

Half Year FY 2021 Earnings Presentation

October 28th, 2021



Disclaimer

Forward-looking Information

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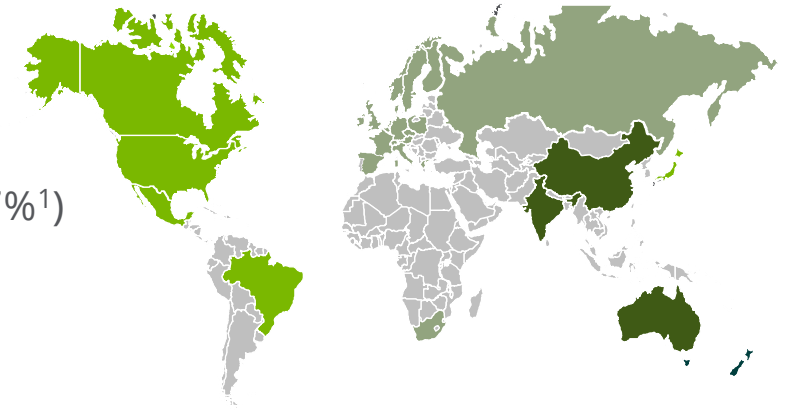
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Alternative Performance Measures

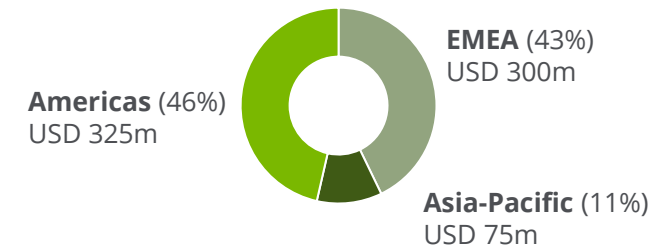
This presentation may contain information regarding (a) preliminary, unaudited numbers that may be subject to change and (b) alternative performance measures such as reported EBITDA, Adjusted EBITDA, Adjusted Gross Profit, Adjusted Research and Development, Adjusted Sales, General and Administrative, and Adjusted Operating Expenses. Definitions of these measures and reconciliations between such measures and their USGAAP counterparts if not defined in the presentation may be found in the ‘Supplemental Reconciliations and Definitions’ section on pages 28 to 30 of the Landis+Gyr Half Year Report 2021 on the website at www.landisgyr.com/investors/results-center.

Business Performance H1 FY 2021

- Order intake **USD 1,786.9 million**; record **book-to-bill ratio of 2.55** (H1 FY 2020: 0.73) primarily due to major contract wins in Americas
- Record committed backlog of **USD 3,235.6 million** (up 55.5% YoY)
- Net revenue increased 9.1%¹ to **USD 700.9 million** driven by EMEA (up 31.4%¹) with Americas slightly down (-2.4%¹) and APAC down (-6.7%¹)
- Adjusted EBITDA of **USD 70.8 million** resulting in a **margin of 10.1%**, an increase of 210 bps due to operating leverage and favorable mix
- Free Cash Flow (excl. M&A) of USD 41.6 million (down 8.2% YoY) and solid balance sheet with Net debt / Adjusted EBITDA of 0.5x
- Current supply chain challenges expected to be elevated in H2 FY 2021
- Acquisitions of Etrrel and True Energy as well as strategic investment in Charge Point Operator Allego* solidify position in EV infrastructure technology market
- Telia acquisition further expands managed services business in EMEA
- Signed binding agreement to acquire Luna*, expanding core capabilities in smart metering, increasing offering of cost-competitive solutions and opening new markets



Net Revenue Split



Record backlog and transformation activities underpin positive momentum

Landis+Gyr Carbon Neutral by 2030



Reporting according to GRI core since 2020



Joined in November 2019



In 2020, top 5% of Sustainable Companies



ESG corporate rating "C" (top 30%) since 2018



AA-rated since 2018 (top 11% in peer universe)



Company grade of "B" since 2020



Included in the SPI ESG Index



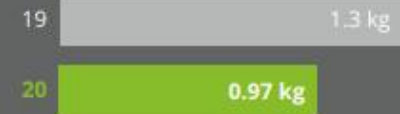
Recognised as a one of 300 European Climate Leaders by FT-Statista

Direct CO₂ emissions avoided
8.5 million tons
CO₂ emission avoided through Landis+Gyr's installed Smart Metering base in FY 2020*



* The savings are calculated using a proprietary model based on publicly available country specific sources.

