

Capital Markets Day

Zurich, January 27, 2020

Landis
+ Gyr

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CEO Introduction

Richard Mora, CEO

Landis+Gyr at a Glance



Swiss HQ with
offices in 30+ countries
worldwide



Frost & Sullivan
**Global AMI Company
of the Year 2019** - the
5th consecutive year



More than
USD 1 Billion
of self-funded R&D
since 2011



Largest installed base
300+ million
devices globally



Over 100 million
connected intelligent
devices deployed



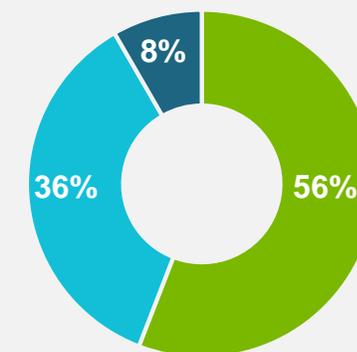
More than **15 million**
meter points under
managed services



of service to
3'500+ customers
as a trusted partner
to utilities

Group Net Revenues FY 2018

Asia-Pacific
USD 147m



Americas¹
USD 986m

EMEA
USD 632m

¹ incl. Japan

Landis+Gyr Management Presenting Today



Richard Mora
CEO¹

21 years with Landis+Gyr
Over 30 years
multinational experience



Prasanna Venkatesan
EVP Americas¹

13 years with Landis+Gyr
Over 30 years technology
and management
experience



Susanne Seitz
EVP EMEA¹

1 year with Landis+Gyr
20 years international
B2B experience



Steve Jeston
Head Asia-Pacific

24 years with Landis+Gyr
Over 35 years experience
in energy management



Jonathan Elmer
CFO¹

23 years with Landis+Gyr
Over 30 years experience
in financial & general
management



Industry Dynamics, Strategy & Performance

Richard Mora, CEO

Landis+Gyr

Industry Dynamics



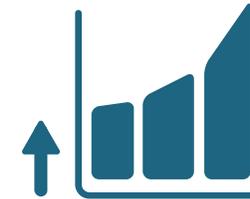
75 billion

By 2025, 75 billion IoT devices are expected to be connected and sharing data worldwide¹



>50%

of total electricity generation by 2040 coming from low-carbon sources²



>250%

Increase in distributed solar PV capacity during the period 2019-24, reaching 530 GW by 2024³

