

An aerial photograph of a dense green forest. A power line tower stands in the center, with several power lines stretching across the scene. A dirt road curves through the forest, and a paved road is visible in the top left corner. The text 'MANAGE ENERGY BETTER' is overlaid in large white letters on a dark semi-transparent rectangle in the upper left. Below it, 'Annual Report 2021' is written in white. The 'Landis+Gyr' logo is in the bottom right corner.

# MANAGE ENERGY BETTER

Annual Report 2021

Landis+Gyr

## About Landis+Gyr

Landis+Gyr is a leading global provider of integrated energy management solutions. We measure and analyze energy utilization to generate empowering analytics for smart grid and infrastructure management, enabling utilities and consumers to reduce energy consumption. Our innovative and proven portfolio of software, services and intelligent sensor technology is a key driver to **decarbonize the grid**.

Having avoided more than 9 million tons of CO<sub>2</sub> in FY 2021 and committed to achieve carbon neutrality by 2030, Landis+Gyr **manages energy better** – since 1896. With sales of USD 1.5 billion in FY 2021, Landis+Gyr employs around 6,500 talented people across five continents.

## Our Mission

At Landis+Gyr, we create a greener tomorrow through leading Smart Metering, Grid Edge Intelligence and Smart Infrastructure technology.

As partners, we help utilities to solve their complex challenges and empower customers and consumers to utilize resources in a more informed and sustainable way.

Together, we **manage energy better.**

## Our Values

### Customer Intimacy

We are a trusted partner and deliver on our commitments.

### Innovative Technology

We passionately innovate true differentiators for our customers.

### Entrepreneurial Spirit

We empower teams to drive results with a can-do attitude.

### Uncompromising Performance

We strive to deliver high quality on time, every time.

### Sustainable Impact

We manage energy better for a more sustainable world.



