the six months ended on 30 September 2024 have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". They do not include all the information and disclosures presented in the annual consolidated financial statements and should therefore be read in conjunction with those for the year ended 31 March 2024.

The accounting and valuation policies are consistent with those applied in preparing the annual consolidated financial statements for the year 2023/24.

The preparation of the interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and related disclosures at the date of the interim financial statements. These estimates are based on management's best knowledge of current events and actions that the Group may undertake in the future. However, actual results could differ from those estimates.

The financial information is presented in thousands of CHF. The totals are calculated with the original unit amounts, which could lead to rounding differences. These differences in thousands of units are not changed to keep the accuracy of the original data.

Amendments in IFRS, effective as of January 2024, did not have a material impact on the interim consolidated financial statements. The Group has not early adopted any standard or amendment that has been issued but is not yet effective.

3. Exchange rates

The exchange rates for the most significant currencies are as follows:

Currency	Income statement of 2024/25	Income statement of 2023/24	Balance sheet as at 30.9.2024	Balance sheet as at 31.3.2024
	Average rate in CHF	Average rate in CHF	Half-year rate in CHF	Year-end rate in CHF
BGN	0.492	0.496	0.481	0.497
CNY	0.123	0.125	0.120	0.125
DKK	0.129	0.130	0.126	0.130
EUR	0.962	0.970	0.942	0.972
GBP	1.133	1.122	1.129	1.137
JPY	0.0058	0.0063	0.0059	0.0060
MYR	0.193	0.195	0.205	0.191
RUB	0.010	0.010	0.009	0.010
USD	0.885	0.891	0.844	0.901

Notes to the interim consolidated financial statements

4. Segment information

For management purposes, LEM Group is organized into two reportable segments as follows:

- The Asia region, which includes China, Japan, South Korea, India, and South-East Asia.
- The Europe/Americas region, which includes Europe, the Middle East, Africa, the NAFTA countries, and Latin America.

Although the reportable segments provide similar electronics components called transducers for applications in different customer sectors, each region is managed separately in order to better align it with the location of the Group's customers and distribution partners and the unique market dynamics of each geographic region.

The Group evaluates the performance of its reportable segments based on net sales and operating profit. Net sales for geographic segments are based on the location of customers. Operating profit for each segment includes net sales to third parties, related cost of sales, and operating expenses directly attributable to the segment.

The operating profit for each segment excludes centralized headquarter support functions as well as certain research and development costs managed outside of the reportable segments.

The segment information is presented net of intersegment transactions.

The Group does not include intercompany transfers between segments for management reporting purposes. The reporting segments are presented in a manner consistent with the internal reporting.

Business segment information

In CHF thousands	Asia		Europe/Americas		Total	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Sales	85,584	112,463	70,966	110,878	156,550	223,341
Operating profit	22,541	38,877	23,763	43,964	46,304	82,841
Other operating costs*					(32,123)	(31,177)
Group operating profit					14,181	51,664

*Those costs are managed outside of the reporting segments and are linked to centralized headquarter support functions as well as certain research and development costs.

Notes to the interim consolidated financial statements

5. Revenue information

Regional information

In CHF thousands	2024/25	2023/24
Sales		
China	60,233	68,228
Japan	7,906	14,199
South Korea	6,932	16,703
Rest of Asia	10,513	13,333
Total for the Asia region	85,584	112,463
Germany	16,584	29,256
Italy	5,771	7,221
Rest of EMEA	30,995	49,439
USA	16,039	23,057
Rest of Americas	1,576	1,905
Total for the Europe/Americas region	70,966	110,878
LEM Group	156,550	223,341

6. Current and non-current provisions

Warranty and customer claims

Provisions for warranty and customer claims have been estimated based on experience and the risk assessment of management. The warranty provision is expected to be used over the next five years.