1. Source: Statista

2. Source: IEA (World Energy Outlook 2019).

3. Source: IEA - Renewables 2019

3D Factors Fueling Energy Grid Transformation

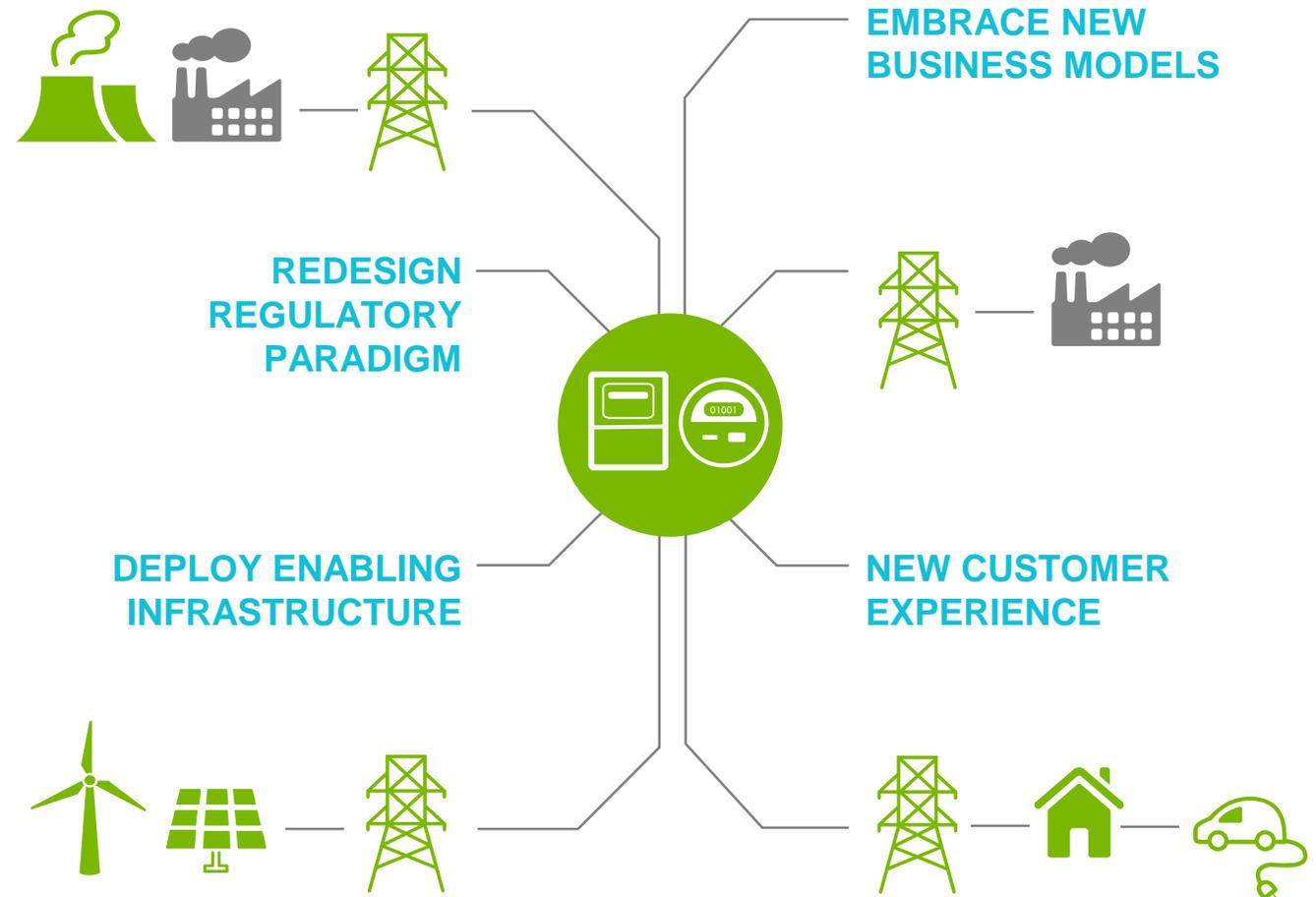
Smart meters, as grid edge sensors, are the foundation of enabling infrastructure for future energy distribution systems

Decarbonization

Decentralization

Digitalization

Transformation



Strong Strategic Positioning

The digital energy revolution is underway, enabled by the increasing endorsement of grid edge intelligence – and Landis+Gyr unleashes the true potential of change to transform the world of energy for the better



#1
in global smart
electricity meters



>100m
connected intelligent
devices installed



3
platforms
for growth

Capitalizing on Industry Dynamics with 3 Platforms for Growth

1

Continued Global Leadership in
SMART METERING

2

Enabling New Business Models Through
GRID EDGE INTELLIGENCE

3

Leveraging IoT Expertise for Growth in
SMART INFRASTRUCTURE



1

Smart Metering

Geographic Diversity of Smart Metering Business Fueling Long-Term Growth and Transitioning into Grid Edge Intelligence

Early Stage

Mass Deployments

Replacement

With strong local presence poised for capturing emerging smart metering business...

...with leading role in many of the largest national AMI rollouts...

...well positioned to capture growth and transition into grid edge intelligence



Smart Metering



Advanced Metering Infrastructure (AMI)



Grid Edge Ready



Grid Edge Intelligence



Global Smart **ELECTRICITY** Meter Market



Global Smart **GAS** Meter Market



Global **HEAT** Meter Market



Global Leader¹ AMI **MANAGED SERVICES** Market

We are in a growing market, however, the growth can be lumpy due to the size and timing of some of these projects

1. Northeast placed Landis+Gyr as market leader in 2018.

Sources: Berg Insight, Frost & Sullivan, Northeast Group, IHS Markit and company information. All market shares based on global units ex. China

The Digital Energy Revolution is Underway, and Grid Edge Intelligence is a Key Enabler

Higher expectations of service delivery, more devices connected to the grid, and a higher awareness of and commitment to environmental protection