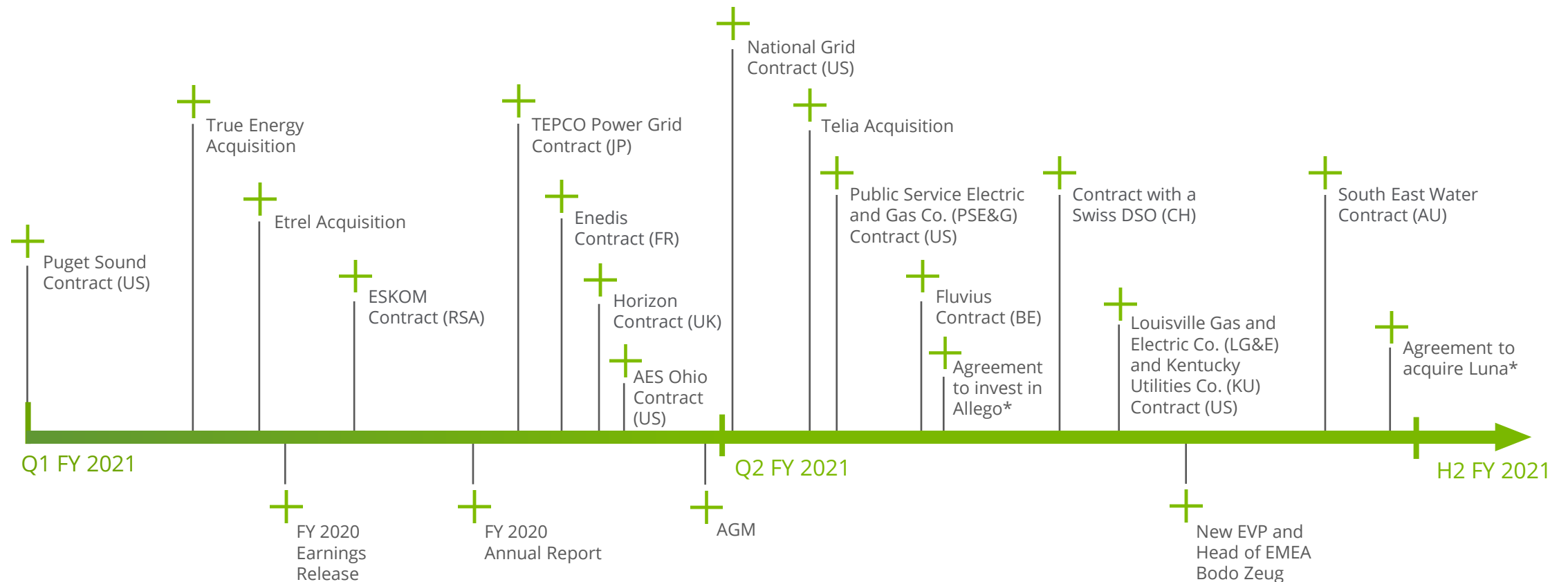
Direct CO₂ emissions from Landis+Gyr operations
0.97
kg CO₂ per USD 100 turnover



Reduction of Landis+Gyr resources in FY 2020 compared to FY 2019



H1 FY 2021 Review



Order intake of USD 1,786.9 million in H1 FY 2021, resulting in record book-to-bill ratio of 2.55

Major Contract Wins – H1 FY 2021



TEPCO Power Grid

Landis+Gyr will continue to provide Command Center (head-end system) for replacement (2021-2024) of the world's largest AMI system with 28.4 million meters installed - meter replacement cycle expected to start in 2025



20-year contract for modernization of grid network with deployment of 1.7 million advanced electricity meters (Revelo®) and 640k smart meter gas modules in Upstate New York - Gridstream® Connect to provide networking, edge intelligence, energy usage information and grid analytics



10-year agreement for the supply of 2.3 million advanced meters, network infrastructure, and associated software & services, which are all connected to the Landis+Gyr Gridstream® Connect AMI platform



Contract to supply 2.5 million E360 smart electricity meters and 1.0 million smart gas meters starting 2023 – Landis+Gyr will also provide 15 years of Metering-as-a-Service as well as IoT connectivity-as-a-Service



5-year contract to supply 930k advanced electricity meters and 300k gas modules – both utilities will deploy Landis+Gyr's Gridstream® Connect solution

Strategic Transformation

Landis+Gyr

+
SMART
METERING

+
GRID EDGE
INTELLIGENCE

+
SMART
INFRASTRUCTURE



Smart Water



Google Cloud



Smart Gas



Rhebo



Transforming the business for longer-term growth while providing attractive returns to shareholders

Acquisitions & Transactions in H1 FY 2021



Cost-Competitive Metering Platform*

- Binding agreement to acquire 100% of the shares of Luna Elektrik Elektronik Sanayi ve Ticaret A.Ş., expected to close by the end of 2021
- Expands core capabilities in smart metering
- Increases offering of cost-competitive solutions with well-established manufacturing capabilities in Izmir
- Opens new markets



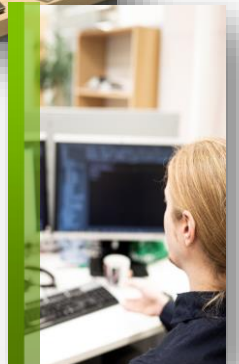
Strategic CPO Investment*

- Strategic investment in Charge Point Operator (CPO) Allego
- Allego delivers charging solutions for electric cars, motors, buses and trucks, for consumers, businesses and cities
- Allego's end-to-end charging solutions make it easier for businesses and cities to deliver the infrastructure drivers need



Managed Services Business

- Nordic countries are service oriented markets
- Adding 950k metering points to service platform, bringing total to 2.5 million including access to 23 new customers
- Strategic focus to further enhance managed services business in EMEA; growth in service forms a core pillar of our transformation
- Building position for 2nd wave for full Landis+Gyr offering



Strategic Initiatives – Status Update

Google Cloud

- Digital Transformation Partnership to develop future proof cloud solutions and expand software and services offering
- Unified cloud-enabled HES platform driving efficiencies; release 1 expected in Q1 FY 2022
- Cloud Analytics platform – unlocking the power of meter data; application examples include Power Quality, Pattern Detection
- Co-Innovation with Google

Smart Ultrasonic Water

- Market is switching to smart ultrasonic technology that will replace current mechanical devices
- 1% of revenue expected from ultrasonic water metering by 2023
- Market introduction targeted for Spring 2023
- Project on track