Litigation and indirect taxes

Despite the care that LEM applies in the separation process with personnel, such separation may result in legal conflicts. The Group reviews all legal claims and takes appropriate actions to support its position, and management estimates the reasonable risk to be provided for.

Furthermore, the Company operates in multiple jurisdictions with complex legal and tax regulatory environments. Indirect tax provisions include disputes and uncertainties on non-income taxes (mainly VAT and sales taxes). They cover numerous separate cases whose detailed disclosure could be detrimental to the Group's interests. The Group does not believe that any of these cases will have a material adverse impact on its financial position.

Notes to the interim consolidated financial statements

7. Financial liabilities

LEM Group increased its financial long-term liabilities to CHF 70.4 million (CHF 9.6 million on 31 March 2024) due to LEM China's local financing in Chinese yuan replacing swiss franc intercompany loan to avoid currency exposure.

8. Retirement benefit obligations

As of 30 September 2024, the retirement benefit obligation remains in a surplus amounting to CHF 1.1 million (CHF 2.3 million on 31 March 2024). Consistent with year-end, the full amount of the surplus has been recognised as per IFRIC 14 requirement.

9. Equity

During the Annual General Meeting held in Geneva on 27 June 2024, the shareholders approved the distribution of an ordinary dividend of CHF 50.00 per share. The gross dividend effectively paid on 4 July 2024 amounted to CHF 56.9 million (prior year: ordinary dividend of CHF 52.00; total CHF 59.3 million).

Within the framework of its market-making contract, LEM holds its own shares. On 30 September 2024, the Group held 850 shares (31 March 2024: 1,058).

10. Operating profit

Our sales decreased by 29.9% to CHF 156.5 million in the first half of 2024/25; at constant exchange rates, this represents a sales decrease of 29.0%.

Our gross margin stood at 44.1%, slightly down from 46.9% in the first half of 2024/25, with an EBIT amounting to CHF 14.2 million (decrease of 72.6% in the first half of 2024/25). Our operating profit margin for the first six months of 2024/25 was 9.1% compared with 23.1% a year earlier.

Notes to the interim consolidated financial statements

11. Share-based payments

Starting with financial year 2022/23, the Board of Directors of LEM HOLDING SA grants Senior Executives and Managers a long-term incentive plan composed of share-based performance share units ("PSUs").

The number of shares obtained per PSU can thereby vary between 0% and 200% of the award, subject to continuous employment and depending on the achievement of pre-agreed performance conditions.

The performance conditions include non-market and market conditions such as economic value added ("EVA"), absolute total shareholder return ("absolute TSR"), and total shareholder return measured relative to the SPI EXTRA® Total Return Index ("relative TSR"). The grant-date fair value estimate of market conditions is based on a Monte Carlo simulation. The performance conditions are measured over a period of three consecutive financial years starting with the financial year during which the award date occurs relevant for measuring the long-term performance.

The Group accounts for the PSU as an equity-settled plan.

These allotments are recognized as an expense representing the fair value of the services rendered by the beneficiaries. The fair value of the services is determined by reference to the fair value of the shares on the grant date. The performance conditions are considered when estimating the number of shares to be granted at the end of the vesting period. The benefits granted constitute expenses and are recognized on a straight-line basis over the vesting period in the income statement together with a corresponding increase in the consolidated reserves.

	Grant date	Vesting period	30.9.2024 Income/(Expense)
In CHF thousands			
Plan 2022 – 2025	20.7.2022	3 years	301
Plan 2023 – 2026	19.7.2023	3 years	85
Plan 2024 – 2027	17.7.2024	3 years	(128)
Total			258

12. Income taxes

Income tax expense is calculated based on the best estimate of the applicable annual income tax rate expected for the full year.

The Group operates in multiple jurisdictions with complex legal and tax regulatory environments. In certain of these jurisdictions, the Group has taken income tax positions that management believes are supportable and are intended to withstand challenges by tax authorities. Some of these positions are inherently uncertain and include those relating to transfer pricing matters and the interpretation of income tax laws applied to complex transactions. The Company periodically reassesses its tax positions. Considering all available information and the history of resolving income tax uncertainties, the Group believes that the ultimate resolution of such matters will not have a material effect on its financial statements.

