



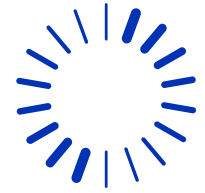
Life Energy Motion

Full Year Results 2018/19

1 April 2018 to 31 March 2019



Agenda



Our New Brand

Business Performance

Financial Results

Accelerating Change

Outlook

Proposal to Shareholders

Frank Rehfeld

Frank Rehfeld

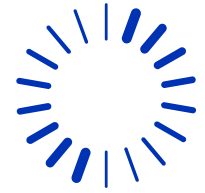
Andrea Borla

Frank Rehfeld

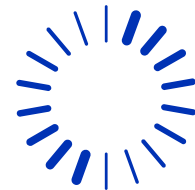
Frank Rehfeld

Andreas Hürlimann

Who We Are



- 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 1,500 people in over 15 countries transform technology potential into powerful answers. We develop and recruit the best global talent, working at the forefront of mega trends such as renewable energy, mobility, automation and digitization.
- With innovative electrical solutions, we are helping our customers and society accelerate the transition to a sustainable future.



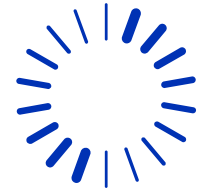
LEM

Life Energy Motion

LEM

Our logo and claim

A modern evolution



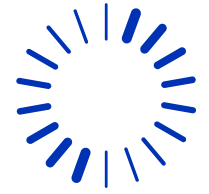
LEM products help control energy consumption, encourage renewable energy, and provide continuous power supply. We play our role in improving quality of life and creating a more sustainable future.

The world's demand for electrical motion is ever increasing. With nearly 50 years as market leader with best-in-class products, LEM is at the forefront of engineering sensors that play a role in our everyday lives.

Life Energy Motion

Providing affordable and clean energy is critical for a sustainable future. LEM develops sensors that meet the most demanding standards of accuracy and safety.

How many of us desire life unplugged?



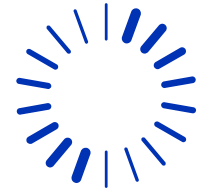
life

Even brief downtimes are unsettling. We love the ease, convenience, color, brightness, speed, mobility, on-command, real-time connectedness that electricity provides. Streams of steady, safe, uninterrupted electric flow run our devices, power our vehicles, drive our factories, enhance our healthcare, recharge our batteries, send our communications, light our communities, warm and cool our buildings, and capture our imaginations.

None of this would be possible without electric sensors. Many provided by LEM.

As quality of life improves, energy consumption per capita rises. LEM products help control this consumption, encourage renewable energy and provide continuous power supply.

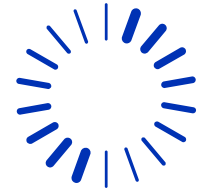
Smart grids, microturbines,
wind and solar power



energy

Providing affordable and clean energy is critical for a sustainable future. At LEM we are addressing this challenge by developing sensors that meet the most demanding standards of accuracy and safety, while adapting to higher power densities in battery and charging systems. LEM is also engineering a range of compact semiconductor-based sensing solutions.

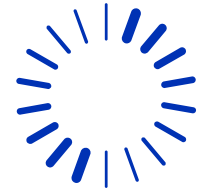
Trains, trams, buses, conventional cars, green cars and elevators



motion

The world's demand for electrical motion is ever-increasing. LEM provides sensor solutions for mobility applications which can play a remote or intimate role in our everyday lives. We have a strong heritage of nearly 50 years as market leader with best-in-class products. Today LEM is at the forefront of new sensors, combining hardware and software with added functionalities and value, to create new business opportunities for our customers.

Benefits of the Brand



We have a **strong brand heritage** with customers. We are proud of the LEM blue and our magnetic coil.

Our future is driven by various mega trends, such as renewable energy, mobility and automation. The common thread is **society's transition to a sustainable** future.

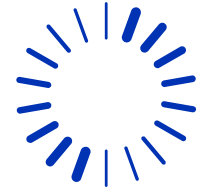
Changes in markets and technologies mean that the **time is right to tell our story in a clearer way** and give LEM the vibrant identity it deserves. This should better match LEM today and **our bright future**.

A strong brand tells engaging, memorable stories. It enhances investor relations, **attracts great talent**, helps build long-term business partnerships, and fosters relationships in local communities.

So now everyone can see who we really are: **new LEM blue and green at heart**



Agenda



Our New Brand

Frank Rehfeld

Business Performance

Frank Rehfeld

Financial Results

Andrea Borla

Accelerating Change

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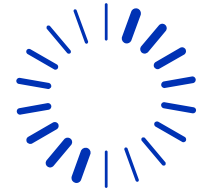
Outlook

Frank Rehfeld

Proposal to Shareholders

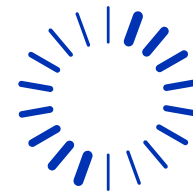
Andreas Hürlimann

Frank Rehfeld, CEO, Opening Remarks



- Another year of robust results, a more than satisfactory performance.
- 61% of top-line growth came from Automotive, led by green cars.
- The fundamental prospects for LEM remain strong, driven by mega trends.
- China is the biggest strategic opportunity for growth in the medium-term.
- We continue to increase our investments in R&D, now at 8.6% of sales; and we launched eight new products.
- This year was one of accelerating change for our markets and for LEM.
- We are making our organization more agile to ensure we capture and manage significant growth opportunities.

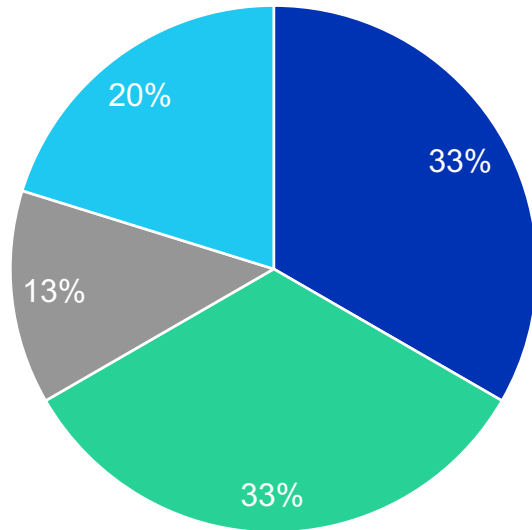
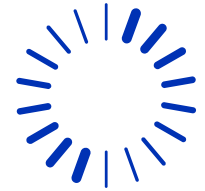
A leading company in electrical measurement



Core applications	Motor Drives	Power Storage, Generation, Conversion	Energy Measurement

Businesses	Automotive		Industry			
	Green cars	Conventional cars	Drives & Welding	Renewable energies	Traction	High-Precision
2018/19 Sales (CHF m)	71.4		250.2			
FY vs. FY	+21.0%		+3.3%			

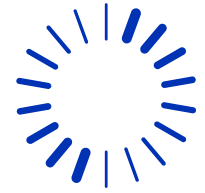
Global Sales Spread Steady Across Regions



	Sales CHF m	Growth	
		FY 2018/19 vs 2017/18	Q4 2018/19 vs 2017/18
China	106.3	+8.0%	+4.9%
Europe	107.2	+5.8%	-6.6%
North America	43.2	+0.7%	-0.3%
RoW	64.8	+10.8%	+10.5%
Total	321.6	+6.8%	+0.3%

- Close to customers on the ground in all key markets
- Balanced geopolitical and economic exposure