Rhebo

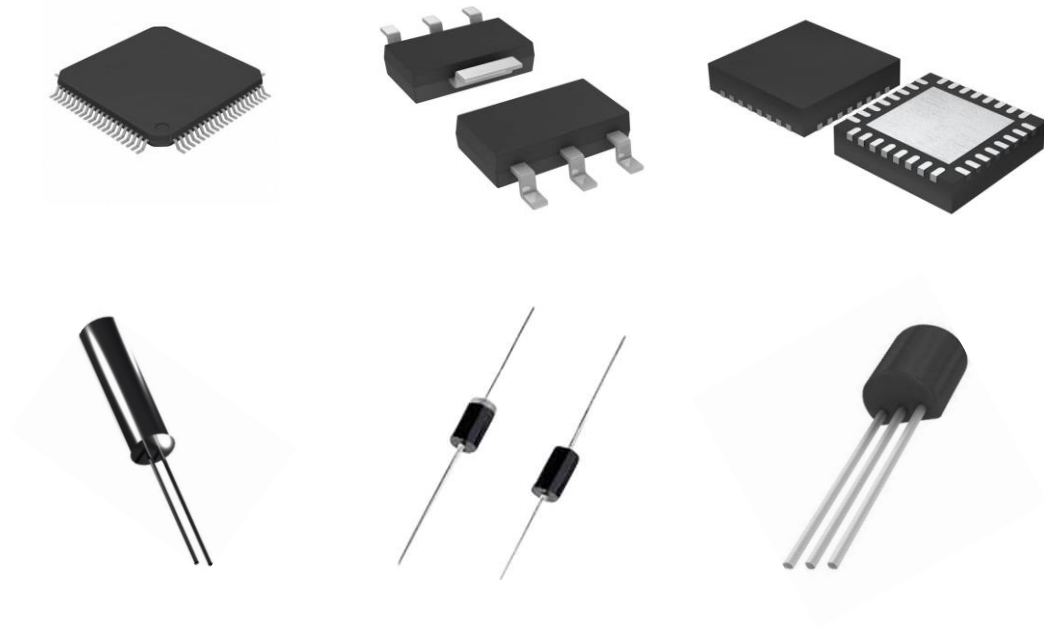
- USD 9 million of revenue expected by 2023 - OT Cybersecurity specialist for 'Energy & Utilities'
- Offering of Integrated OT & AMI security
- AMI security solution & roadmap defined; business model drafted
- Customer validation workshops in progress

Smart Ultrasonic Gas

- Smart gas of increasing interest in NAM market with active engagement for ultrasonic metering
- 2% of revenue expected from ultrasonic gas metering by 2023
- Market introduction targeted for Spring 2023
- Project on track for launch and moving to implementation stage

Additional investment of 2% of net revenue for company transformation drives growth profile

Supply Chain Situation



H1 FY 2021 Impact

- USD ~40 million topline deferred due to supply chain constraints
- EBITDA results include incremental USD ~10.5 million supply chain cost
- Expecting increasingly challenging situation in H2
- Types of components impacted include
 - Integrated Circuits (IC) – MCU
 - IC – Analogue Components
 - IC – RF Transceivers
 - Crystals
 - Memories
 - Diodes
 - Transistors
 - Resistors

Impact as a result of material non-availability, material price increases and heightened freight cost

Americas | Key Developments in H1 FY 2021

New Orders

- Booked record order intake for half year, ~USD 1.2 billion resulting in a USD 2.3 billion backlog. Overall, a record 3.7x book-to-bill H1 FY 2021
- Signed National Grid NY, PSE&G NJ, LG&E/KU and AES Ohio, gaining regulatory momentum in the US and establishing the next generation of AMI Technology and Revelo
- Signed TEPCO head-end system refresh in Japan, world's largest AMI system with 28.4 million meters, building on a strong partnership to solve the next generation of use cases
- Continued expansion in the distribution business with cooperative and municipal utilities; including strong portfolio in distributed energy management, advanced grid analytics, demand response and smart city IoT

Technology & Market Activity

- Innovation focus on market leading devices, grid edge platforms, smart infrastructure sensors and software solutions for utilities and municipal partners
- Significant spending anticipated towards grid modernization pending federal US infrastructure legislation
- State policymakers are prioritizing resiliency and cybersecurity via grid modernization, which is well-aligned with Landis+Gyr's technology portfolio
- Policymakers remain committed to grid decarbonization and renewable energy goals, further decentralizing the grid and increasing the need for grid-edge intelligence such as Revelo

Unprecedented order entry validates technology vision and market momentum

EMEA | Key Developments in H1 FY 2021

New Orders

- Won Fluvius (BE) contract to supply 2.5 million E360 electricity meters, 1 million residential smart gas meters and 15 years of Metering as a Service as well as IoT connectivity as a Service
- Key contract with Enedis (FR) to supply 940k Linky meters; Landis+Gyr remains one of the three suppliers for Enedis rollout
- Contract extensions and new wins with Horizon Energy Infrastructure (UK), for a total volume of 500k SMETS2 smart meters
- Significant wins in Switzerland, supplying smart meters and end-to-end solutions for 150k+ metering points
- Eskom (SA) tender won to supply 380k smart meters and the deployment of Landis+Gyr head-end system

