Landis+Gyr
manage energy better

Landis+Gyr Announces First Half FY 2021 Financial Results

Cham, Switzerland – October 28th, 2021 – Landis+Gyr (SIX: LAND) today announced unaudited financial results for the first half of financial year 2021 (April 1st – September 30th, 2021). Key highlights included:

- **Order intake of USD 1,786.9 million corresponding to a book-to-bill ratio of 2.55, primarily driven by major US contract wins**
- **Record committed backlog of USD 3,235.6 million, an increase of 55.5% Year-over-Year (YoY)**
- **H1 FY 2021 net revenues increased 9.1% YoY in constant currency to USD 700.9 million driven by the recovery in the EMEA region and despite supply chain related headwinds**
- **Adjusted EBITDA* grew 41.3% to USD 70.8 million, a margin of 10.1% compared to 8.0% in H1 FY 2020**
- **Net income was USD 35.0 million or USD 1.21 per share compared to USD (2.0) million or USD (0.07) per share in H1 FY 2020**
- **Free Cash Flow (excl. M&A) was USD 41.6 million compared to USD 45.3 million in H1 FY 2020**
- **Strong balance sheet with low net debt of USD 79.3 million and net debt / Adjusted EBITDA of 0.5x after several acquisitions**
- **Guidance for FY 2021 confirmed with results pointing towards the lower end of the guided ranges due to ongoing and increasing supply chain challenges**
- **Transformation with strategic acquisitions and initiatives on track**

"Landis+Gyr delivered respectable results in the first half of our financial year 2021 in a very challenging global environment dominated by the COVID-19 pandemic and global supply chain constraints. We are especially proud of the wins of major orders in the United States, which, after regulatory delays, finally came through and are proof of our industry-leading expertise and technology helping our customers manage energy in a more informed and sustainable way. Together with other relevant contract wins, this leads to a record-high backlog, further supporting solid business performance in the mid- and long-term and our teams all over the world remain dedicated and passionate to enable our customers' success", said Werner Lieberherr, Chief Executive Officer of Landis+Gyr.

"We are also excited about the progress of our ongoing transformation in H1, including several strategic acquisitions, which will enable additional growth in new segments and geographies. However, the global supply chain constraints negatively impacted our positive development and we expect the negative financial impact from the supply chain situation to increase in H2 compared to H1 of FY 2021. With various measures in place, we confirm our guidance for FY 2021 and expect results towards the lower end of the guided ranges", Lieberherr concluded.

Constrained global supply chain situation

As already highlighted at the occasion of the FY 2020 results publication in May 2021, the global and cross-industry supply chain constraints, in particular shortages and price increases of electronic components, material non-availability as well as increased freight rates, continue to pose challenges to the business. In H1 FY 2021, this resulted in both higher cost and revenue pushouts as customer demand could not be fully satisfied. The company expects the negative financial impact from the supply chain situation to increase in H2 compared to H1 of FY 2021.

* For a reconciliation of non-GAAP measures, see chapter "Supplemental Reconciliations and Definitions (unaudited)" in this ad hoc announcement.

Acquisitions and transformation
In the six months under review, Landis+Gyr announced the acquisitions of Etrel and True Energy in the electric vehicle (EV) charging space, Telia's meter reading business and, subject to closing, of Luna Elektrik, which is expected to add a cost-competitive metering platform, as well as a strategic investment in the charge point operator Allego, also subject to closing. In combination with investments in strategic initiatives initiated in FY 2020, the company is progressing on its transformation toward grid edge intelligence and smart infrastructure and these investments are expected to support growth in the mid-term.

Order Intake, Committed Backlog and Net Revenue
Order intake for the first half of FY 2021 almost quadrupled to USD 1,786.9 million, representing a book-to-bill ratio of 2.55. The positive development was driven by major contract wins in the Americas and EMEA regions. Committed backlog was up 55.5% reaching USD 3,235.6 million, the highest level in the Company's history. Committed backlog in the Americas rose by 74.1% to USD 2,320.8 million, in EMEA by 21.2% to USD 803.9 million and in Asia Pacific by 31.4% to USD 110.8 million.