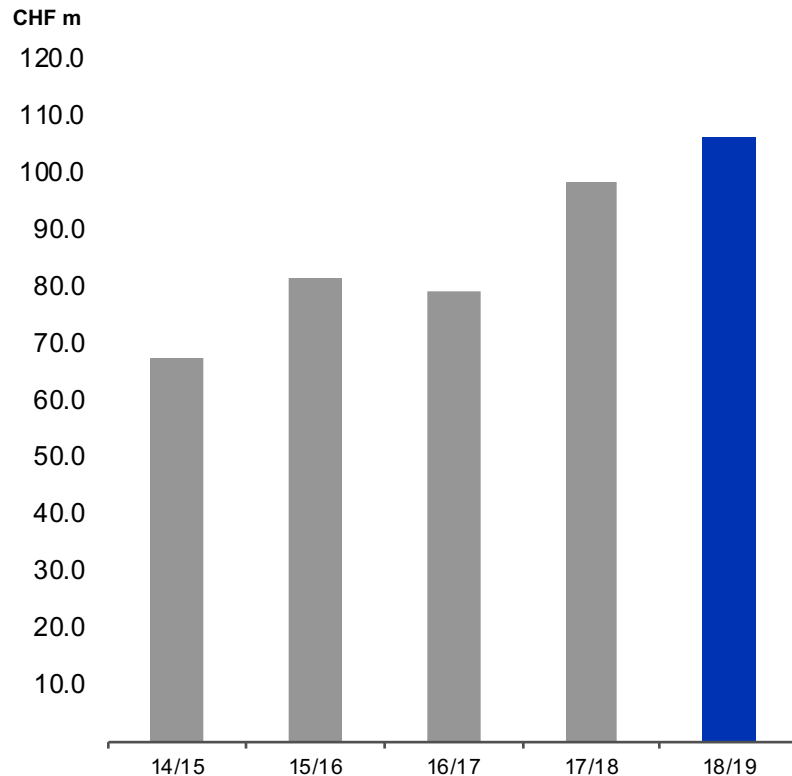
China is biggest strategic opportunity



Sales in China

Market share of over 50%

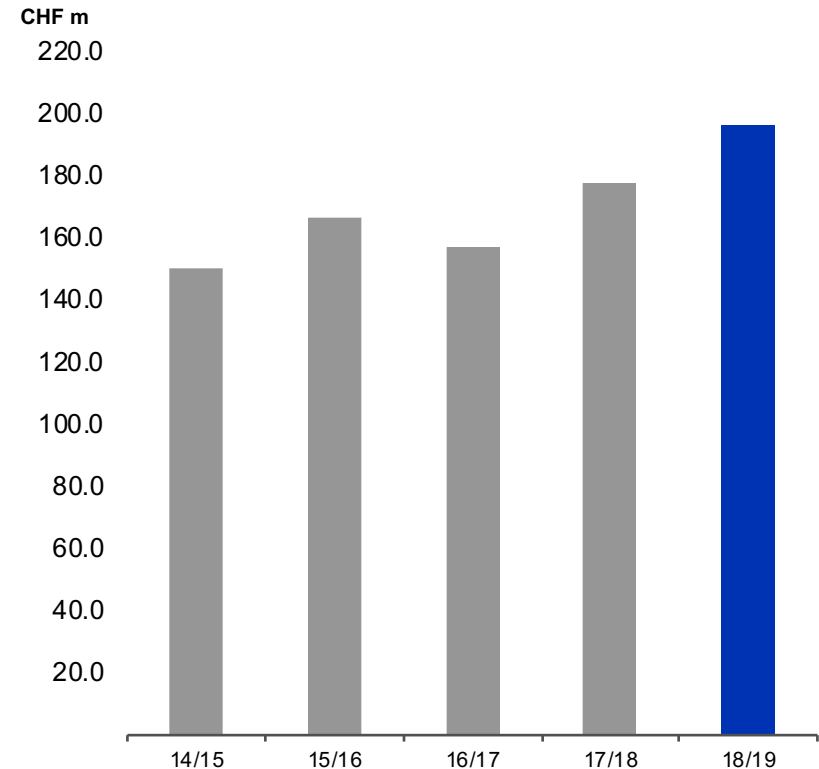
Key market with 33.1% of total global sales



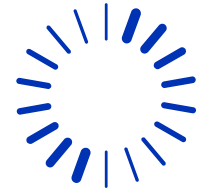
Production in China

China is the largest manufacturing site: 61% of total production (59% in financial year 2017/18)

“Made by LEM” quality

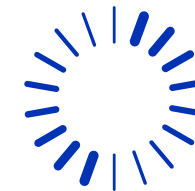


Industry Segment



Industry Segment

Sales Performance

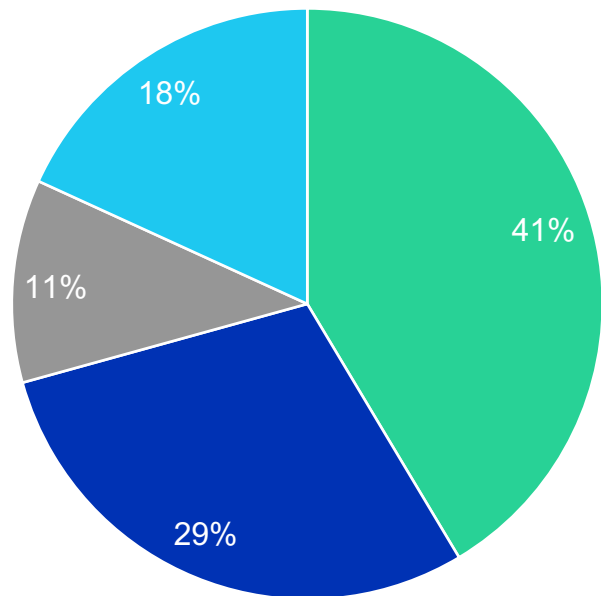
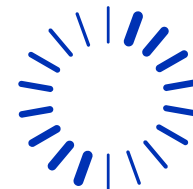


CHF m

Businesses	2018/19	2017/18	Change	Comments
Drives	113.3	113.3	+0.1%	<ul style="list-style-type: none">• China & Japan sluggish demand• Other markets good growth across portfolio• Strong interest in new products
Renewable Energy	77.0	74.6	+3.2%	<ul style="list-style-type: none">• Gained market share in Europe and India• Won designs with new products• China lower due to solar policy changes
Traction	48.6	45.0	+8.0%	<ul style="list-style-type: none">• Growth in China and India• Higher investment Eastern Europe & Russia
High precision	11.3	9.4	+20.2%	<ul style="list-style-type: none">• Strong demand for EV car test benches• New products well received
Total Industry	250.2	242.2	+3.3%	

Industry Segment

Regional Markets

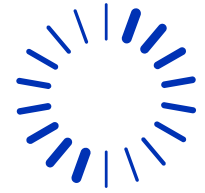


	Growth		
	Sales CHF m	FY 2018/19 vs 2017/18	Q4 2018/19 vs 2017/18
China	73.1	-3.6%	-1.2%
Europe	102.9	+5.2%	-7.2%
North America	28.7	+9.6%	+7.6%
RoW	45.6	+7.3%	+5.3%
Total	250.2	+3.3%	-2.0%

- FY sales at CHF 250.2m, up 3.3% (at constant exchange rates, up 2.4%)
- Sales decreased by 3.6% in China, but grew in Europe by 5.2%, in North America by 9.6%, and RoW by 7.3%