Utility Cloud Services



Grid Analytics



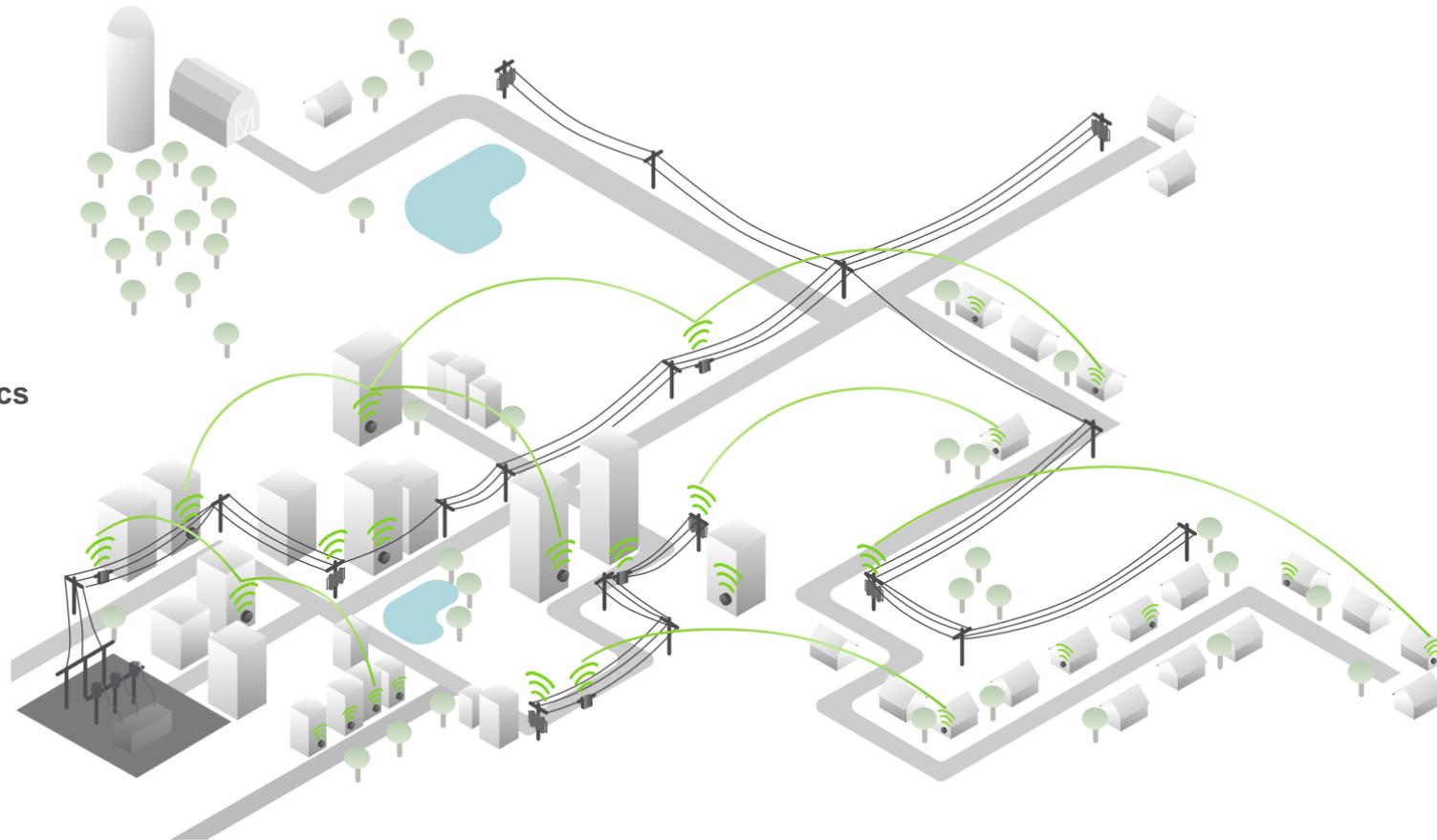
Consumer Analytics



Distribution Automation



Smart Metering and Sensors



Cyber Security



Smart Connectivity



Demand Response



Consumer Insights and Awareness



Advanced Load Management

Grid Edge Intelligence Enabled Digital Energy Revolution

1st Wave Model

- 15 min interval data
- Outage detection and restoration
- Service connect switch