Technology, Acquisitions & Partnerships

- Acquisition of Turkish smart meter provider Luna signed, opening access to new markets and expanding cost-competitive solutions offering; closing expected end of 2021, subject to regulatory approvals
- Etrek acquisition closed, providing access to booming EV charging market; integration well under way
- Acquisition of Telia's Finland meter reading services operations for 950k metering points, further strengthening managed services operations in EMEA
- ISO/IEC 20000 certification for Managed Services in EMEA, further enhancing service capabilities and managed services business

Key contract wins improve backlog and recent acquisitions will drive mid-term growth opportunities

APAC | Key Developments in H1 FY 2021

Australia & New Zealand

- Smart electricity meter roll-outs continue with good momentum with key customers
- Launched updated smart electricity meter portfolio
- Growing interest in smart water metering to combat distribution losses. Delivered first smart water meters and booked orders for 35k meters in this emerging segment

China

- H1 year on year Sales improved driven by growth in Heat meter sales and resilient Grid meter sales

Southeast Asia & Hong Kong

- Continued good deployment progress with Hong Kong based AMI projects
- First smart meter deliveries to Malaysia
- COVID-19 has delayed number project schedules across SEA

India & Bangladesh

- India country wide lock down in Q1 resulted in contraction of sales by 6.7% in constant currency against H1 FY 2020
- First deliveries for two new AMI projects in India
- First deliveries for inaugural AMI project in Bangladesh

H1 YoY Order Intake increased by USD 22 million with significant portion of smart water

Consolidated Results – H1 FY 2021

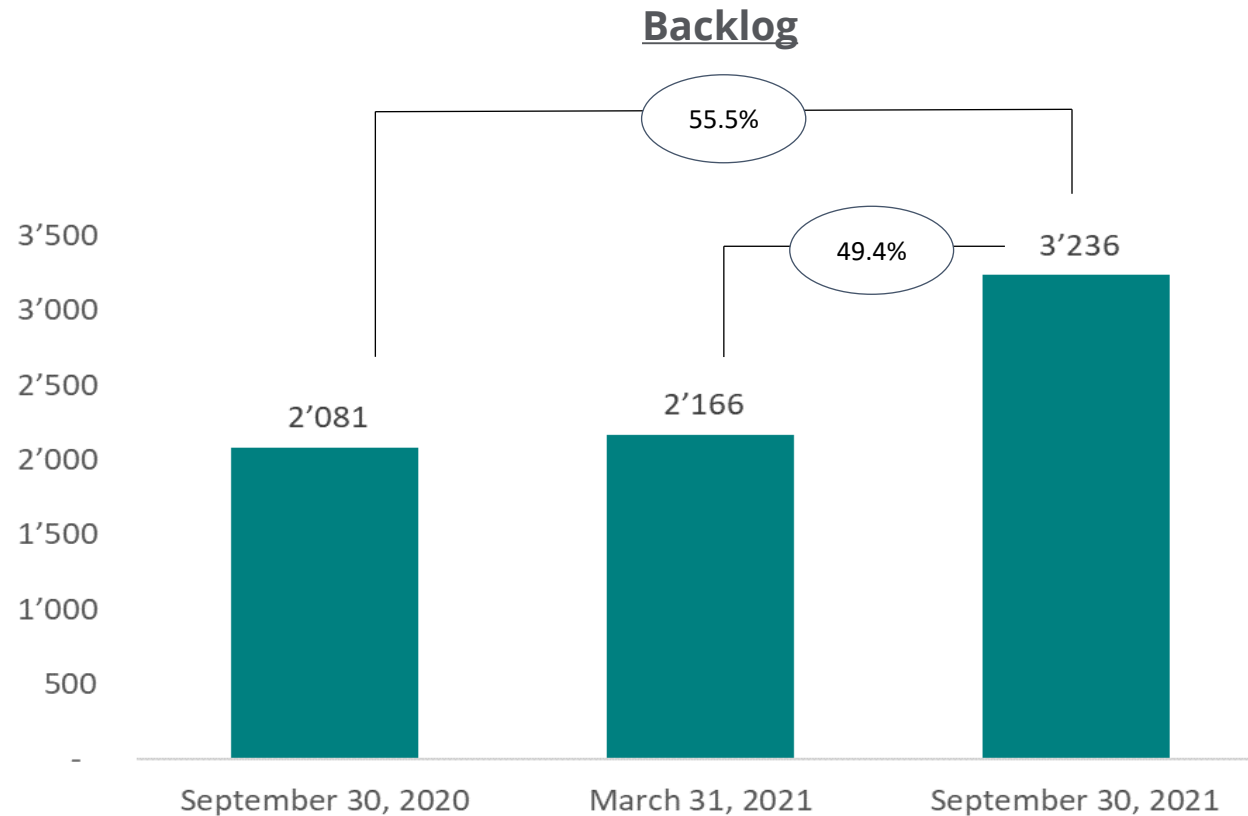
USD in millions (except per share amounts)	H1 FY 2021	H1 FY 2020	Change
Order intake	1'786.9	456.9	291.1%
Change in constant currency			277.4%
Committed backlog	3'235.6	2'080.7	55.5%
Net revenue to external customers	700.9	623.5	12.4%
Change in constant currency			9.1%
Adjusted Gross Profit	243.3	194.5	25.1%
Adjusted Gross Profit %	34.7%	31.2%	350 bps
Adjusted Operating Expenses	(172.6)	(144.4)	19.5%
Adjusted EBITDA	70.8	50.1	41.3%
Adjusted EBITDA %	10.1%	8.0%	210 bps
Operating Income (Loss)	46.3	(9.9)	n/a
Net Income attributable to L+G Group AG shareholders	35.0	(2.0)	n/a
Earnings per share - basic & diluted (in USD)	1.21	(0.07)	n/a
Cash provided by (used in) operating activities	50.4	56.6	(11.0)%
Free Cash Flow (excluding M&A)	41.6	45.3	(8.2)%
Net (Debt) Cash	(79.3)	12.1	n/a