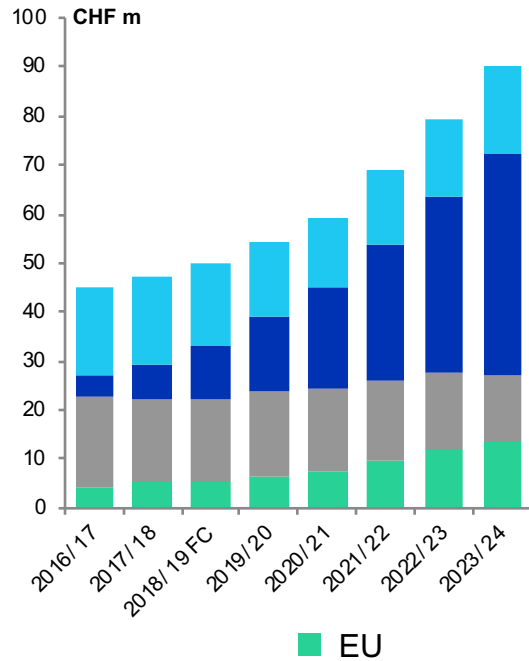
Industry Segment

The Future

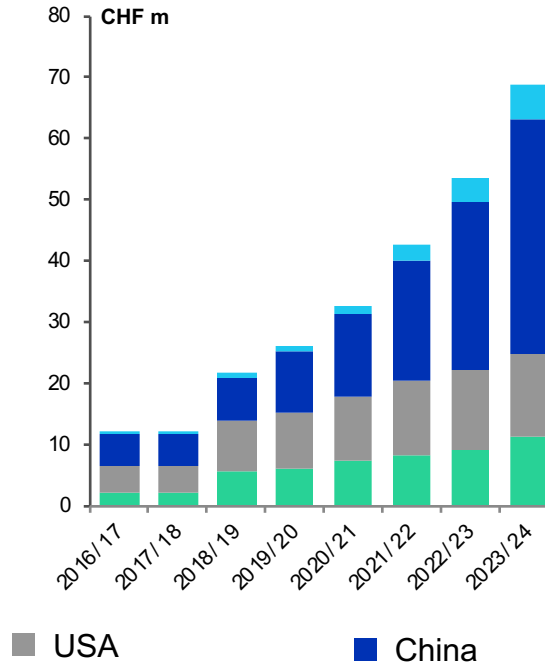


Total addressable market for LEM Industry to increase by up to 75% by 2024

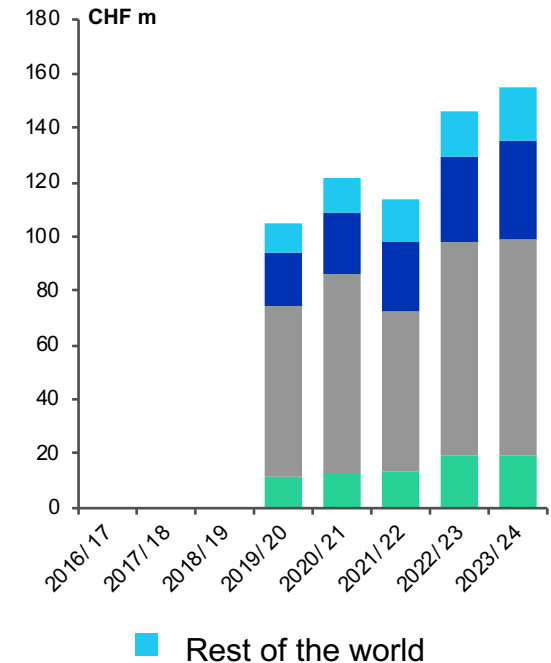
Integrated Sensors (excl. Automotive)



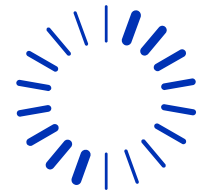
Chargers and Storage Systems



Smart Grid

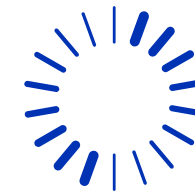


Automotive Segment



Automotive Segment

Sales Performance

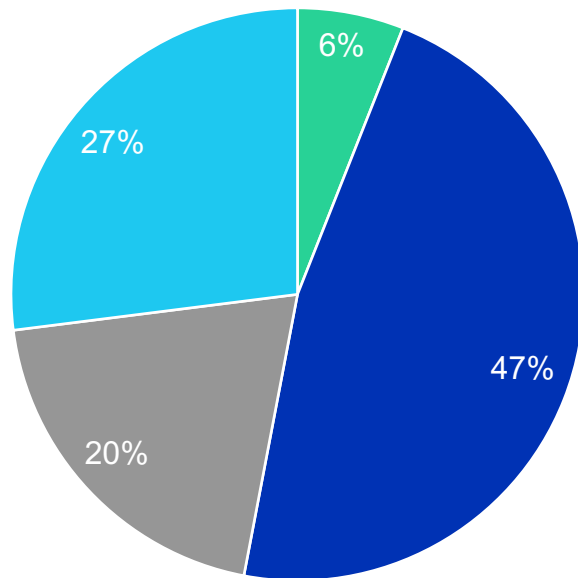
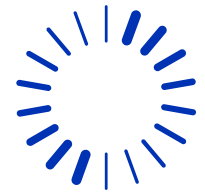


CHF m

Businesses	2018/19	2017/18	Change	Comments
Green	48.6	33.1	+46.7%	<ul style="list-style-type: none">• All markets continue to grow• China influenced by policies• New motor control and charging system products developed
Conventional	22.8	25.9	-11.9%	<ul style="list-style-type: none">• US overall passenger car usage is down• Old sensor technology being replaced as anticipated
Total Automotive	71.4	59.0	+21.0%	

Automotive Segment

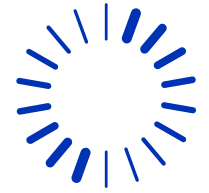
Regional Markets



	Growth		
	Sales CHF m	FY 2018/19 vs 2017/18	Q4 2018/19 vs 2017/18
China	33.2	+46.8%	+24.1%
Europe	4.3	+21.4%	+14.4%
North America	14.5	-13.3%	-19.5%
RoW	19.2	+20.2%	+22.5%
Total	71.4	+21.0%	+10.3%

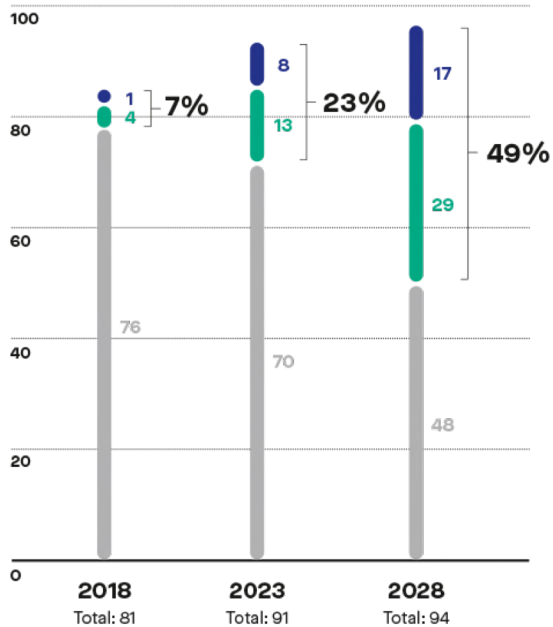
- FY sales CHF 71.4m, up 21.0% (at constant exchange rates, up 19.6%)
- China sales +46.8%, but susceptible to changes in government policies
- Both the US (-13.3%) and Europe (+21.4%) have seen announcements of factory closures, but manufacturers increasing commitment to electric

Automotive Segment: The Future



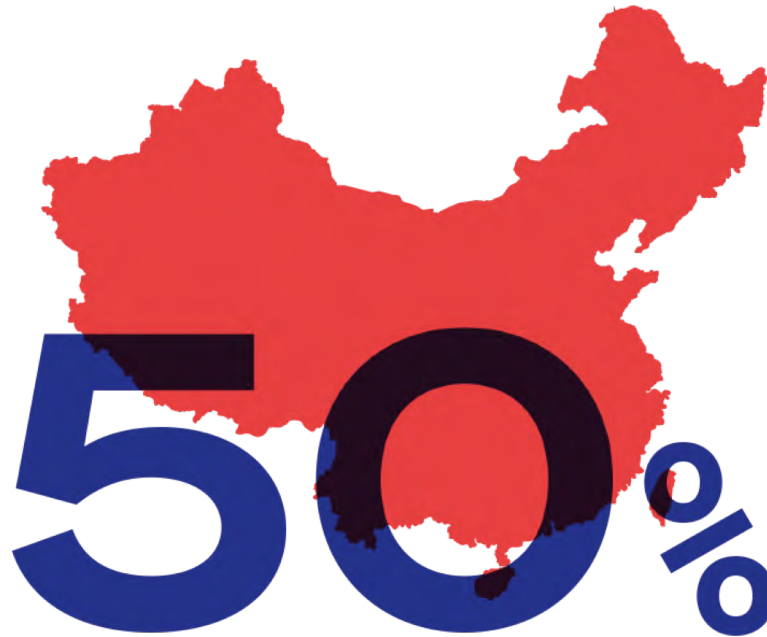
New car sales – propulsion share

units in millions



- Electric vehicles
- Hybrid vehicles
- Internal combustion engines

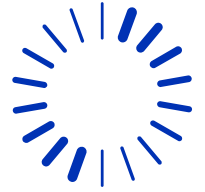
Source: IHS Markit



“China will play a major role in the electrification of the automotive market, representing 50 % of the annual EV/PHEV car production by 2028.”

Source: Bloomberg NEF

Agenda



Our New Brand

Frank Rehfeld

Business Performance

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Accelerating Change

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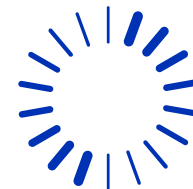
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Performance at a Glance

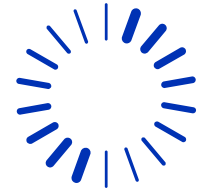


	FY 2018/19 CHF m	FY 2018/19 vs 2017/18*	Q4 2018/19 vs 2017/18*
Orders	320.5	+0.2%	-2.8%
Sales	321.6	+6.8%	+0.3%
EBIT	64.8	+2.6%	-10.2%
Net profit	52.4	-3.8%	-13.7%

*restated

- Good sales performance amongst growing economic uncertainties
- Profitability on track, with vigilance over SG&A costs
- EBIT margin maintained despite R&D increase of CHF 6.3m (29.7%)
- Net profit comparison impacted by one-offs and adjusted accounts for last year

Restatement of Accounts 2017/18



We have restated the financial statements for the year 2017/18 as a wrong conversion rate was applied for the actuarial calculation of our Swiss pension plan obligation.