- Demonstrated capabilities with early stage apps (Demand Manager)
- Revenue protection

- Technology development from IPv4 to IPv6
- Push for standardization and communications interoperability

Grid Edge Intelligence Model

- Real-time data
- Over-the-air upgrade
- Enhanced functionality

Grid Edge 
SENSORS

Enhanced 
Intelligence

Interoperability & 
Interchangeability

- Real-time data enabled intelligence
- Open development ecosystem
- App environment and secure infrastructure

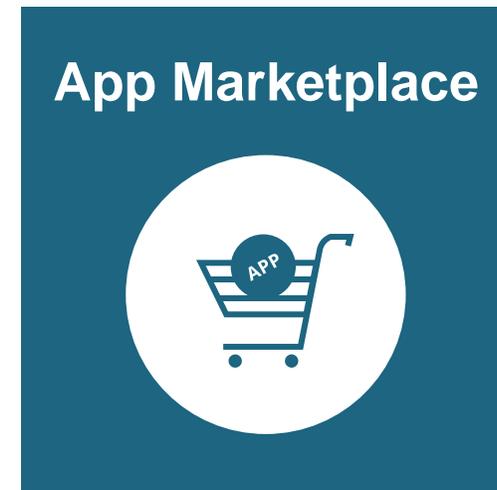
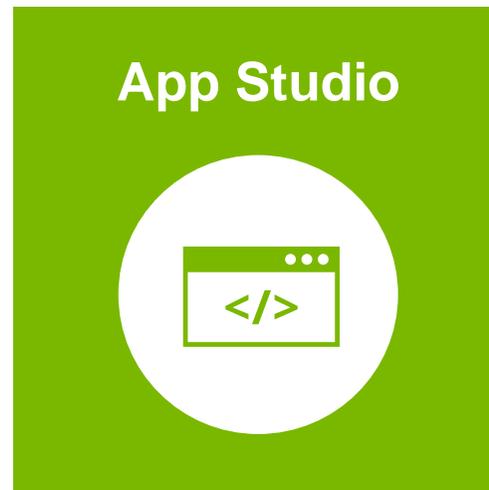
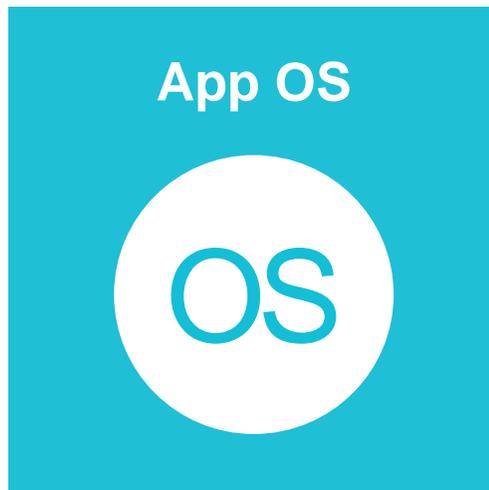
- Internet Protocol to the endpoint
- Open standards based technology
- Flexible architecture for next generation communication technologies



Gridstream[®] Connect Apps



Similar to the mobile industry's approach to applications, Landis+Gyr is creating a platform that allows us to build an open ecosystem of apps and developers — these innovative apps will directly benefit the utility and, in the end, their customers



Smart Infrastructure Offers Additional Avenues for Expansion



Continue **leveraging connectivity** platforms to further integrate sensors and devices **for use cases beyond** smart metering and grid edge applications, building **smart infrastructure ecosystem** for sustainable energy future



**Smart
Streetlighting**
solutions



Smart Water
resource usage
solutions



**EV Load Management and
Charging Optimization**
solutions



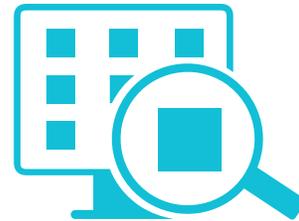
**Other IoT
Application**
solutions & services