# MANAGE ENERGY BETTER

Performance  
Report 2021

Landis+Gyr

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# Introduction

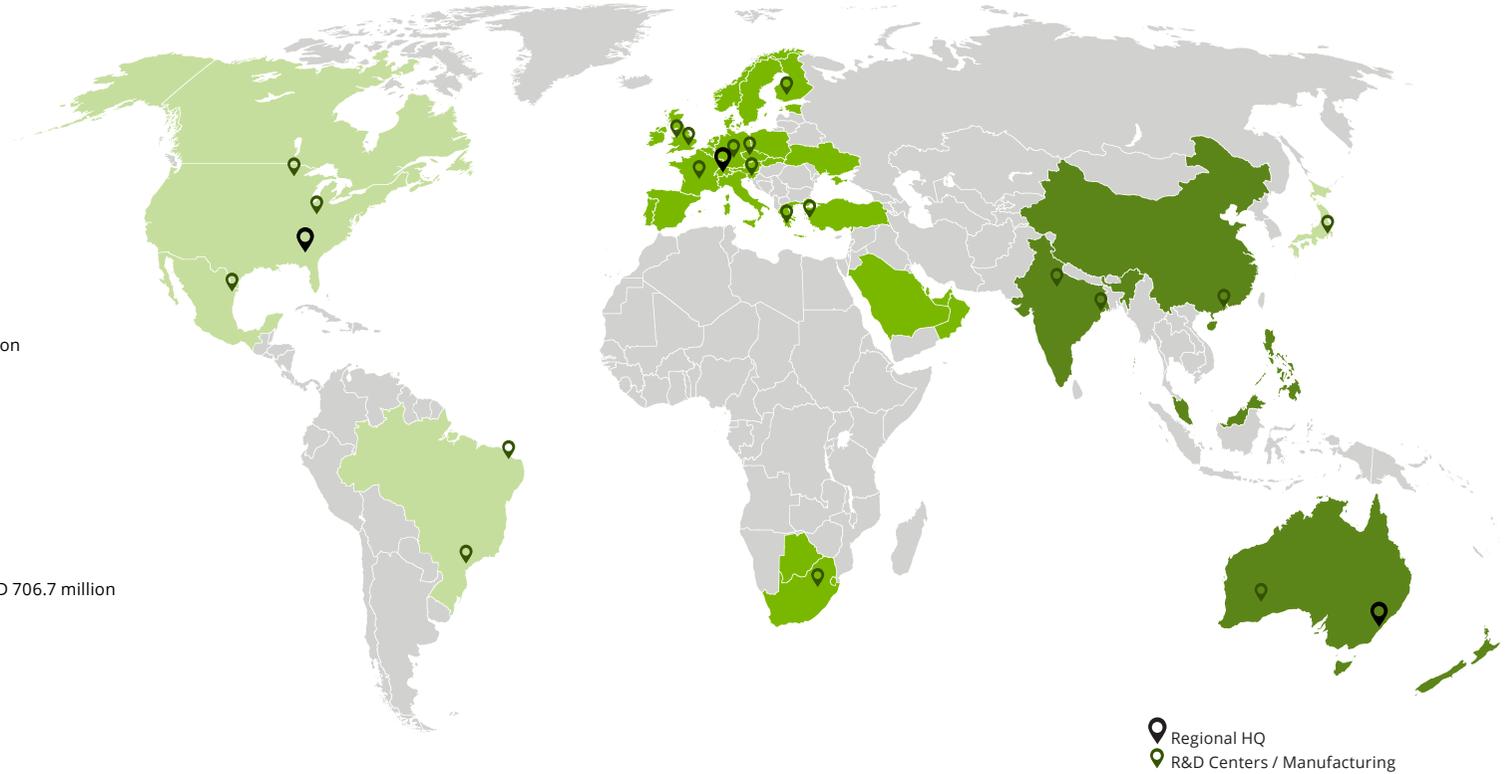
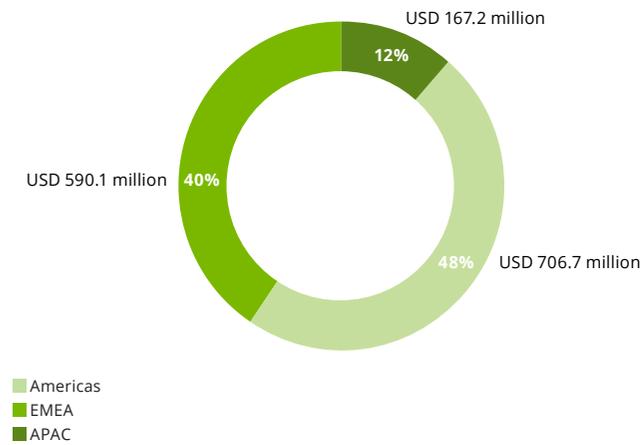
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# FY 2021 at a Glance

## Net Revenue Split



**+ 3,500+**  
 Utilities Served Since 1896

**+ 137+**  
 Million Connected  
 Intelligent Devices

**+ 1.3+**  
 Billion Reads per Day

**+ #1**  
 Global AMI Company  
 of the Year 2022  
 by Frost & Sullivan

**+ 2022**  
 Climate Leaders  
 by Financial Times  
 and Statista

# FY 2021 Key Figures

## Committed Backlog

**3,389**

in million USD



## Net Revenue

**1,464**

in million USD



## Adjusted EBITDA

**147.0**

in million USD



## Free Cash Flow (excluding M&A)\*

**89.0**

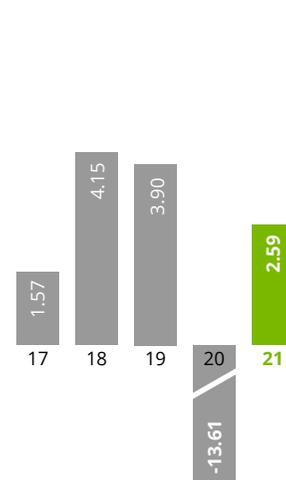
in million USD



## Earnings per Share

**2.59**

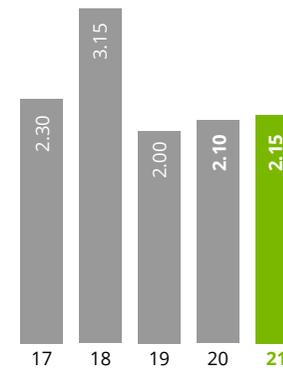
in USD



## Dividend per Share

**2.15**

in CHF



\* Net cash provided by operating activities minus net cash used in investing activities, excluding merger&acquisition activities.