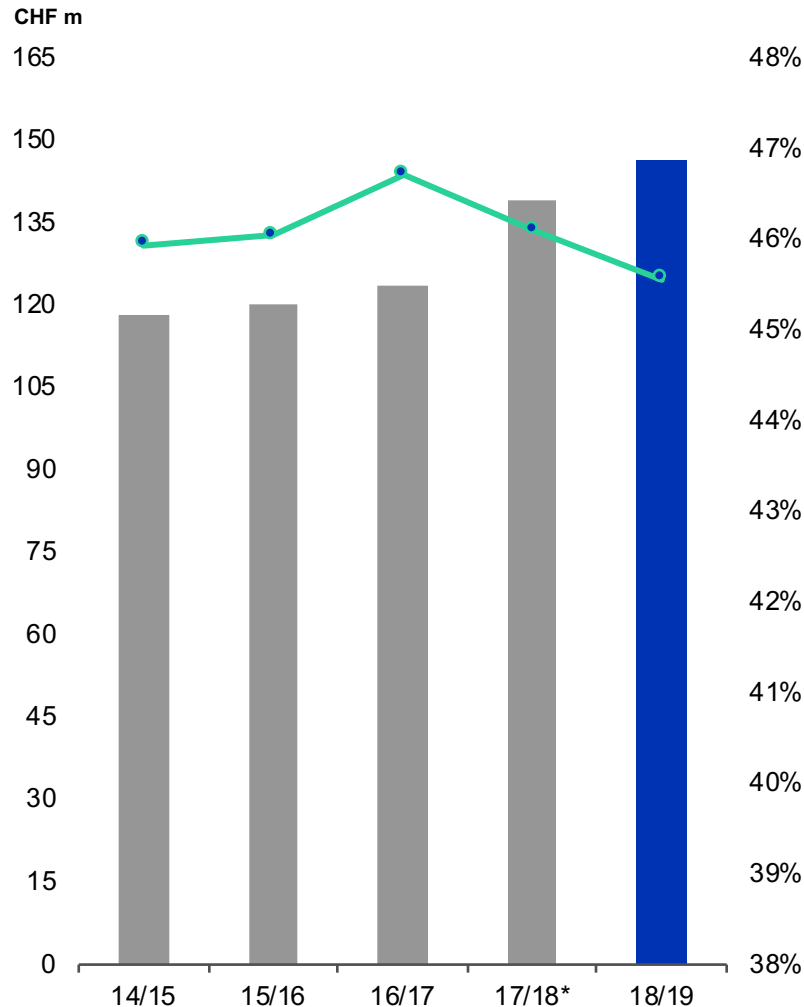
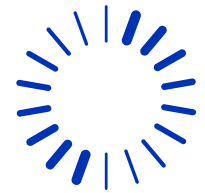
This rate impacts the plan's service costs and also our balance sheet.

The restatement has resulted in

- an increase of CHF 1.4 million to EBIT (revised to CHF 63.1 million)
- an increase of CHF 1.1 million to net profit (revised to CHF 54.4 million) for the year 2017/18.

These income adjustments, and those to the balance sheet, are reflected in this year's published Financial Report, and explained in note 3 to the consolidated financial statements.

Gross Margin

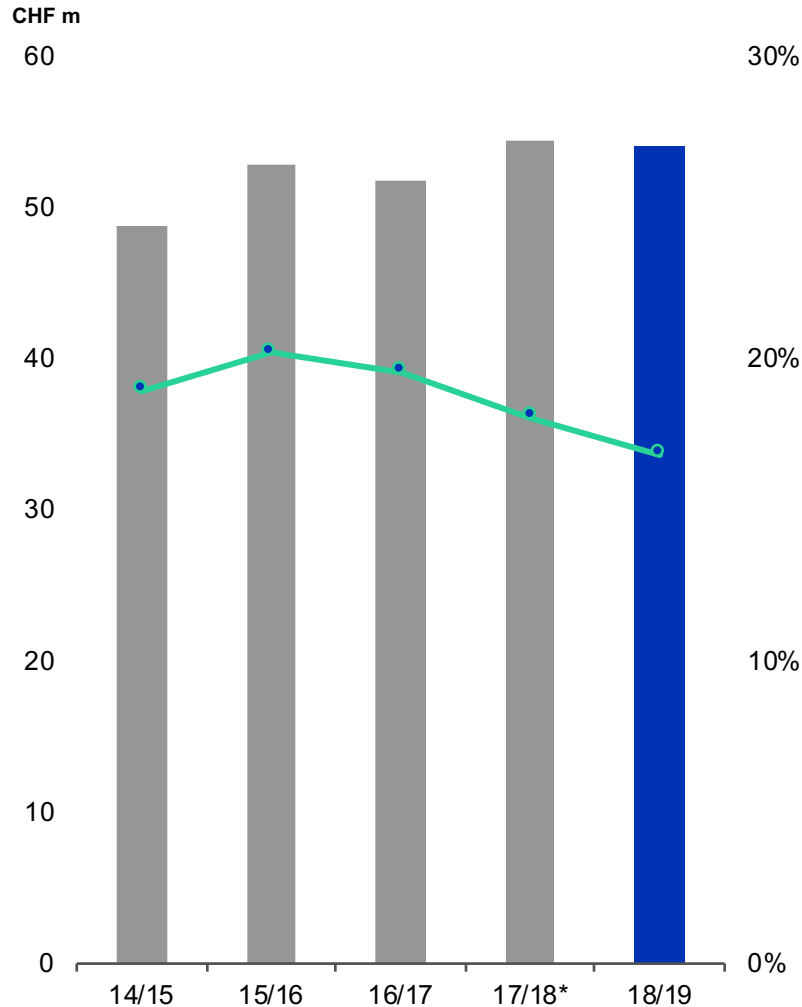
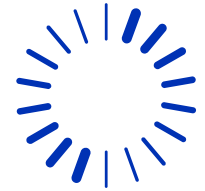


	FY 2018/19	FY 2017/18*	Q4 2018/19	Q4 2017/18*
Gross margin CHF m	146.5	138.9	32.8	35.6
Gross margin in % of sales	45.6%	46.1%	42.8%	46.7%

*restated

Gross margin down by 0.5% pts

- Non recurring impairment of CHF 2.7m industry machinery
- One-off provision of CHF 1.8m for unused automobile stock
- Continuous price pressure, especially in Automotive
- Production transfer to lower cost sites and continuous efficiency improvements

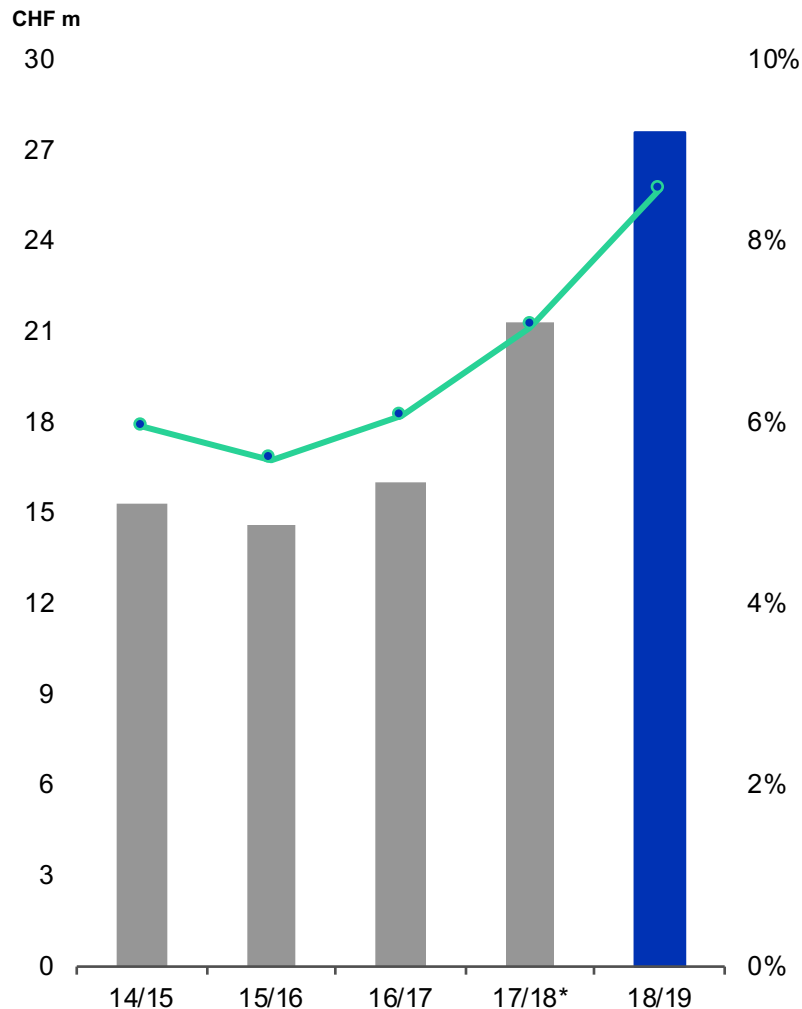
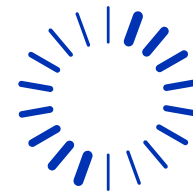