In H1 FY 2021, net revenue increased 12.4%, or 9.1% in constant currency, to USD 700.9 million. Recently acquired businesses contributed USD 3.4 million to net revenue.

Net revenue to external customers per segment was as follows (in USD million, except where indicated):

Segment	H1 FY 2021 Net revenue	H1 FY 2020 Net revenue	Percentage change	Percentage change in constant currencies
Americas	325.4	332.6	(2.2%)	(2.4%)
EMEA	300.1	213.9	40.3%	31.4%
Asia Pacific	75.4	77.0	(2.1%)	(6.7%)
Group	**700.9**	**623.5**	**12.4%**	**9.1%**

The Americas region delivered slightly lower net revenue, down 2.4% YoY in constant currency, of USD 325.4 million due to challenging component availability partially offset by a strong performance in Brazil and Japan.

Business in the EMEA region recovered strongly compared to the COVID-19 impacted prior year period with net revenue up 40.3%, or 31.4% in constant currency, to USD 300.1 million with particularly strong development in the UK, Sweden and Austria.

Asia Pacific sales were down 6.7% YoY in constant currency to USD 75.4 million as a result of COVID-19 related lockdowns in various countries and non-availability of certain components.

Adjusted and Reported EBITDA*

The Adjusted EBITDA by segment was as follows (in USD million, except where indicated):

Segment	H1 FY 2021 Adjusted EBITDA	H1 FY 2021 Percentage of net revenue	H1 FY 2020 Adjusted EBITDA	H1 FY 2020 Percentage of net revenue
Americas	50.2	15.4%	40.7	12.2%
EMEA	13.1	4.4%	(4.3)	(2.0%)
Asia Pacific	3.3	4.4%	5.7	7.4%
Corporate unallocated	4.2	N/A	8.0	N/A
Group	**70.8**	**10.1%**	**50.1**	**8.0%**

H1 FY 2021 Adjusted EBITDA was USD 70.8 million (up 41.3% YoY). The Adjusted EBITDA margin increased 210 basis points to 10.1% from 8.0% in the prior year period. Adjusted EBITDA increased due to operating leverage as a result of higher revenues in EMEA and product mix particularly in the Americas, partially offset by higher adjusted operating expenses.

Adjusted operating expenses increased USD 28.2 million compared to H1 FY 2020. The increase is mainly attributable to higher R&D spend as part of the announced additional investments to support strategic initiatives and due to higher general & administrative expenses (including reversal of 2020 one-off benefits). Adjusted R&D expenses accounted for 11.1% of net revenues in the period under review.

In H1 FY 2021, the operating income was USD 46.3 million compared to an operating loss of USD (9.9) million in H1 FY 2020. Reported EBITDA for the period under review was USD 86.2 million versus USD 31.8 million in H1 FY 2020, an increase of 171.1%.

The adjustments to bridge between reported EBITDA in the Group's financial statements and Adjusted EBITDA are as follows (in USD million):

	H1 FY 2021	H1 FY 2020
Reported EBITDA	**86.2**	**31.8**
Adjustments		
Restructuring charges	0.2	15.4
Warranty normalization adjustments	(7.2)	(6.7)
Timing difference on FX derivatives	(8.5)	9.7
Adjusted EBITDA	**70.8**	**50.1**

In the first half of FY 2021, the adjustments were in three categories. Firstly, minor restructuring charges of USD 0.2 million. Secondly, the warranty normalization adjustments of USD (7.2) million representing the amount of warranty provisions made relative to the average actual warranty utilization for the last three years. Thirdly, the timing difference on FX derivatives adjustment of USD (8.5) million relating to mark to market differences on hedges, primarily as a result of GBP exchange rate movements.

Net Income / (Loss) and EPS

Net income attributable to Landis+Gyr Group shareholders for H1 FY 2021 was USD 35.0 million translating into earnings per share of USD 1.21, compared to a net loss of USD (2.0) million or USD (0.07) per share for H1 FY 2020.

Cash Flow and Net Debt

Net cash provided by operating activities was USD 50.4 million in H1 FY 2021 compared to USD 56.6 million in the prior year period. Free Cash Flow (excl. M&A) was USD 41.6 million, a decrease of USD 3.7 million compared to H1 FY 2020, impacted by operating working capital and higher income taxes. In H1 FY 2021, capital expenditure amounted to USD 8.9 million (down 21.2% YoY), consistent with the Company's asset-light business model.

