



Life Energy Motion



**Financial Half-Year Report**  
**23 | 24**

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# Interim consolidated statement of financial position

## Assets

in CHF thousands	Notes	30.9.2023	31.3.2023
<b>Current assets</b>			
Cash and cash equivalents		24'680	21'775
Accounts receivable		94'546	86'458
Inventories		52'922	56'831
Income tax receivable	12	4'979	3'896
Other current assets		6'054	4'678
<b>Total current assets</b>		<b>183'181</b>	<b>173'638</b>
<b>Non-current assets</b>			
Property, plant, and equipment		80'753	73'580
Right-of-use assets		26'235	25'266
Intangible assets		7'248	5'987
Deferred tax assets	12	48'465	48'369
Other non-current assets		707	664
<b>Total non-current assets</b>		<b>163'408</b>	<b>153'866</b>
<b>Total assets</b>		<b>346'589</b>	<b>327'504</b>

## Liabilities and equity

in CHF thousands	Notes	30.9.2023	31.3.2023
<b>Current liabilities</b>			
Accounts payable		30'758	36'071
Accrued expenses		32'092	32'296
Lease liabilities		3'094	3'103
Income tax payable	12	3'624	2'199
Current provisions	6	1'128	601
Interest-bearing loans and borrowings	7	79'375	38'414
Other current liabilities		3'176	2'228
<b>Total current liabilities</b>		<b>153'246</b>	<b>114'912</b>
<b>Non-current liabilities</b>			
Non-current lease liabilities		26'733	26'930
Non-current provisions	6	595	1'020
Deferred tax liabilities	12	2'925	2'934
Interest-bearing loans and borrowings	7	9'750	5'175
Other non-current liabilities	8	622	2'899
<b>Total non-current liabilities</b>		<b>40'624</b>	<b>38'959</b>
<b>Total liabilities</b>		<b>193'870</b>	<b>153'871</b>
<b>Equity</b>			
Share capital		570	570
Treasury shares		(2'119)	(1'069)
Reserves		(1'028)	2'949
Retained earnings		155'296	171'184
<b>Total equity</b>	9	<b>152'719</b>	<b>173'633</b>
<b>Total liabilities and equity</b>		<b>346'589</b>	<b>327'504</b>

# Interim consolidated income statement

in CHF thousands	Notes	April to September	
		2023/24	2022/23
Sales		223'341	198'066
Cost of goods sold		(118'665)	(104'240)
<b>Gross profit</b>		<b>104'675</b>	<b>93'826</b>
Sales expenses		(14'836)	(13'675)
Administration expenses		(20'260)	(17'709)
Research & development expenses		(17'958)	(16'711)
Other income		42	22
<b>Operating profit</b>	10	<b>51'664</b>	<b>45'752</b>
Financial expenses		(1'478)	(717)
Financial income		213	165
Foreign currency exchange effect		(1'885)	(2'464)
<b>Profit before taxes</b>		<b>48'514</b>	<b>42'736</b>
Income taxes	12	(5'119)	(7'526)
<b>Net profit</b>		<b>43'395</b>	<b>35'210</b>
Earnings per share, in CHF			
Basic earnings per share		38.09	30.90
Diluted earnings per share		38.02	30.88

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	
		2023/24	2022/23
<b>Net profit for the period recognized in the income statement</b>		<b>43'395</b>	<b>35'210</b>
<b>Other comprehensive income to be reclassified to profit and loss in subsequent periods</b>			
Currency translation difference		(5'027)	(3'749)
Income tax		469	446
<b>Total other comprehensive income to be reclassified to profit and loss in subsequent periods</b>		<b>(4'558)</b>	<b>(3'303)</b>
<b>Other comprehensive income not to be reclassified to profit and loss in subsequent periods</b>			
Remeasurement gains/(losses) on defined benefit plans	8		(171)
Net gain/(loss) on equity instruments at fair value through other comprehensive income		(5)	
<b>Total other comprehensive income not to be reclassified to profit and loss in subsequent periods</b>		<b>(5)</b>	<b>(171)</b>
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>(4'563)</b>	<b>(3'475)</b>
<b>Total comprehensive income for the period</b>		<b>38'832</b>	<b>31'735</b>