	FY 2018/19	FY 2017/18*	Q4 2018/19	Q4 2017/18*
SG&A CHF m	54.1	54.5	11.5	13.9
SG&A in % of sales	16.8%	18.1%	15.0%	18.2%

*restated

- SG&A flat, below sales growth of 6.8%
- SG&A in % of sales dropped by 1.3% pts
- Launched programme for efficiency improvements within supply chain

R&D

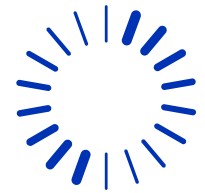


	FY 2018/19	FY 2017/18*	Q4 2018/19	Q4 2017/18*
R&D expense CHF m	27.6	21.3	7.3	6.1
R&D expense in % of sales	8.6%	7.1%	9.5%	8.0%

*restated

- R&D investments increased by 29.7%, to assure long term growth
- Ongoing renewal of product portfolio
- Acquisition of new technologies and talent to address new markets

Financial Expense

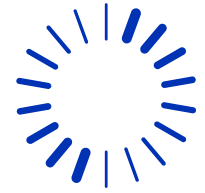


CHF m	FY 2018/19	FY 2017/18*	Q4 2018/19	Q4 2017/18*
Exchange effect	(2.5)	1.3	(1.1)	(0.4)
Other financial expense & income	-	(0.2)	-	-
Total	(2.5)	1.2	(1.1)	(0.4)

*restated

- Negative exchange effect of CHF -2.5m mainly caused by losses on USD hedges
- Compensated by positive currency impact on EBIT by CHF 1.5m

Income Taxes

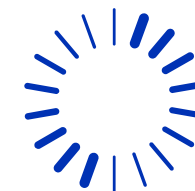


	FY 2018/19	FY 2017/18*
Expected income tax rate	15.0%	12.0%
Expected withholding tax rate	1.6%	1.2%
Expected tax rate	16.6%	13.2%
Other differences	-0.8%	+2.5%
Effective tax rate	15.9%	15.7%

*restated

- Low tax rate mainly thanks to High New Technology Enterprise (HNTE) status granted in China (15% tax rate)
- Last year income tax included a one-off income of CHF+3.4m

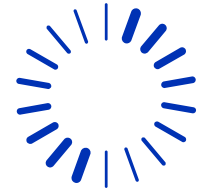
Income Statement



CHF m	2018/19	2017/18*	Change	Q4 2018/19	Q4 2017/18*
Sales	321.6	301.2	+6.8%	76.5	76.2
Gross margin (in %)	45.6%	46.1%	-0.5%pt	42.8%	46.7%
Operating expense	(81.7)	(75.7)	+7.9%	(18.7)	(20.0)
EBIT	64.8	63.1	+2.6%	14.0	15.6
EBIT margin (in %)	20.1%	21.0%	-0.8%pt	18.3%	20.5%
Net financial exp.	(2.5)	1.2	N/A	(1.1)	(0.4)
Income tax	(9.9)	(9.9)	-0.2%	0.4	0.3
Net profit	52.4	54.4	-3.8%	13.4	15.5
Net profit margin (in %)	16.3%	18.1%	-1.8%pt	17.5%	20.4%

*restated

Balance Sheet

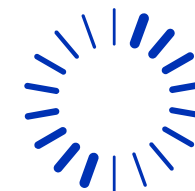


CHF m	31.3.2019	31.3.2018*
Net working capital	56.2	45.5
Fixed assets	61.9	63.1
Noncurrent liabilities	(9.5)	(9.7)
Net operating assets	108.6	98.9
Net cash/(debt)	4.5	12.6
Equity	113.1	111.6
Equity ratio	60.5%	60.0%
Days of sales outstanding	75	72
Days of inventory outstanding	92	87
Days of payables outstanding	41	47

*restated

- Balance sheet remains strong and is essentially debt-free

Cash Flow

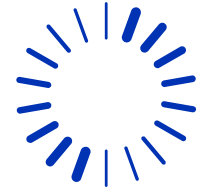


CHF m	FY 2018/19	FY 2017/18*
Profit before taxes	62.3	64.3
Adjustment for non-cash items and taxes paid	0.1	(2.6)
Cash flow from changes in net working capital	(8.8)	(7.6)
Cash flow from operating activities	53.5	54.1
Cash flow from investing activities	(14.8)	(15.1)
Free cash flow	38.8	39.0
Cash flow from financing activities	(42.8)	(34.8)
Change in cash and cash equivalents	(4.0)	4.2
Cash and cash equivalents at the end of the period	12.5	17.6

*restated

- Cash flow from operating activities was CHF 53.5 million (-1.1%), and free cash flow was CHF 38.8 million (-0.6%)
- These decreases are a consequence of increases in net working capital

Agenda



Our New Brand

Frank Rehfeld

Business Performance

Frank Rehfeld

Financial Results

Andrea Borla

Accelerating Change

Frank Rehfeld

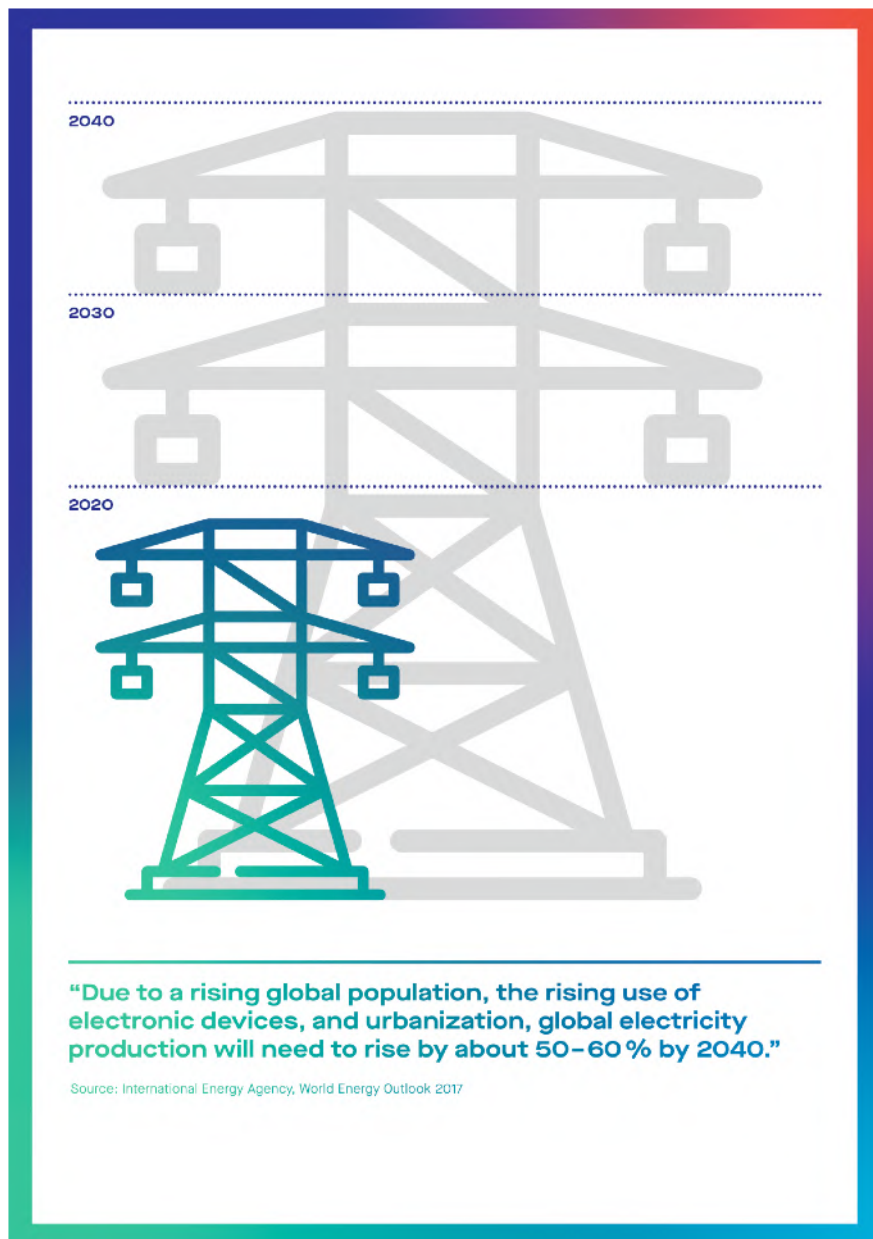
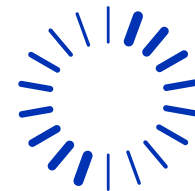
Outlook