- Order intake supported by major wins in Americas and EMEA
- Revenue recovery driven by easing installation/roll-out restrictions in EMEA; supply chain constraints impacting revenue growth
- Strong Adjusted EBITDA margin expansion due to product mix and operating leverage partially offset by transformation, one-off COVID-19 reversals and supply chain cost
- Solid free cash flow generation

Strong Order Intake and solid financial performance in H1 FY 2021

Backlog / Order Intake

USD in millions

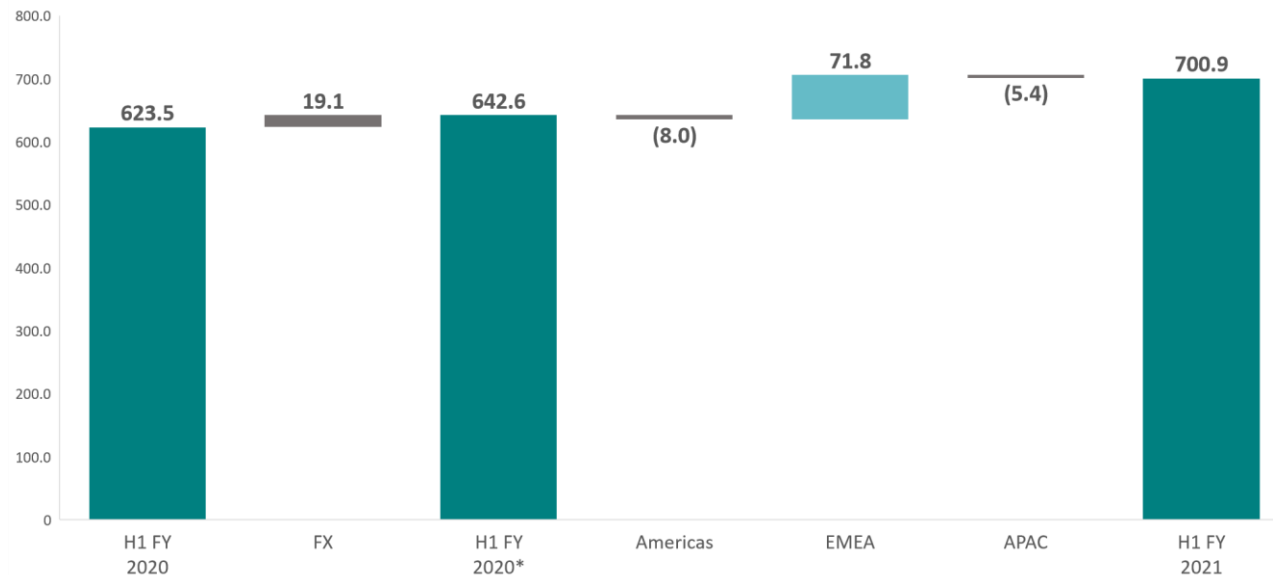


- Order Intake USD 1.8 billion driven by major wins in Americas (National Grid, PSE&G, LG&E, TEPCO) and EMEA (Fluvius)
- Book-to-Bill ratio of 2.55x (3.7x Americas; 1.6x EMEA; 1.1x APAC) resulting in record Backlog at USD 3.2 billion
- Conversion commencing in FY 2023 deploying latest Landis+Gyr technology

Significant order wins resulting in record backlog

Net Revenue YoY Bridge – H1 FY 2021

USD in millions



Americas

- North America revenue declined due to supply chain constraints, partially mitigated by Brazil, Japan and higher software/services