Relentless Focus on Operational Execution



152m

USD spend (adjusted)
on R&D in
FY 2018



19

Current R&D sites,
down from 23 in
FY 2017



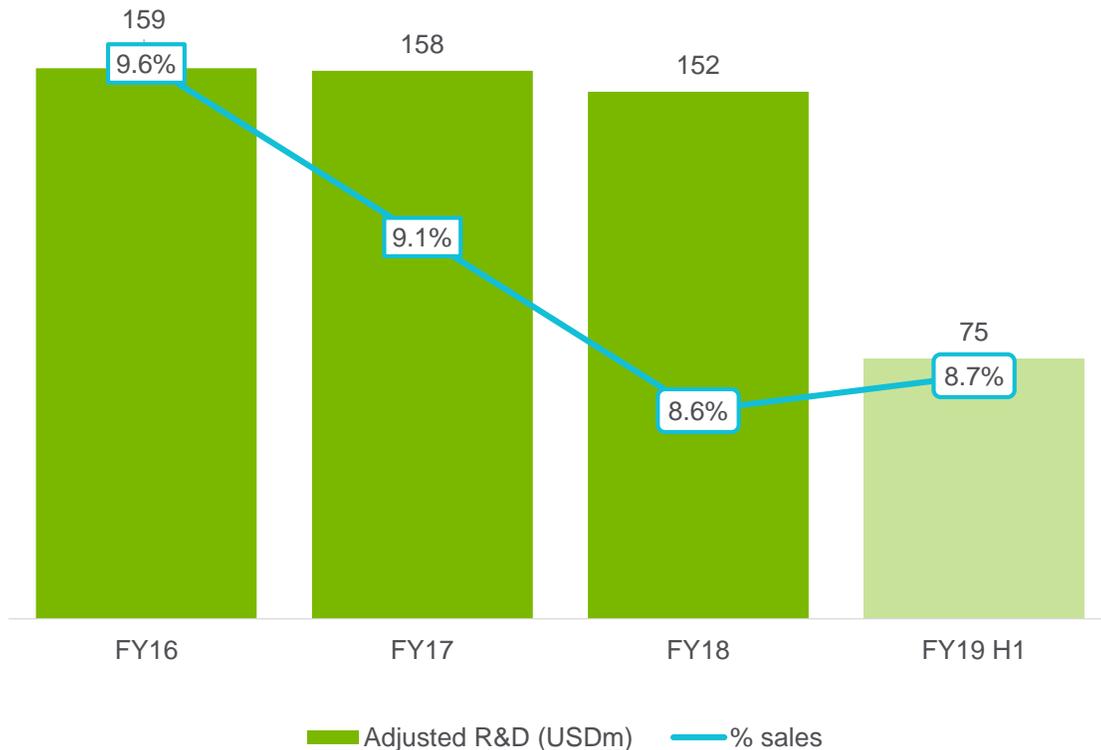
20m

USD run rate savings
expected from Project
Lightfoot in FY 2019

Innovation Pipeline Benefits from Productivity Gains

Getting the most out of every dollar spent

Adjusted R&D / sales ratio



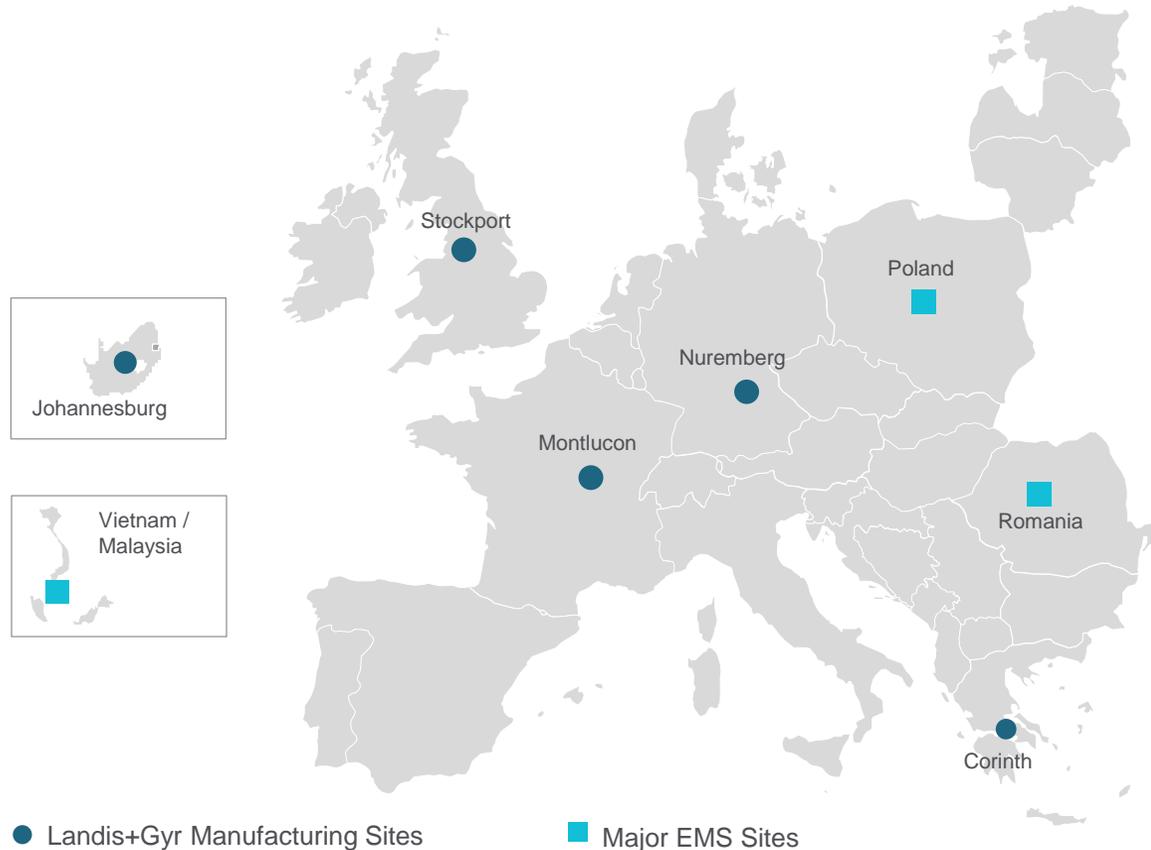
R&D capacity has been growing at a lower cost base driven by productivity gains from:

- Investment in Platforms
 - Modularization of software and firmware infrastructure
 - Technology reusability has increased, and lead times have been reduced
- R&D Site Consolidation
 - Current R&D footprint spans across 19 sites, down from 23 in FY 2017
 - Continued progress in building teams in low cost countries

Lightfoot to Deliver Annualized Savings of USD 25m in FY 2020 in EMEA

Shifting to an asset light supply chain:

- Introduction of a dual source/site using existing EMS sites
- Optimize/ramp-down/close selected manufacturing facilities



Project Status

- Manufacturing activities in Zug (CH) have been closed
- Northfields (UK) factory closed with 100% of UK electricity meter volumes outsourced
- Montlucon (FR) reduced to Linky production only
- Stockport (UK) factory workforce has been reduced by almost half and 75% of our UK gas meter volumes have been outsourced

Savings

- USD 20m expected to be delivered in FY 2019, with an additional USD 5m savings to be delivered in FY 2020

Corporate Social Responsibility Priorities

Nine material topics from the ESG¹ materiality analysis

Environmental	Social	Governance
<ul style="list-style-type: none">• Energy efficiency & climate protection• Resource efficiency• Strategic responsible sourcing	<ul style="list-style-type: none">• Employee motivation• Occupational health and safety• Fair labor practices• Community engagement	<ul style="list-style-type: none">• Data security and privacy• Business integrity

Helping our customers, energy consumers and ultimately society to manage energy better and reduce their CO₂ emissions substantially for a sustainable future



Landis+Gyr enabled **7 million tons** of direct **CO₂ emission reduction** in 2018 through the installed Smart Meter base



Equal to 7x the CO₂ Emissions of the City of Zurich in 2018

Environmental Impacts of Smart Metering

Number of functions and use cases proven to significantly contribute to overall reduction of CO₂