Frank Rehfeld

Proposal to Shareholders

Andreas Hürlimann

Mega Trends Accelerating Change



Mega trends drive demand for electrical sensors:

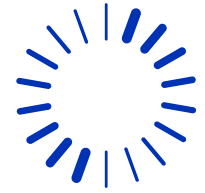
- renewable energy
- reliable energy
- distributed energy
- mobility
- automation
- digitization

Far from being a mature market, the current sensing products are undergoing significant mutations, driven by new applications and technologies.

“The current sensor market is expected to grow at a CAGR of 8.43 % to reach USD 3.6 billion by 2024 from 2.4 billion in 2019.”

Report Linker, industry report, April 2019

Strategic Priorities



Strengthen technology leadership

- 8-10% of sales invested in R&D

Ensure quality mindset for customer satisfaction

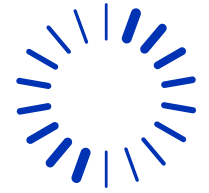
- Aim for 0km ppm target
- Quality management system

Operational excellence

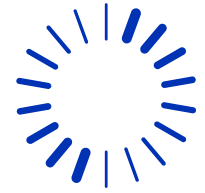
- Global integrated purchasing & supplier management processes
- Digitalization of production

Accelerating the organization

Accelerating the Organization



- Increasing LEM's speed and agility
- Talent and capability development
- Decentralization
- Leadership and empowerment
- Communications and branding



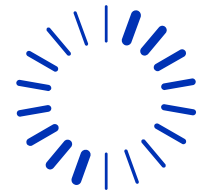
Four main trends drive our investments:

- the increase in electromobility especially in Asia
- measurement of energy flows in smart grids
- requests from Automotive customers for functional safety
- demand for tailored solutions in high volume applications

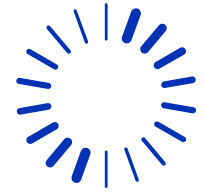
Technical focus:

- battery management systems, integrated current sensors, increasing miniaturization
- embedded software, added functionalities
- semiconductor-based products
- increased knowledge on semiconductor packaging, supply chain and testing
- new DC meter for electric vehicle fast charging stations
- digital integrator product for smart grid

Developing Global Talent

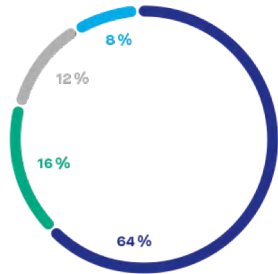


Developing Global Talent



Workforce by activity

1'477 total employees



- Operations
- Admin & Logistics
- R&D
- Sales & Marketing

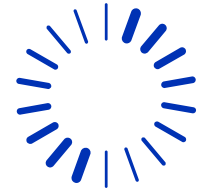
Work climate/team

Employee rating



- High quality global employer, human-sized with a collaborative culture
- Focused on hiring core competencies in smart grid, semiconductors, embedded software and e-mobility
- Developing internal talents through job rotation, global projects, international mobility and promotion
- New recruit qualities: leadership, entrepreneurship, empowerment, accountability, continuous improvement mindset, innovation and ambition
- 2018 external employee engagement survey: better results than external benchmark and 2016 survey

Agenda



Our New Brand

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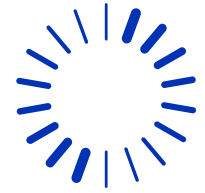
Outlook

Frank Rehfeld

Proposal to Shareholders

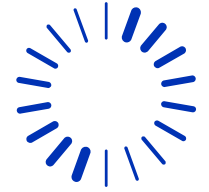
Andreas Hürlimann

Outlook



- Fundamentals remain strong based on mega trends which drive structural growth
- Performance susceptible to global economic activity and geopolitical tensions
- Top line growth in Industry segment steady with momentum of market leadership
- Green cars business has most growth potential. Government policies remain an important volatile factor, while increasing competition will bring price pressure
- Continued investment in R&D, leveraging new technologies in electric powertrains, smarter sensors, DC metering and charging systems
- Improve efficiency of production, empower global sites with full capabilities in R&D, operations, sales and quality management
- Make LEM more agile, increase speed of execution and reduce time to market
- We expect another solid financial performance in the coming year

Agenda



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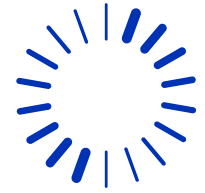
Outlook

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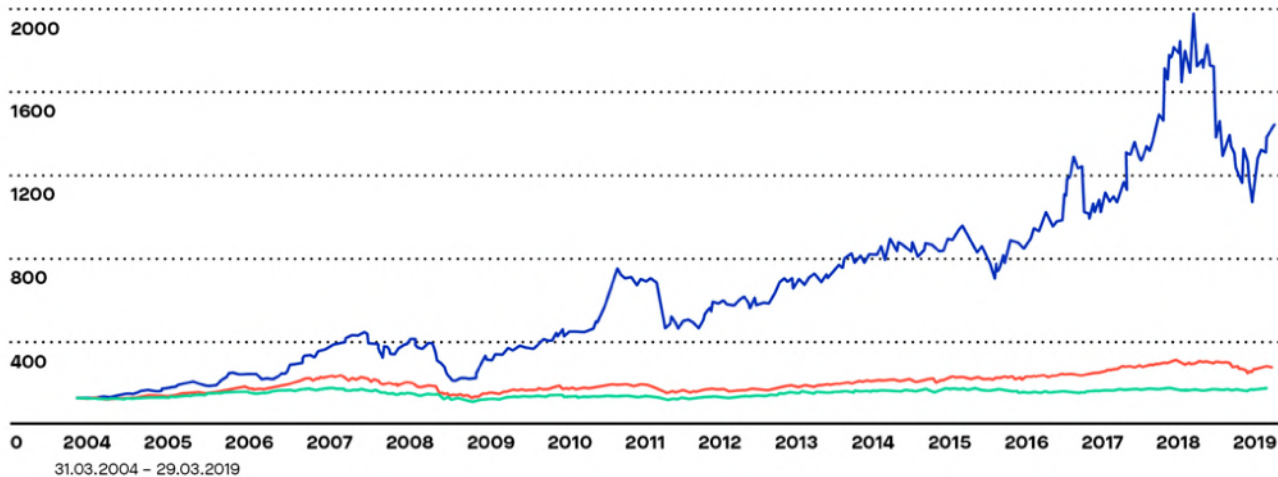
Andreas Hürlimann