EMEA

- Growth YoY driven by UK recovery and roll-outs in Sweden and Austria

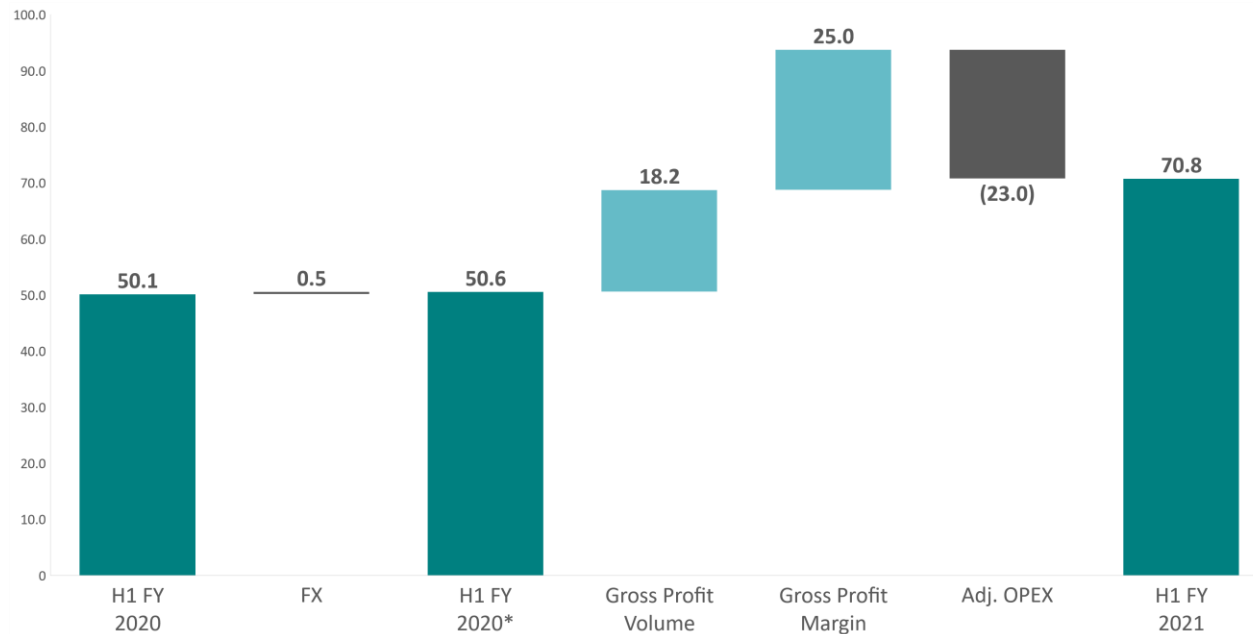
APAC

- Lower SEA/India shipments partially offset by China volume

Revenue Growth of 9.1% YoY in CC driven by COVID-19 recovery yet impacted by supply chain

Adjusted EBITDA YoY Bridge – H1 FY 2021

USD in millions



- Adjusted Gross profit increased due to higher volume in EMEA
- Adjusted Gross Profit margin expanded due to favorable mix and restructuring benefits, partially offset by higher supply chain cost
- YoY Adjusted Operating Expenses increased due to R&D and investments in strategic transformation and reversal of one-off COVID-19 benefits in previous year

Adjusted EBITDA expansion driven by operational leverage and mix, partially offset by supply chain cost

Adjustments to EBITDA – H1 FY 2021

USD in millions	H1 2021	H1 2020	Change
Reported EBITDA	86.2	31.8	171.1%
<i>Adjustments</i>	(15.5)	18.3	n/a
Restructuring Charges	0.2	15.4	(98.7)%
Warranty normalization adjustments	(7.2)	(6.7)	7.5%
Timing Differences on FX Derivatives	(8.5)	9.7	n/a
Adjusted EBITDA	70.8	50.1	41.3%
Adjusted EBITDA %	10.1%	8.0%	210 bps

- Limited Restructuring Charges; H1 FY 2020 impact related to project Hermes closed in FY 2021
- Warranty normalization adjustments of USD (7.2) million represent the amount of provisions made relative to the average actual warranty utilization for the last three years
- Timing differences on FX derivatives: USD (8.5) million relate to mark to market differences on hedges, primarily GBP-USD currency

Cash Flow – H1 FY 2021

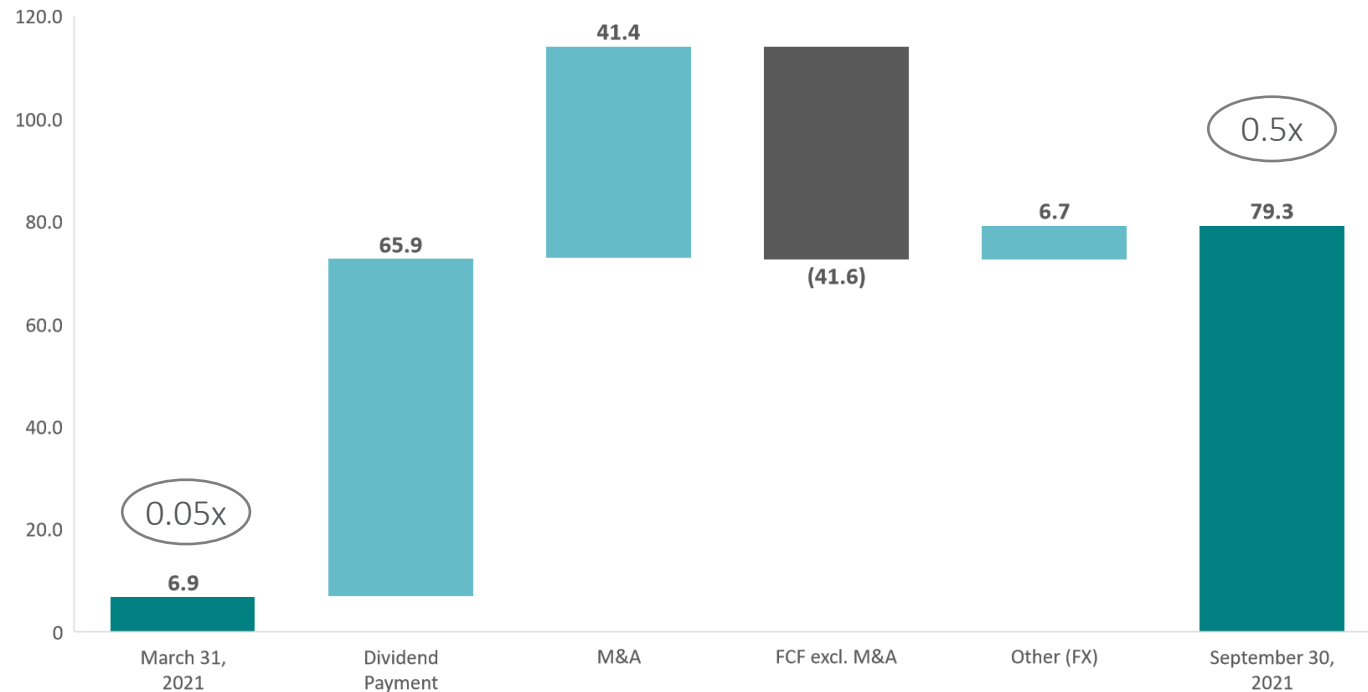
USD in millions	H1 FY2021	H1 FY2020	Change
Net Income	34.9	(2.3)	n/a
Depreciation and Amortization	40.0	41.7	(4.1)%
Net loss (income) from Equity Investments	4.8	3.3	45.5%
Change in OWC, net	8.7	32.1	(72.9)%
Warranty and warranty settlement cash outs	(7.5)	(7.2)	4.2%
Other	(30.6)	(11.0)	178.2%
Net cash provided by operating activities	50.4	56.6	(11.0)%
(incl. tax payment of)	(12.5)	(8.9)	40.4%
Net cash used in investing activities	(50.2)	(10.6)	373.6%
(inc. Capex of)	(8.9)	(11.3)	(21.2)%
(inc. Acquisitions, proceeds from sales of investments)	(41.4)	0.6	n/a
Free Cash Flow	0.2	45.9	(99.6)%
Free Cash Flow (excluding M&A)	41.6	45.3	(8.2)%