As of September 30, 2021, the ratio of net debt to Adjusted EBITDA was 0.5 times, with net debt of USD 79.3 million, after the dividend payment of USD 65.9 million in July and the acquisitions of Etrel and True Energy, net of gain on sale of investments, totaling USD 41.4 million in H1 FY 2021.

Sustainability Report

Landis+Gyr also issued its 2020/21 Sustainability Report on the Company's website today (www.landisgyr.com/about/corporate-social-responsibility/). The report provides a detailed overview of the Group's Environmental, Social and Governmental (ESG) initiatives. Highlights include the introduction of a Green Design Manual for all new designs or redesigns and the launch of an Eco-Portfolio, which includes a set of ESG criteria to be met by Landis+Gyr's products. During the reporting period, Landis+Gyr enabled 8.5 million tons of direct CO_2 emission avoidance through the installed smart meter base. Furthermore, supported by the effects of the pandemic, Landis+Gyr reduced its own CO_2 emissions by 47%, water consumption by 12%, chemicals by 26% and waste by 27% YoY.

The Company exceeded its Short-Term-Incentive-linked ESG targets for FY 2020 and has taken the decision to increase the number of targets from three to eleven and the ESG component weight as part of the Short-Term-Incentive for all bonus-eligible employees from 10% to 20%. Furthermore, Landis+Gyr set up a COVID-19 fund, consisting of the 10% voluntary Board of Directors and Executive Management's salary reduction in FY 2020, to provide financial relief, medical care and vaccines to its staff and their relatives in India.

"Our strategic vision is driven by the desire to provide unrivaled customer value as the leading partner for integrated energy and resource management solutions with sustainability at the heart of everything we do," said Werner Lieberherr, Chief Executive Officer of Landis+Gyr. "Holding ourselves to very high standards, we are committed to the principles defined in the UN Global Compact as the foundation of our efforts to establish a culture of integrity and to act responsibly – today and tomorrow."

Outlook for FY 2021

Landis+Gyr confirms its guidance for FY 2021 provided in May 2021 with 7–11% organic net revenue growth, an Adjusted EBITDA margin between 9.0–10.5% and a Free Cash Flow (excl. M&A) of between USD 80–100 million, but expects results at the lower end of the guided ranges due to the ongoing constrained supply chain situation. The company expects the negative financial impact from the supply chain situation to increase in H2 compared to H1 of FY 2021.

Mid-term targets through FY 2023, communicated during the Capital Markets Day in January 2021, are confirmed and the share buyback program, which expires in January 2022, remains suspended.

The H1 FY 2021 earnings presentation, which forms part of this ad hoc announcement, is available on the Company's website at www.landisgyr.com/investors/results-center/.

Investor Webcast and Telephone Conference
The management of Landis+Gyr will host an investor/analyst call to discuss the Company's results.

Date and time:	October 28th, 2021 at 10:00 am CET
Speakers:	Werner Lieberherr, Chief Executive Officer
	Elodie Cingari, Chief Financial Officer
Audio webcast:	www.landisgyr.com/investors/results-center/
Telephone:	Europe: +41 (0)58 310 5000
	UK: +44 (0)207 107 0613
	US: +1 631 570 5613

Please dial in 10 minutes before the start of the presentation and ask for "Landis+Gyr's first half year results 2021".

Contact Media
Melissa van Anraad
Head of PR
Phone +41 41 935 63 98
Melissa.vanAnraad@landisgyr.com

Eva Borowski
SVP Investor Relations & Corporate Communications
Phone +41 41 935 63 96
Eva.Borowski@landisgyr.com

Contact Investors
Christian Waelti, Head of Investor Relations
Phone +41 41 935 63 31
Christian.Waelti@landisgyr.com

Key Dates

Release of Results for Financial Year 2021	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

About Landis+Gyr
Landis+Gyr is a leading global provider of integrated energy management solutions for the utility sector. Offering one of the broadest portfolios, we deliver innovative and flexible solutions to help utilities solve their complex challenges in Smart Metering, Grid Edge Intelligence and Smart Infrastructure. With sales of USD 1.4 billion in FY 2020, Landis+Gyr employs around 5,000 people in over 30 countries across five continents, with the sole mission of helping the world manage energy better. For more information, please visit our website www.landisgyr.com.