The Longterm View



- Share price development (31.03.2004 – 31.03.2019)

in CHF

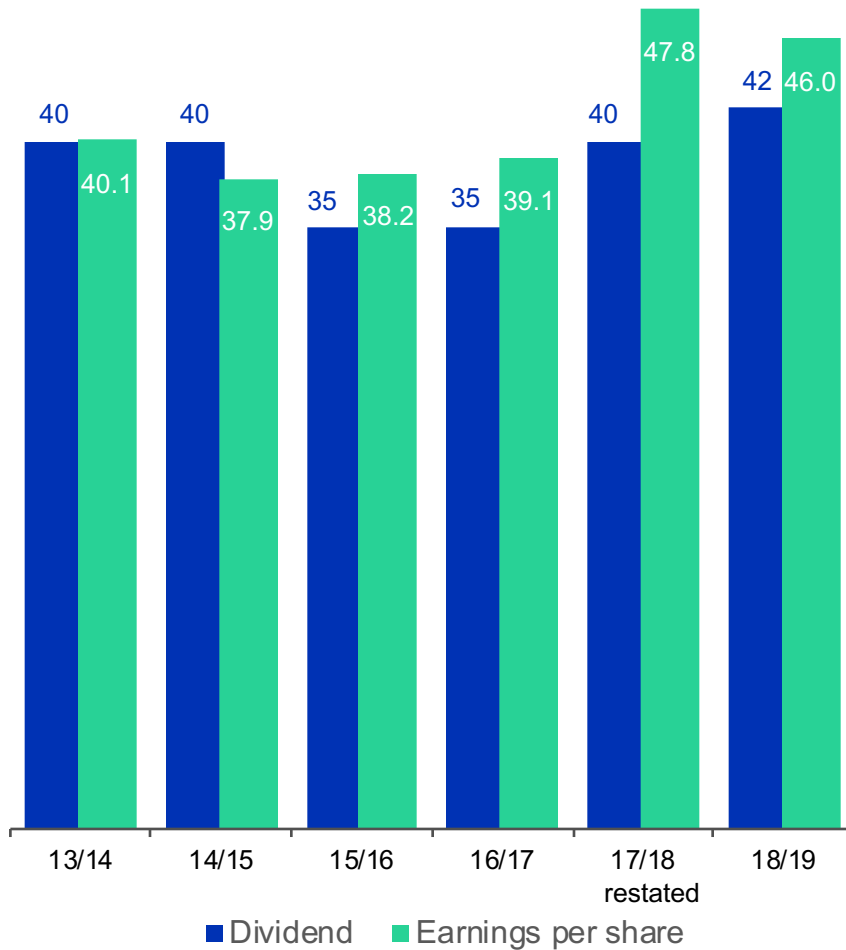
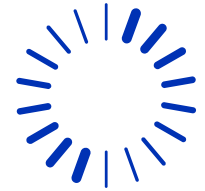


Source: www.six-group.com

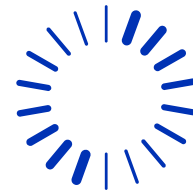
- LEHN
- SMI
- SPIEXX

- Distributed dividends since 2004/05: CHF 388m

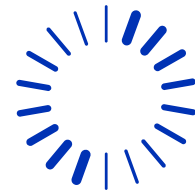
Proposal to Shareholders



- Dividend policy of distributing significantly more than 50% of consolidated net profit to shareholders
- Proposed ordinary dividend of CHF 42 per share
- Payment corresponds to a payout ratio of 91.4%
- Represents a dividend yield of 3.3% (as per 31 March 2019)
- Sign of trust in the Company's future

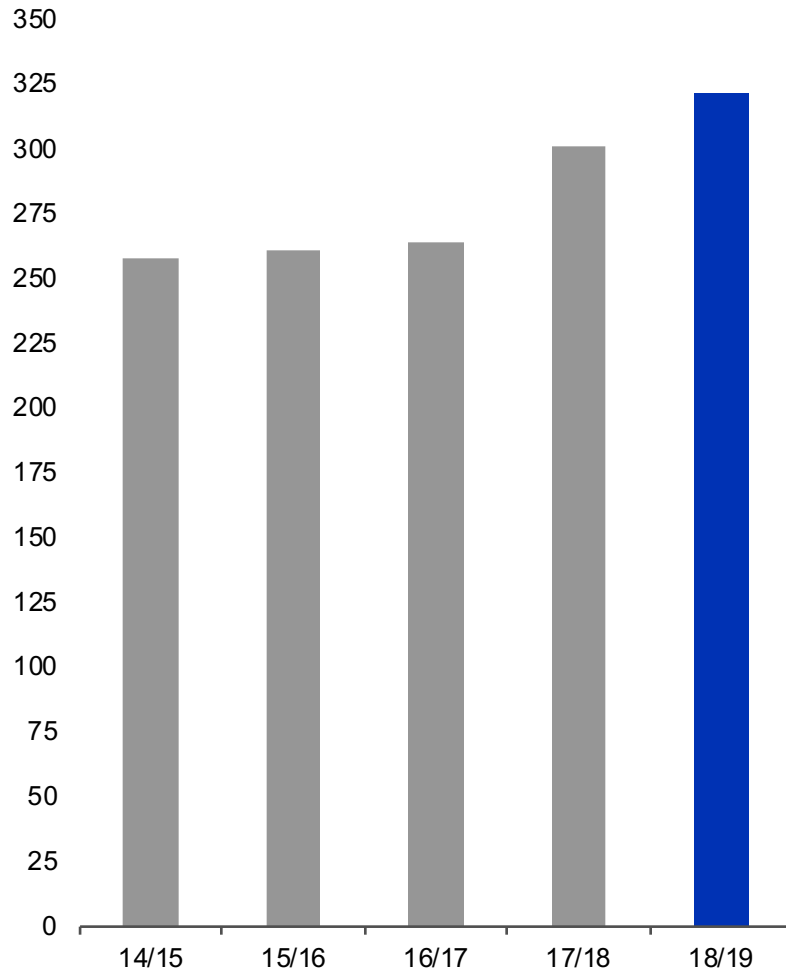
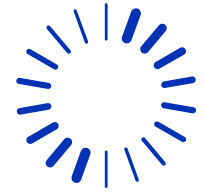


Q&A



Appendix

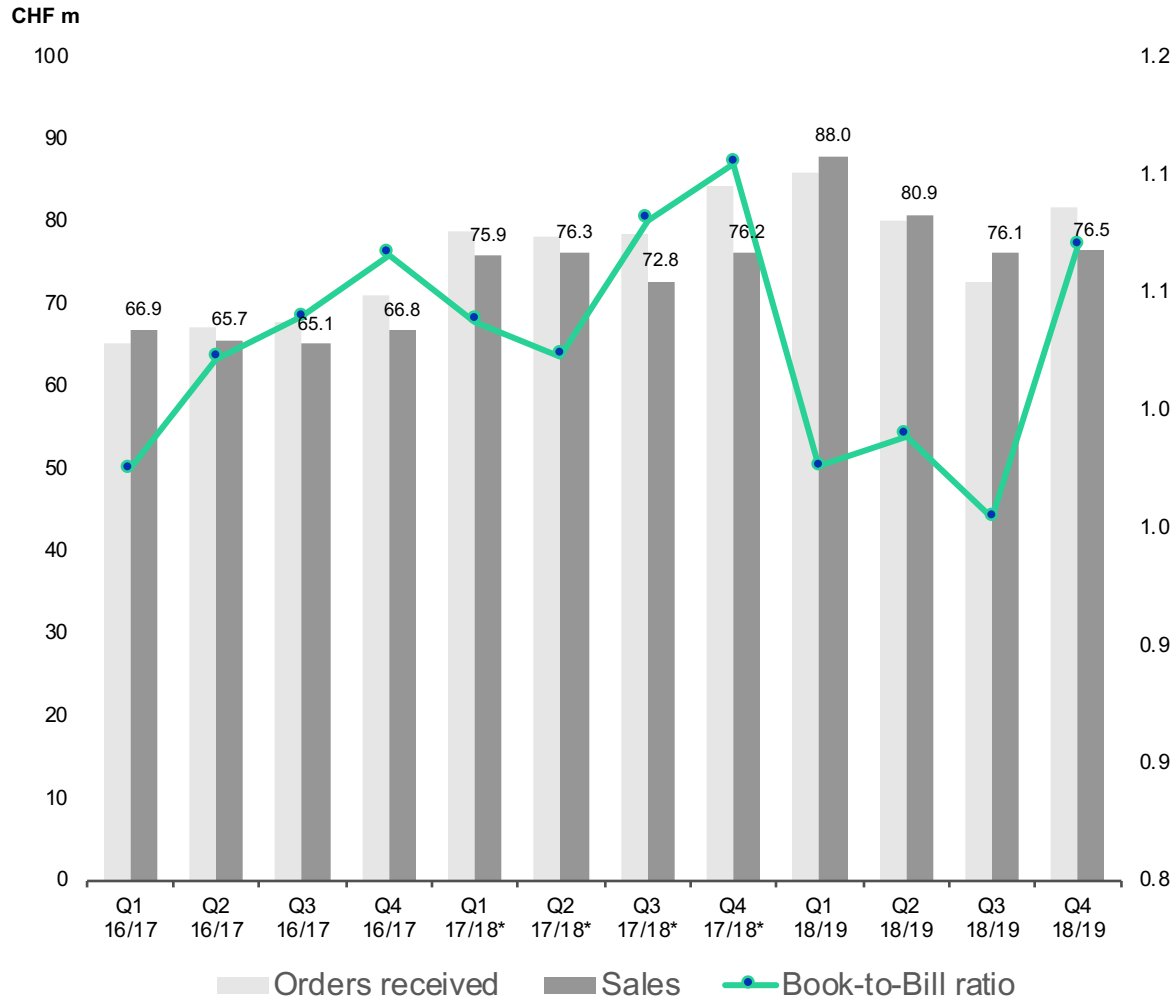
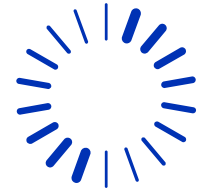
Net Sales