# 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
<b>1 April 2022</b>		<b>570</b>	<b>(977)</b>	<b>12'920</b>	<b>(3'219)</b>	<b>151'904</b>	<b>161'197</b>
Net profit for the period						35'210	35'210
Other comprehensive income/(loss)					(3'303)	(171)	(3'475)
<i>Total comprehensive income</i>					(3'303)	35'039	31'735
Share-based payments	11					224	224
Dividends paid	9					(56'958)	(56'958)
Movement in treasury shares	9		(299)	299		(533)	(533)
<b>30 September 2022</b>		<b>570</b>	<b>(1'277)</b>	<b>13'219</b>	<b>(6'523)</b>	<b>129'675</b>	<b>135'665</b>
<b>1 April 2023</b>		<b>570</b>	<b>(1'069)</b>	<b>13'011</b>	<b>(10'062)</b>	<b>171'185</b>	<b>173'633</b>
Net profit for the period						43'395	43'395
Other comprehensive income/(loss)					(5'027)	464	(4'563)
<i>Total comprehensive income</i>					(5'027)	43'859	38'834
Share-based payments	11					455	455
Dividends paid	9					(59'252)	(59'252)
Movement in treasury shares	9		(1'050)	1'050		(951)	(951)
<b>30 September 2023</b>		<b>570</b>	<b>(2'118)</b>	<b>14'061</b>	<b>(15'090)</b>	<b>155'296</b>	<b>152'719</b>

# Interim consolidated cash flow statement

in CHF thousands	Notes	April to September	
		2023/24	2022/23
<b>Cash flow from operating activities</b>			
<b>Profit before tax</b>		<b>48'514</b>	<b>42'736</b>
Adjustment for non-cash items		9'750	8'721
Interest received/paid and taxes paid		(5'375)	(4'983)
<b>Cash flow before changes in net working capital</b>		<b>52'889</b>	<b>46'474</b>
<b>Cash flow from changes in net working capital</b>		<b>(15'623)</b>	<b>(9'671)</b>
<b>Cash flow from operating activities</b>		<b>37'266</b>	<b>36'803</b>
<b>Cash flow from investing activities</b>			
Investment in fixed assets		(14'557)	(10'587)
Investment in intangible assets		(2'247)	(3)
Increase (-) in other non-current assets		(77)	(95)
Decrease (+) in other non-current assets		37	74
<b>Cash flow from investing activities</b>		<b>(16'844)</b>	<b>(10'611)</b>
<b>Cash flow from financing activities</b>			
Treasury shares acquired (-)	9	(4'569)	(4'457)
Treasury shares divested (+)	9	3'618	3'923
Payment of lease liabilities		(2'057)	(917)
Dividends paid to the shareholders of LEM HOLDING SA	9	(59'252)	(56'958)
Increase (+) in financial liabilities	7	84'910	94'150
Decrease (-) in financial liabilities	7	(39'050)	(55'500)
<b>Cash flow from financing activities</b>		<b>(16'400)</b>	<b>(19'759)</b>
<b>Change in cash and cash equivalents</b>		<b>4'023</b>	<b>6'433</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>21'775</b>	<b>17'198</b>
Exchange effect on cash and cash equivalents		(1'118)	(296)
<b>Cash and cash equivalents at the end of the period</b>		<b>24'680</b>	<b>23'334</b>

# 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 2023 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 2023.

The accounting and valuation policies are consistent with those applied in preparing the annual consolidated financial statements for the year 2022/23.

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 2023, 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 2023/24	Income statement of 2022/23	Balance sheet as at 30.9.2023	Balance sheet as at 31.3.2023
	Average rate in CHF	Average rate in CHF	Half-year rate in CHF	Year-end rate in CHF
BGN	0.496	0.511	0.494	0.509
CNY	0.125	0.144	0.125	0.133
DKK	0.130	0.134	0.130	0.134
EUR	0.970	1.000	0.967	0.995
GBP	1.122	1.174	1.115	1.131
JPY	0.0063	0.0072	0.0061	0.0069
MYR	0.195	0.219	0.195	0.207
RUB	0.010	0.015	0.009	0.012
USD	0.891	0.965	0.914	0.914



# 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	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Sales	112'463	116'025	110'878	82'041	223'341	198'066
Operating profit	38'877	47'154	43'964	23'985	82'841	71'140
Other operating costs*					(31'177)	(25'388)
<b>Group operating profit</b>					<b>51'664</b>	<b>45'752</b>

\*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	2023/24	2022/23
<b>Sales</b>		
China	68'228	82'062
Japan	14'199	14'189
South Korea	16'703	11'190
Rest of Asia	13'333	8'584
<b>Total for the Asia region</b>	<b>112'463</b>	<b>116'025</b>
Germany	29'256	19'380
Italy	7'221	6'009
Rest of EMEA	49'439	33'017
USA	23'057	20'776
Rest of Americas	1'905	2'858
<b>Total for the Europe/Americas region</b>	<b>110'878</b>	<b>82'041</b>
<b>LEM Group</b>	<b>223'341</b>	<b>198'066</b>

## 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 consumption taxes

Despite the care that LEM applies in the separation process with personnel, such separation may result in legal conflicts. The Group will defend its case and management estimates the reasonable risk to be adequately provided for.