Disclaimer

This ad hoc announcement and information referred to herein contains (a) preliminary, unaudited numbers that may be subject to change and (b) information regarding alternative performance measures or non USGAAP 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 this release may be found on pages 28 to 30 of the Landis+Gyr Half Year Financial Report Fiscal Year 2021 on our website at www.landisgyr.com/investors.

Forward-looking Information

This ad hoc announcement includes forward-looking information and statements, including statements concerning the outlook for Landis+Gyr Group AG's (hereinafter also the "Company" or "Landis+Gyr") businesses. These statements are based on current expectations, estimates and projections about the factors that may affect the Company's future performance, including global economic conditions, and the economic conditions of the regions and industries that are major markets for Landis+Gyr. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates", "targets", "plans", "outlook", "guidance" or similar expressions. There are numerous risks, uncertainties and other factors, many of which are beyond Landis+Gyr's control, that could cause the Company's actual results to differ materially from the forward-looking information and statements made in this presentation and which could affect the Company's ability to achieve its stated targets. The important factors that could cause such differences include, among others: the duration, severity and geographic spread of the COVID-19 pandemic, government actions to address or mitigate the impact of the COVID-19 pandemic, and the potential negative impacts of COVID-19 on the global economy, the Company's operations and those of its customers and suppliers; global shortage of supplied components as well as increased freight rates, business risks associated with the volatile global economic environment and political conditions; costs associated with compliance activities; market acceptance of new products and services; changes in governmental regulations and currency exchange rates; estimates of future warranty claims and expenses and sufficiency of accruals; and other such factors as may be discussed from time to time in Landis+Gyr filings with the SIX Swiss Exchange. Although Landis+Gyr believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

Extracts from the Half Year Report 2021

Interim Consolidated Statements of Operations (unaudited)

USD in thousands, except per share data and number of shares	SIX MONTHS ENDED SEPTEMBER 30, 2021	2020
Net revenue	**700,884**	**623,487**
Cost of revenue	460,119	459,437
Gross profit	**240,765**	**164,050**
Operating expenses		
Research and development	79,883	74,939
Sales and marketing	33,658	33,356
General and administrative	64,098	48,488
Amortization of intangible assets	16,843	17,146
Operating income (loss)	**46,283**	**(9,879)**
Other income (expense)		
Interest income	184	251
Interest expense	(1,691)	(3,664)
Non-operational pension credit	2,379	992
Gain on sale of investments	2,530	596
Loss on foreign exchange, net	(1,035)	(1,070)
Income (loss) before income tax expense	**48,650**	**(12,774)**
Income tax (expense) benefit	(8,927)	13,777
Net income before noncontrolling interests and equity method investments	**39,723**	**1,003**
Net loss from equity investments	(4,793)	(3,271)
Net income (loss) before noncontrolling interests	**34,930**	**(2,268)**
Net loss attributable to noncontrolling interests	(45)	(230)
Net income (loss) attributable to Landis+Gyr Group AG Shareholders	**34,975**	**(2,038)**
Earnings per share:		
Basic	1.21	(0.07)
Diluted	1.21	(0.07)
Weighted average number of shares used in computing earnings per share:		
Basic	28,829,394	28,822,364
Diluted	28,829,394	28,822,364

Interim Consolidated Balance Sheets (unaudited)