	CHF m, %	Sales	As reported	At constant currencies	Q4 2018/19 vs 2017/18
Industry	250.2	+3.3%	+2.4%	-2.0%	
Automotive	71.4	+21.0%	+19.6%	+10.3%	
Total	321.6	+6.8%	+5.8%	+0.3%	

- Well established Industry applications
- Growth potential Auto applications
- Positive currency impact on sales equivalent to +CHF 3.0m

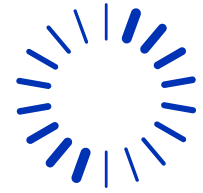
Quarterly View



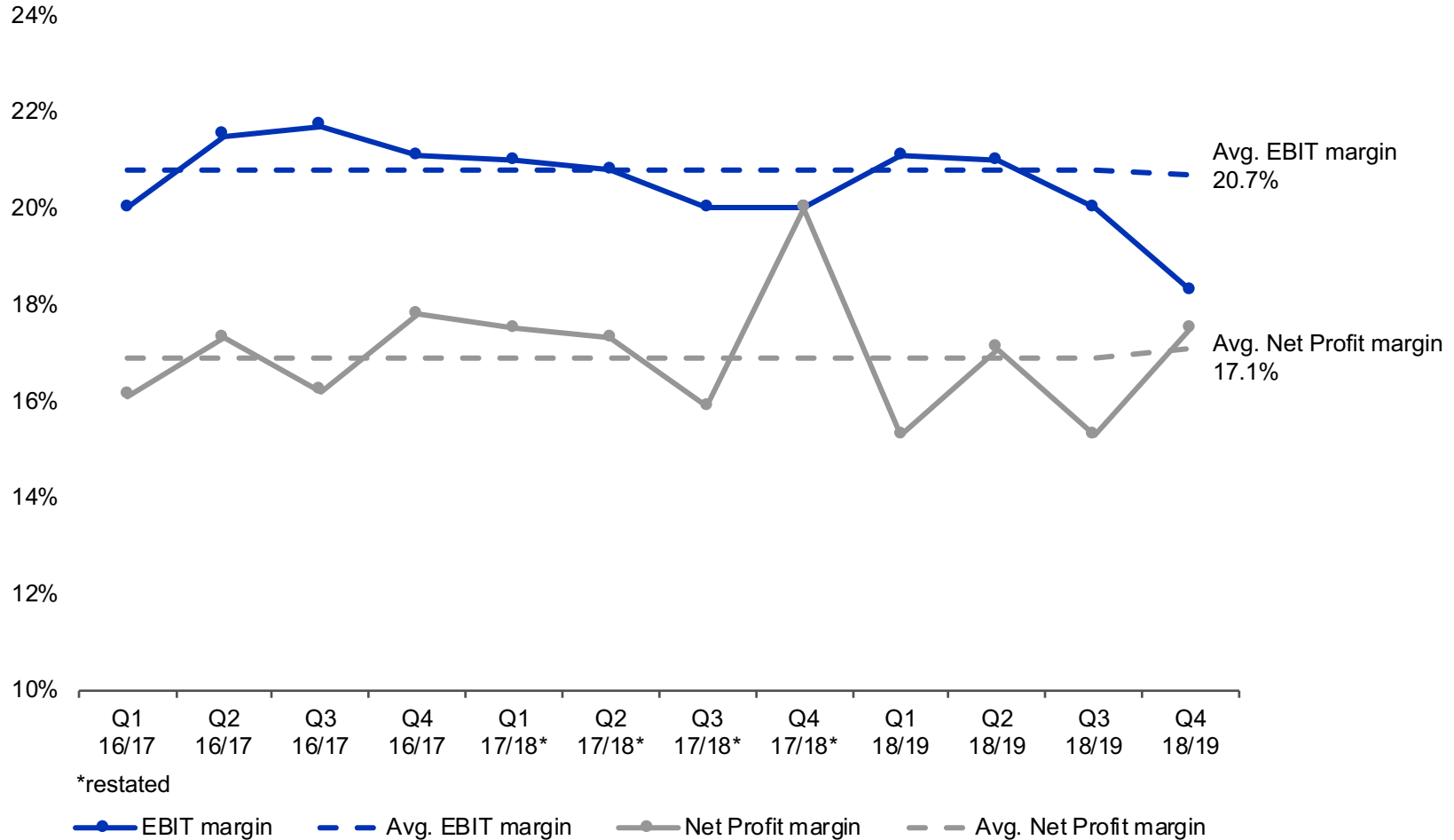
*restated

- Economic uncertainty translated into short-term bookings
- Headwinds for industry and conventional cars
- Green cars buoyant

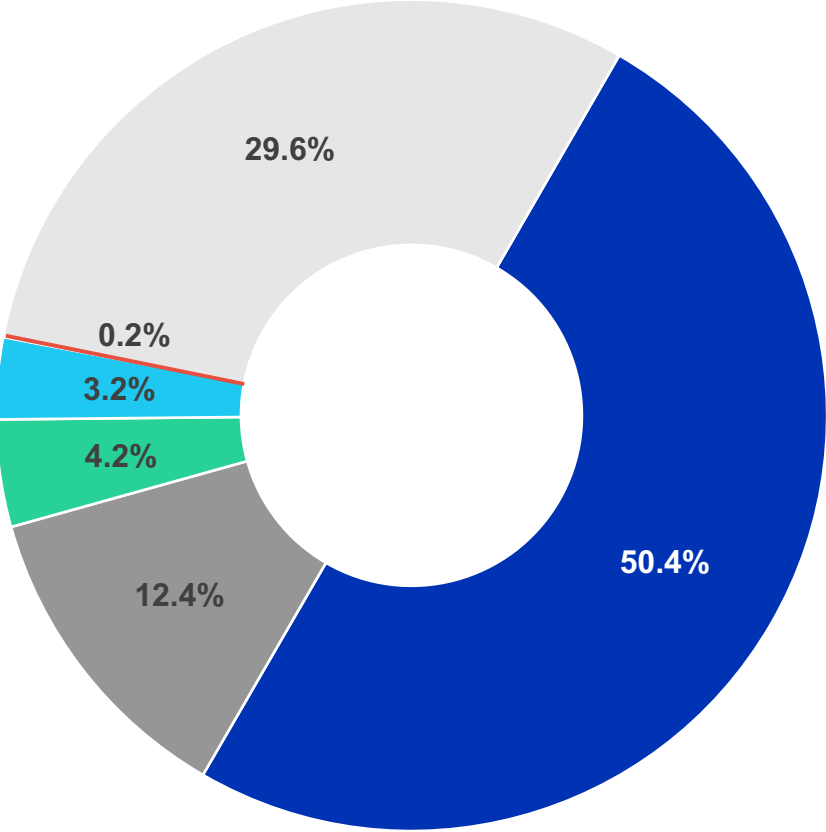
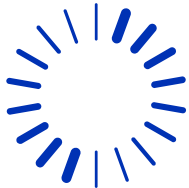
Results by Quarter



In % of sales



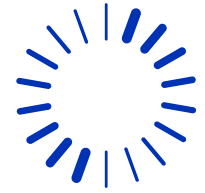
Shareholder Structure per 31 March 2019



- Werner O. Weber and Ueli Wampfler
- Ruth Wertheimer / 7-Industries Holding
- Columbia Threadneedle
- J. Safra Sarasin Investmentfonds
- LEM Board and Management*
- Other

* Excludes shareholdings of Ueli Wampfler and Werner C. Weber

Financial Calendar and Contact Details



The financial year runs from 1 April to 31 March

22 May 2019	Year-end results 2018/19
27 June 2019	Annual General Meeting 2018/19
2 July 2019	Dividend ex-date
4 July 2019	Dividend payment date
30 July 2019	First quarter results 2019/20
5 November 2019	Half-year results 2019/20
31 January 2020	Third-quarter results 2019/20
19 May 2020	Year-end results 2019/20
25 June 2020	Annual General Meeting 2019/20
30 June 2020	Dividend ex-date
2 July 2020	Dividend payment date

For further information

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E-mail: investor@lem.com