Insights

in energy consumption increase awareness and help **reducing the consumption**



Remote

reads and supply switch management significantly **reduce truck rolls**



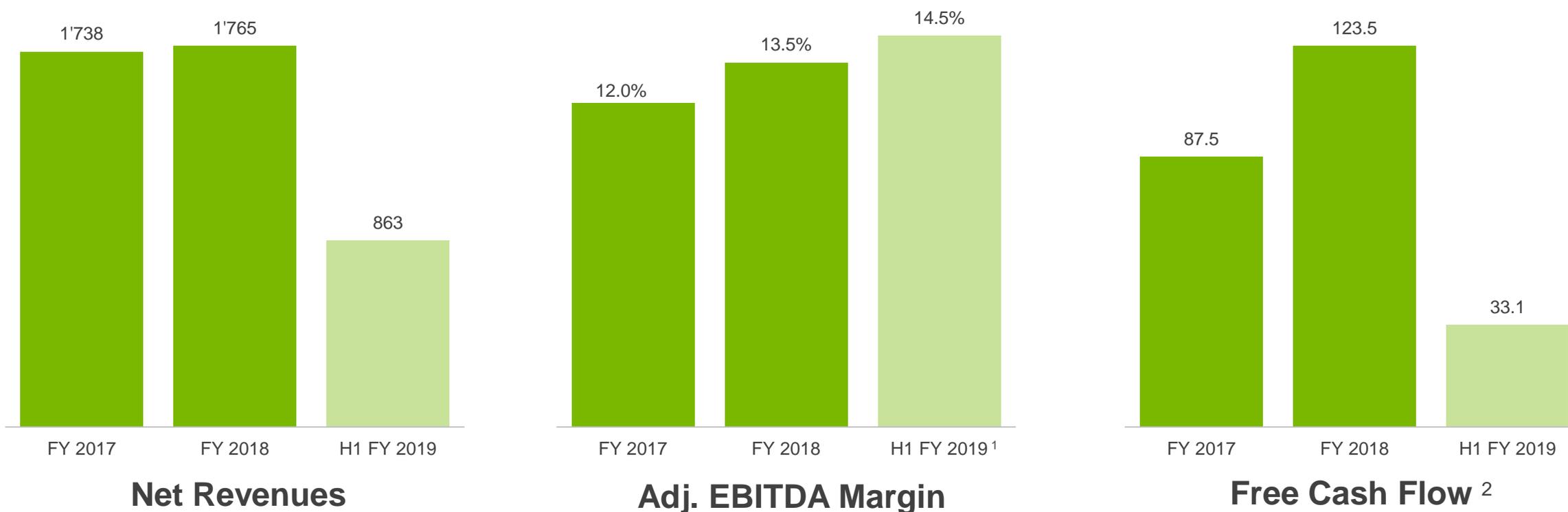
Proactive **alarming of faults** and outages leading to faster service restoration **positively impacting CO₂ emissions**



Smart Metering supported **peak load shifting** leading to **enhanced efficiency**

Improving Financial Performance

Results speak to our ongoing efforts – strengthening the company’s market position and improving profitability – with all key performance metrics growing year on year.