USD in thousands, except share data	September 30, 2021	March 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	85,560	140,549
Accounts receivable, net of allowance for doubtful accounts of USD 6.1 million and USD 6.7 million	254,390	282,132
Inventories, net	123,279	110,550
Prepaid expenses and other current assets	70,441	65,642
Total current assets	**533,670**	**598,873**
Property, plant and equipment, net	110,399	118,514
Intangible assets, net	256,996	251,342
Goodwill	995,951	966,823
Deferred tax assets	21,165	18,039
Other long-term assets	199,505	205,828
TOTAL ASSETS	**2,117,686**	**2,159,419**
LIABILITIES AND EQUITY		
Current liabilities		
Trade accounts payable	118,465	127,758
Accrued liabilities	46,120	45,123
Warranty provision – current	37,246	37,255
Payroll and benefits payable	42,796	51,626
Loans payable	161,004	147,672
Operating lease liabilities – current	14,012	15,187
Other current liabilities	86,660	93,933
Total current liabilities	**506,303**	**518,554**
Warranty provision – noncurrent	15,786	20,315
Pension and other employee liabilities	32,000	32,286
Deferred tax liabilities	23,653	14,543
Tax provision	32,720	32,109
Operating lease liabilities – noncurrent	94,108	95,289
Other long-term liabilities	66,622	70,573
Total liabilities	**771,192**	**783,669**
Redeemable noncontrolling interests	**7,876**	**–**
Shareholders' equity		
Landis+Gyr Group AG shareholders' equity Registered ordinary shares (28,908,944 and 28,908,944 issued shares at September 30, 2021, and March 31, 2021, respectively)	302,756	302,756
Additional paid-in capital	1,160,180	1,225,328
Retained earnings (Accumulated deficit)	(76,257)	(111,232)
Accumulated other comprehensive loss	(42,668)	(35,546)
Treasury shares, at cost (78,154 and 81,777 shares at September 30, 2021, and March 31, 2021, respectively)	(6,645)	(6,854)
Total Landis+Gyr Group AG shareholders' equity	**1,337,366**	**1,374,452**
Noncontrolling interests	1,252	1,298
Total shareholders' equity	**1,338,618**	**1,375,750**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,117,686**	**2,159,419**

Interim Consolidated Statements of Cash Flows (unaudited)

USD in thousands	SIX MONTHS ENDED SEPTEMBER 30, 2021	2020
Cash flow from operating activities		
Net income (loss)	34,930	(2,268)
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:		
Depreciation and amortization	39,967	41,684
Net loss from equity investments	4,793	3,271
Share-based compensation	997	(131)
Gain on sale of investments	(2,530)	(596)
Loss on disposal of property, plant and equipment	120	89
Effect of foreign currencies translation on non-operating items, net	(965)	1,775
Change in allowance for doubtful accounts	(552)	(2,756)
Deferred income tax	358	2,262
Change in operating assets and liabilities, net of effect of businesses acquired and effect of changes in exchange rates:		
Accounts receivable	29,934	115,357
Inventories	(10,627)	(2,071)
Trade accounts payable	(10,626)	(81,196)
Other assets and liabilities	(35,352)	(18,856)
Net cash provided by operating activities	**50,447**	**56,564**
Cash flow from investing activities		
Payments for property, plant and equipment	(8,875)	(11,290)
Payments for intangible assets	(1)	(16)
Proceeds from the sale of property, plant and equipment	98	61
Business acquisitions	(43,956)	–
Proceeds from the sale of investments	2,530	596
Net cash used in investing activities	**(50,204)**	**(10,649)**
Cash flow from financing activities		
Proceeds from third party facility	45,594	2,664
Repayment of borrowings to third party facility	(33,342)	(2,862)
Debt issuance cost	–	(2,523)
Dividends paid	(65,908)	–
Net cash used in financing activities	**(53,656)**	**(2,721)**
Net increase (decrease) in cash and cash equivalents	**(53,413)**	**43,194**
Cash and cash equivalents at beginning of period, including restricted cash	140,549	319,379
Effects of foreign exchange rate changes on cash and cash equivalents	(911)	6,353
Cash and cash equivalents at end of period, including restricted cash	**86,225**	**368,926**
Reconciliation of cash, cash equivalents, and restricted cash reported in the Interim Consolidated Balance Sheet		
Cash and cash equivalents	85,560	368,926
Restricted cash included in other long-term assets	665	–
Total cash, cash equivalents, and restricted cash shown in the Interim Consolidated Statement of Cash Flows	**86,225**	**368,926**
Supplemental cash flow information		
Cash paid for income tax	12,515	8,916
Cash paid for interest	1,343	3,034