- Continued strong Operating Working Capital management despite higher volumes
- Continued stable warranty and warranty settlement cash attributable to lower payments for legacy component issues
- Other Cash Flow impacted by YoY changes in FX derivative valuation and timing of restructuring
- Tax payments higher due to expiration of COVID-19 tax payment deferral schemes
- Capex remained low due to asset light business model
- Acquisitions primarily related to the Etrek and True Energy USD (44.0) million, and Spark (Intellihub) earn out of USD 2.5 million

Continued strength in Cash Flow generation

Net Debt – H1 FY 2021

USD in millions



- Solid Balance Sheet, net debt position of USD ~79.3 million; 0.5x leverage ratio
- Cash at hand as of September 30th of USD ~85.6 million
- Significant investment capacity remaining with available undrawn facilities of USD 411 million
- Share buyback program remains suspended and expires in January '22



Net debt / trailing twelve months
Adjusted EBITDA

Americas Segment – H1 FY 2021

USD in millions	H1 FY 2021	H1 FY 2020	Change
Order intake	1'214.8	197.1	516.3%
Committed Backlog	2'320.8	1'333.1	74.1%
Change in constant currency			74.4%
Net revenue to external customers	325.4	332.6	(2.2)%
Change in constant currency			(2.4)%
Adjusted Gross Profit	131.9	114.2	15.5%
<i>Adjusted Gross Profit %</i>	40.5%	34.3%	620 bps
Adjusted Operating Expenses	(68.2)	(59.1)	15.4%
Adjusted EBITDA before Group Charges	63.7	55.1	15.6%
Group Charges	(13.5)	(14.4)	(6.3)%
Adjusted EBITDA	50.2	40.7	23.3%
<i>Adjusted EBITDA %</i>	15.4%	12.2%	320 bps

- USD 1.2 billion Order intake results in 3.7x book-to-bill
- Revenue challenged by component availability; volume upside from Brazil and Japan
- Adjusted EBITDA uplift due to favorable mix and Hermes restructuring effects, partially offset by one-off COVID-19 benefit reversal and supply chain cost

EMEA Segment – H1 FY 2021

USD in millions	H1 FY 2021	H1 FY 2020	Change
Order intake	486.0	195.8	148.2%
Committed Backlog	803.9	663.2	21.2%
Change in constant currency			18.5%
Net revenue to external customers	300.1	213.9	40.3%
Change in constant currency			31.4%
Adjusted Gross Profit	95.3	61.0	56.2%
<i>Adjusted Gross Profit %</i>	31.8%	28.5%	330 bps
Adjusted Operating Expenses	(71.2)	(56.7)	25.6%
Adjusted EBITDA before Group Charges	24.1	4.3	460.5%
Group Charges	(11.0)	(8.6)	27.9%
Adjusted EBITDA	13.1	(4.3)	n/a
<i>Adjusted EBITDA %</i>	4.4%	(2.0)%	640 bps