Differences between the final tax outcome and the amounts that were initially recorded impact the income and deferred taxes in the period in which such determinations are made. The Group calculates its expected average tax rate as a weighted average of the tax rates in the tax jurisdictions in which the Group operates.

The Group recognised deferred income tax assets on carried forward tax losses to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised.

At 14.5%, the average tax rate increased compared to 10.6% for the first half-year 2023/24. This latter was reflecting the impact on the current and deferred tax of the tax rate increase that occurred in Switzerland in September 2023.

Notes to the interim consolidated financial statements

13. Financial assets and liabilities

Financial assets

	30.9.2024 Book value	31.3.2024 Book value	Amortized cost	At fair value through profit and loss
In CHF thousands				
Cash and cash equivalents	18,628	23,710	X	
Accounts receivable	73,560	76,125	X	
Derivative financial instruments – current	122			X
Other current financial assets	13	1	X	
Other non-current financial assets	1,743	3,029	X	
Total	94,065	102,864		

Financial liabilities

	30.9.2024 Book value	31.3.2024 Book value	Other finan- cial liabilities	At fair value through profit and loss
In CHF thousands				
Accounts payable	21,109	28,352	X	
Accrued expenses	31,990	31,952	X	
Derivative financial instruments – current	5	890		X
Other current financial liabilities	61,321	57,275	X	
Other non-current financial liabilities	70,367	9,550	X	
Total	184,791	128,019		

Changes in liabilities arising from financing activities

	1.4.2023	Cash impact		Non-cash impact	30.9.2023
		Cash flows Inflow	Cash flows (outflow)	Fair value changes and Others	
In CHF thousands					
Interest-bearing loans and borrowings	43,589	84,910	(39,050)	(324)	89,125
Total	43,589	84,910	(39,050)	(324)	89,125

	1.4.2024	Cash impact		Non-cash impact	30.9.2024
		Cash flows Inflow	Cash flows (outflow)	Fair value changes and Others	
In CHF thousands					
Interest-bearing loans and borrowings	66,825	92,000	(26,800)	(338)	131,687
Total	66,825	92,000	(26,800)	(338)	131,687

Notes to the interim consolidated financial statements

The management assessed that the fair value level of cash and cash equivalents, accounts receivables, other current and non-current assets, accounts payables, accrued expenses, and other current and non-current liabilities that are not measured at fair value are approximate to their carrying amounts in view of their short-term nature and are consequently not separately disclosed.

The Group enters into derivative transactions such as currency risk reversal and forward contracts to hedge the USD, JPY and EUR risks. The purpose of these currency hedges is to manage the currency risks arising from the Group's operations.

It is the Group's policy that no derivatives for speculative purposes shall be entered into.

The main risks arising from the Group's financial instruments are foreign currency risks and credit risks, whereas the others are of minor or no impact.

The Board of Directors reviews and agrees policies for managing each of those risks.

The Group's net financial assets at fair value amount to CHF 117,000 as of 30 September 2024 (net financial liabilities of CHF 890,000 as of 31 March 2024) and are all classified under Level 2.

During the last reporting period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

14. Changes in scope of consolidation

There are no changes in scope of consolidation from April 1st, 2024.

15. Events after the balance sheet date

There was no event subsequent to the balance sheet date that requires adjustment to or disclosure in the financial statements.

Notes to the interim consolidated financial statements

Financial calendar

The financial year runs from 1 April to 31 March

7 February 2025	Nine-month results 2024/25
27 May 2025	Full-year results 2024/25
26 June 2025	Annual General Meeting of Shareholders for the financial year 2024/25
1 July 2025	Dividend ex-date
3 July 2025	Dividend payment date

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