Supplemental Reconciliations and Definitions (unaudited)

Adjusted EBITDA

The reconciliation of Operating income to Adjusted EBITDA is as follows for the six months period ended September 30, 2021 and 2020:

	L+G GROUP AG		AMERICAS		EMEA		ASIA PACIFIC		CORPORATE AND ELIMINATIONS	
USD in millions, unless otherwise indicated	**H1 21**	H1 20	**H1 21**	H1 20	**H1 21**	H1 20	**H1 21**	H1 20	**H1 21**	H1 20
Operating (loss) income	**46.3**	**(9.9)**	**35.7**	**19.5**	**9.5**	**(33.1)**	**1.0**	**0.3**	**0.1**	**3.4**
Amortization of intangible assets	24.3	23.8	15.4	16.3	4.7	3.4	0.8	0.7	3.4	3.4
Depreciation	15.7	17.9	6.3	9.1	6.7	7.3	1.9	1.3	0.7	0.2
EBITDA	**86.2**	**31.8**	**57.4**	**44.9**	**21.0**	**(22.4)**	**3.7**	**2.3**	**4.2**	**7.0**
Restructuring charges	0.2	15.4	–	4.6	0.2	7.1	–	2.7	–	1.0
Warranty normalization adjustments	(7.2)	(6.7)	(7.3)	(8.8)	(0.1)	1.3	0.2	0.7	–	0.1
Timing difference on FX derivatives	(8.5)	9.7	–	–	(8.0)	9.7	(0.6)	–	–	–
Adjusted EBITDA	**70.8**	**50.1**	**50.2**	**40.7**	**13.1**	**(4.3)**	**3.3**	**5.7**	**4.2**	**8.0**
Adjusted EBITDA margin (%)	10.1%	8.0%	15.4%	12.2%	4.4%	(2.0%)	4.4%	7.4%		

Adjusted Gross Profit

The reconciliation of Gross Profit to Adjusted Gross Profit is as follows for the six months period ended September 30, 2021 and 2020:

	L+G GROUP AG		AMERICAS		EMEA		ASIA PACIFIC		CORPORATE AND ELIMINATIONS	
USD in millions, unless otherwise indicated	**H1 21**	H1 20	**H1 21**	H1 20	**H1 21**	H1 20	**H1 21**	H1 20	**H1 21**	H1 20
Gross Profit	**240.8**	**164.1**	**131.3**	**109.8**	**94.4**	**37.1**	**19.3**	**17.0**	**(4.2)**	**0.2**
Amortization of intangible assets	7.4	6.6	2.7	2.7	4.0	3.2	0.7	0.7	–	–
Depreciation	10.7	14.3	5.2	7.8	4.8	5.8	0.7	0.6	–	0.1
Restructuring charges	0.1	6.6	–	2.7	0.1	3.8	–	0.1	–	–
Warranty normalization adjustments	(7.2)	(6.7)	(7.3)	(8.8)	(0.1)	1.3	0.2	0.7	–	0.1
Timing difference on FX derivatives	(8.5)	9.7	–	–	(8.0)	9.7	(0.6)	–	–	–
Adjusted Gross Profit	**243.3**	**194.5**	**131.9**	**114.2**	**95.3**	**60.9**	**20.3**	**19.1**	**(4.2)**	**0.3**
Adjusted Gross Profit margin (%)	34.7%	31.2%	40.5%	34.3%	31.8%	28.5%	26.9%	24.8%		

Adjusted Operating Expenses

The reconciliation of Operating Expenses to Adjusted Operating Expenses is as follows for the six months period ended September 30, 2021 and 2020:

USD in millions, unless otherwise indicated	**H1 2021**	H1 2020
Research and development	**79.9**	**74.9**
Depreciation	(2.1)	(1.7)
Restructuring charges	–	(4.1)
Adjusted Research and Development	**77.8**	**69.1**
Sales and Marketing	33.7	33.4
General and administrative	64.1	48.5
Depreciation	(2.9)	(1.9)
Restructuring charges	(0.1)	(4.7)
Adjusted Sales, General and Administrative	**94.8**	**75.3**
Adjusted Operating Expenses	**172.6**	**144.4**