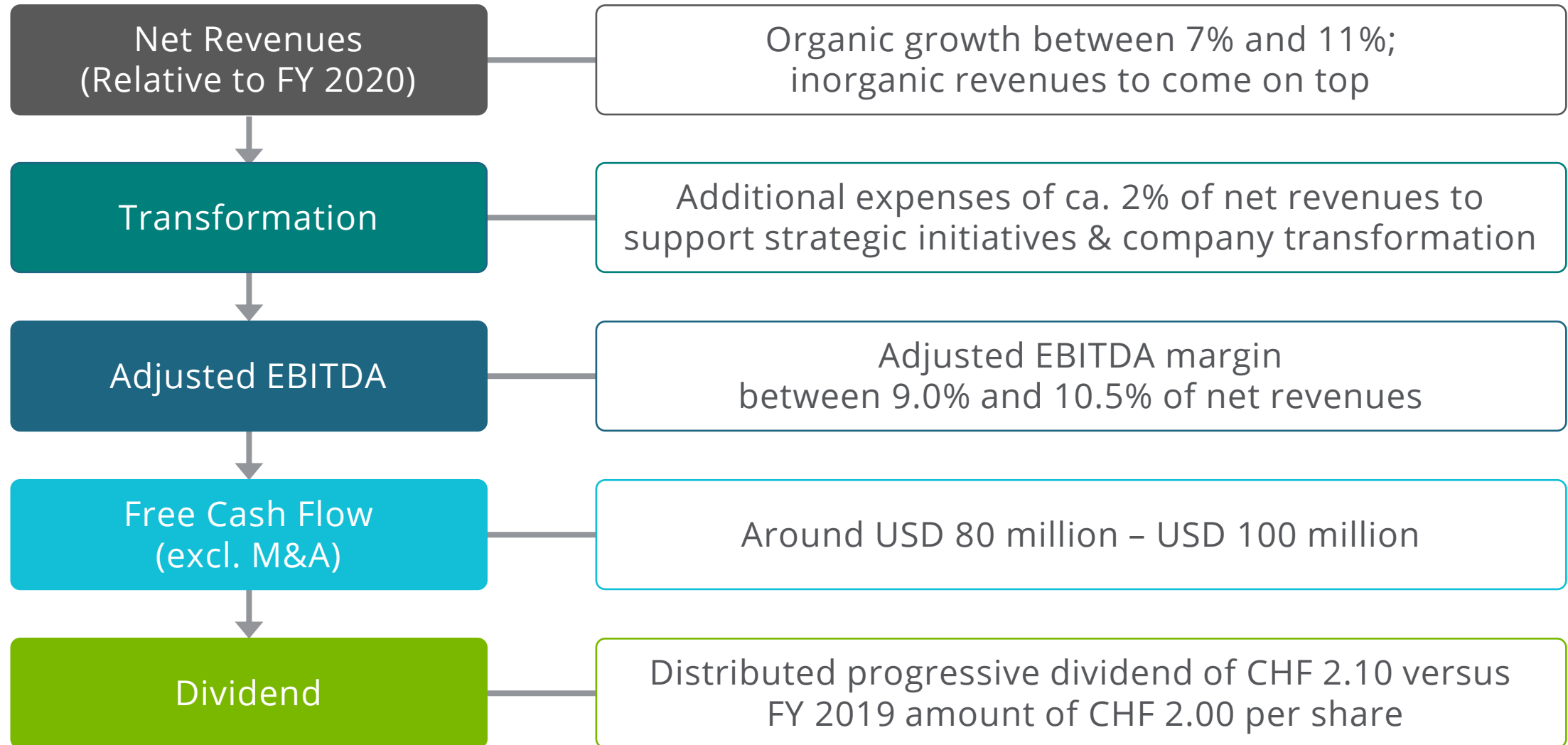
- ~USD 0.5 billion Order intake, including major win with Fluvius in Belgium
- Revenue increase due to UK recovery and easing installation conditions throughout the region
- Adjusted EBITDA improvement from operating leverage and Hermes restructuring, partially offset by transformation, supply chain cost and expiring COVID-19 benefits from prior year

APAC Segment – H1 FY 2021

USD in millions	H1 FY 2021	H1 FY 2020	Change
Order intake	86.1	64.0	34.5%
Committed Backlog	110.8	84.3	31.4%
Change in constant currency			31.5%
Net revenue to external customers	75.4	77.0	(2.1)%
Change in constant currency			(6.7)%
Adjusted Gross Profit	20.3	19.1	6.3%
<i>Adjusted Gross Profit %</i>	26.9%	24.8%	210 bps
Adjusted Operating Expenses	(14.2)	(11.0)	29.1%
Adjusted EBITDA before Group Charges	6.1	8.1	(24.7)%
Group Charges	(2.8)	(2.4)	16.7%
Adjusted EBITDA	3.3	5.7	(42.1)%
<i>Adjusted EBITDA %</i>	4.4%	7.4%	(310) bps

- Strong Order intake despite challenges in India due to COVID-19 restrictions
- Revenue impacted higher volume in China and Singapore, offset by India, Australia, New Zealand and Hong Kong
- Adjusted EBITDA upside from product mix and cost-out more than offset by higher R&D transformation costs

Guidance FY 2021



questions & answers



Key Messages

- Strong COVID-19 recovery resulted in record Book-to-Bill of 2.55, leading to record backlog in excess of USD 3.2 billion
- US Energy Infrastructure Investments of USD 100 billion expected to provide strong tailwinds for continuous recovery
- Establishing a high-performance culture with strong focus on customer intimacy, innovation and operational excellence
- Resilient cash-generative business model as demonstrated in challenging COVID-19 environment
- Global impact of material non-availability, material price increases and increased freight rates pose challenges for cost and on-time delivery performance, however mitigation actions ongoing with high priority
- Additional investment of ca. 2% of net revenue supporting strategic initiatives and company transformation
- Transformational Cloud and Innovation Partnership with Google to accelerate digitalization differentiation
- Significant investment capacity for acquisitions, starting with Rhebo elevating cybersecurity offerings, Etrell and True Energy to solidify position in EV infrastructure technology market and Luna* as low-cost manufacturing platform
- Passionate commitment as an ESG-centric industry leader to be Carbon Neutral by 2030, driving sustainable impact by empowering utilities and communities to manage energy better

Transforming the business for longer-term growth while providing attractive returns to shareholders

Contacts & Dates



Important Dates

Release of FY 2021 Results:

May 5th, 2022

**Publication of Annual Report 2021
and Invitation to AGM 2022:**

May 30th, 2022

Annual General Meeting 2022:

June 24th, 2022

Publication of Half Year Results 2022:

October 26th, 2022



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