The Group operates in multiple jurisdictions with complex legal and tax regulatory environments. As part of the continuous improvement of its processes and systems, LEM has reviewed the consumption taxes in several countries. It appears that some of LEM's subsidiaries may not have been fully compliant with their local consumption tax regulations. Consequently, LEM has estimated consumption tax provisions according to management's best judgment. Some of these positions are inherently uncertain and involve the interpretation of local regulations applied to complex transactions.

# Notes to the interim consolidated financial statements

## 7. Financial liabilities

LEM Group increased its financial short-term liabilities to CHF 79.4 million (CHF 38.4 million on 31 March 2023) through short-term credit lines to finance the CHF 59.3 million dividend payment of July 2023.

LEM Group increased its financial long-term liabilities to CHF 9.8 million to finance its future Malaysian plant.

## 8. Other non-current liabilities

As of 30 September 2023, the retirement benefit obligation remains in a surplus amounting to CHF 2.9 million (CHF 4.3 million on 31 March 2023). Consistent with year-end, the surplus has been restricted to nil as the economic benefit in the form of a reduction in future contributions cannot be realized.

## 9. Equity

During the Annual General Meeting held in Geneva on 29 June 2023, the shareholders approved the distribution of an ordinary dividend of CHF 52.00 per share. The gross dividend effectively paid on 6 July 2023 amounted to CHF 59.3 million (prior year: ordinary dividend of CHF 50.00; total CHF 57.0 million).

Within the framework of its market-making contract, LEM holds its own shares. On 30 September 2023, the Group held 1'059 shares (31 March 2023: 555).

## 10. Operating profit

Our sales increased by +12.8% to CHF 223.3 million in the first half of 2023/24; at constant exchange rates, this represents a sales increase of +22.0%.

Our gross margin stood at 46.9%, slightly down from 47.4% in the first half of 2023/24, with an EBIT amounting to CHF 51.7 million (increase of +12.9% in the first half of 2023/24). Our operating profit margin for the first six months of 2023/24 was 23.1% compared with 23.1% a year earlier.

# Notes to the interim consolidated financial statements

## 11. Share-based payments

As of 2022/23, the Board of Directors of LEM HOLDING SA decided to grant 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.

In CHF thousands	Grant date	Vesting period	30.9.2023 Expense
Plan 2022 – 2025	20.7.2022	3 years	210
Plan 2023 – 2026	19.7.2023	3 years	237
<b>Total</b>			<b>447</b>

## 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 jurisdictions, the Group has taken income tax positions that management believes are supportable and are intended to withstand challenge 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. Changes to the financial statement recognition, measurement, and disclosure of tax positions are based on management's best judgment given any changes in the facts, circumstances, information available, and applicable tax laws. 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.

At 10.6%, the average tax rate decreased compared to 17.6% for the first half-year 2022/23. As of 30 September 2023, LEM Group recognized a tax profit of CHF 2.4 million related to the increase of its deferred tax assets. This is mainly due to the decision taken by Swiss cantonal authorities in September 2023 to raise the income tax rate in 2024.

# Notes to the interim consolidated financial statements

## 13. Financial assets and liabilities

### Financial assets

In CHF thousands	30.9.2023 Book value	31.3.2023 Book value	Amortized cost	At fair value through profit and loss
Cash and cash equivalents	24'680	21'775	X	
Accounts receivable	94'546	86'458	X	
Derivative financial instruments – current	1	42		X
Other current financial assets	1	2	X	
Other non-current financial assets	658	664	X	
<b>Total</b>	<b>119'886</b>	<b>108'941</b>		

### Financial liabilities

In CHF thousands	30.9.2023 Book value	31.3.2023 Book value	Other financial liabilities	At fair value through profit and loss
Accounts payable	30'758	36'071	X	
Accrued expenses	32'092	32'296	X	
Derivative financial instruments – current	126	0		X
Other current financial liabilities	79'375	38'414	X	
Other non-current financial liabilities	9'750	5'175	X	
<b>Total</b>	<b>152'100</b>	<b>111'956</b>		

### Changes in liabilities arising from financing activities

In CHF thousands	1.4.2022	Cash impact		Non-cash impact	30.9.2022
		Cash flows Inflow	Cash flows (outflow)	Fair value changes and Others	
Interest-bearing loans and borrowings	40'650	94'150	(55'500)	(84)	79'216
<b>Total</b>	<b>40'650</b>	<b>94'150</b>	<b>(55'500)</b>	<b>(84)</b>	<b>79'216</b>

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

## 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, EUR, and JPY 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 liabilities at fair value amount to CHF 125'000 as of 30 September 2023 (net financial assets of CHF 42'000 as of 31 March 2023) 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

On 28 July 2023, LEM Advisory Services SA was liquidated.

### 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

2 February 2024	Nine-month results 2023/24
28 May 2024	Full-year results 2023/24
27 June 2024	Annual General Meeting of Shareholders for the financial year 2023/24
2 July 2024	Dividend ex-date
4 July 2024	Dividend payment date

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