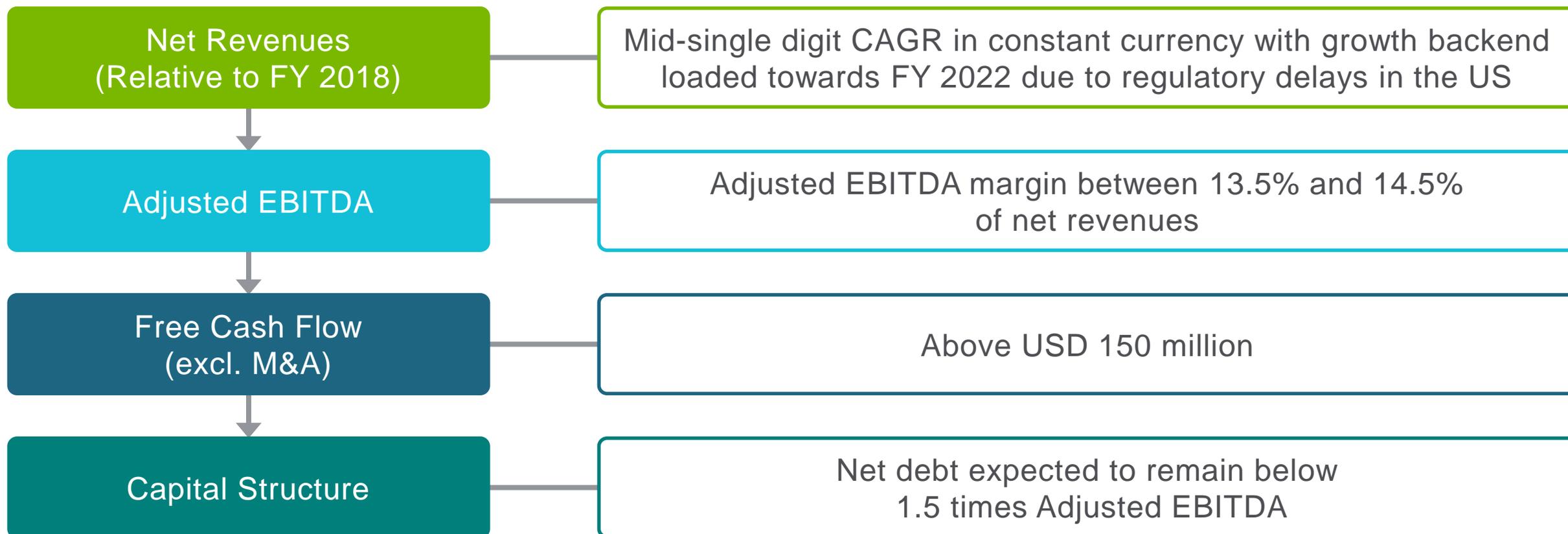


1. Following the adoption by the Company of ASU 2017-07 relating to defined benefit pension scheme costs, Adj, EBITDA has been revised down by USD 3.8 million in FY 2017 as all pension income and expenses other than service costs are now reported under “Other income (expense)”; net income is unchanged.

FY 2019 H1 including USD 5.6 million one-off related to Brazilian VAT ruling (13.8% excluding the VAT court case ruling).

2. Excluding M&A

Mid-term (FY 2022) Guidance



Mid-term guidance unchanged



Capital Markets Day – Wrap Up

Richard Mora, CEO

Underlying Equity Growth Story



Landis+Gyr is a **leader in an essential industry** driving improved environmental outcomes globally



Committed to delivering **continuous improvement in our sustainability** programs



We are in a **growing market** – however the growth can be lumpy due to the size and timing of some of these projects



We will continue to **invest in our leading edge technologies**, remaining at the forefront of the innovation curve



We have **improving margins, strong free cash flow, a solid balance sheet** and an **attractive dividend policy**

Market developments have validated our platform strategy around smart metering, grid edge intelligence and smart infrastructure

Glossary

AMI	Advanced metering infrastructure	IPv6/v4	Internet protocol version 6/4
CAGR	Compound Annual Growth Rate	JV	Joint venture
CMD	Capital Markets Day	KPI	Key performance indicator
CO₂	Carbon dioxide	MDMS	Meter data management system
CPP	Critical peak pricing	NB-IoT	Narrowband IoT
CSR	Corporate social responsibility	OTA	Over the air
CVR/VVO	Conservation voltage reduction and voltage/VAR optimization	OWC	Operating working capital
DER	Distributed energy resources	PP	Public Power
DSO	Distribution system operator	PUC	Public utility commission
EIA	Energy Information Administration (US)	PV	Photovoltaic
EMS	Electronic manufacturing services	REC	Rural electric cooperative
EV	Electric vehicles	RF	Radiofrequency
FAN	Field area network	SaaS	Software as a service
FX	Foreign Exchange	SCADA	Supervisory control and data acquisition
ICG	Industrial, commercial and grid	SMETS	Smart metering equipment technical specifications
IEA	International Energy Agency	TOU	Time-of-use
IoT	Internet of things	TSP	Transitional simplified procedures
IOU	Investor-owned utility	WTO	World trade organization

Reference: IHS Markit technology research (Informa Tech) - Smart Utility Meter Intelligence Service, 2019. Market share based on unit shipments. Results are not an endorsement of Landis+Gyr AG. Any reliance on these results is at the third-party's own risk

Dates and Contacts



Important Dates

Release of FY 2019 Results:
May 6, 2020

**Publication of
Annual Report 2019:**
May 28, 2020

Annual General Meeting:
June 30, 2020
Casino Theater, Zug

Release of H1 FY 2020 Results:
October 28, 2020



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CMD Documents