# Carbon Neutral by 2030 (for scope 1 and 2)

## Direct CO<sub>2</sub> emissions avoided

**9.05 million tons**

CO<sub>2</sub> emissions avoided through Landis+Gyr's installed Smart Metering base in FY 2021



## Direct CO<sub>2</sub> emissions from Landis+Gyr operations

**0.60**

kg CO<sub>2</sub> per USD 100 turnover





# Letter to Shareholders

## Dear Landis+Gyr Shareholders,

Financial year 2021 marked a special milestone in our company's history, as we celebrated our 125<sup>th</sup> anniversary. Reflecting on this legacy, we are proud of our heritage as an early industry pioneer, which shaped the way utilities and people managed energy at a time when the use of electricity was in its beginnings. Today, as a leading global provider of Smart Infrastructure, Grid Edge Intelligence and Smart Metering solutions, we continue to shape and support utilities' and people's journeys to build a greener tomorrow and stronger communities.

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. Our comprehensive portfolio of products and services uniquely positions us to empower utilities, energy consumers and communities by helping them to manage energy in a more informed and sustainable way and, as a result, reduce their CO<sub>2</sub> footprint.

Financial year 2021 was a transformative year for us as we expanded our reach in Smart Infrastructure and Grid Edge Intelligence solutions. We have closed a number of important acquisitions, adding a cost-competitive metering platform and solidifying our position in the EV charging solutions market, while leveraging our co-innovation partnerships to expand our portfolio of data analytics solutions and services.

During the past financial year 2021, our products and services were recognized in the strongest possible way with a record order intake and a record backlog. As a business with mission-critical infrastructure equipment and services, we continue to be committed to our customers' success and we are pleased to say that the momentum resulting from our record backlog in financial year 2021 allows us to look into the future optimistically.

The continued trust our customers honor us with is demonstrated in meaningful orders across all regions to support efforts to empower consumers and drive our

shared vision to decarbonize the grid. Our customers' ambitious targets inspire us every day to continue to innovate leading-edge technology, enabling sustainable resource management. We are proud of the strong and long-standing relationships we have built with our customers over the course of our successful history as an industry-leading provider of critical infrastructure and the collaborative journeys with our customers inspire all of us every day to continue to develop and deliver innovative technology solutions with sustainable impact in mind.

We continue to serve our customers with unwavering dedication, leading-edge technology and the passion to **manage energy better**. Our three strategic pillars Smart Infrastructure, Grid Edge Intelligence and Smart Metering are the cornerstones in our efforts to drive profitable growth.

### Financial Year 2021 Results

The results of financial year 2021 reflect the recovery from the impact of COVID-19 in the corresponding prior year period as well as the constraints in supply chain. Order intake for FY 2021 more than doubled compared with the previous year to USD 2,665.5 million driven by major contract wins in the Americas and EMEA regions, resulting in a record-high committed backlog that increased by 56.5% to nearly USD 3.4 billion, and a book-to-bill of 1.82. Net revenue increased by 6.9% in constant currency, to USD 1,464.0 million in financial year 2021 compared to the corresponding prior period. The EMEA region was the main contributor to the growth as net revenues recovered strongly, up 17.4% in constant currency. The Adjusted EBITDA increased by 5.3% to USD 147.0 million translating into a margin of 10.0%. The constrained supply chain situation negatively dampened revenue growth and led to additional component and freight costs of approximately USD 30 million, while USD 100 million in revenue were deferred. Driving our strategic initiatives forward, we continued to invest in Research & Development, which accounted for 10.7% of our net revenues.

Free Cash Flow (excl. M&A) of USD 89.0 million was strong despite headwinds and continued investments. We managed to maintain a solid balance sheet with low net debt.

After a loss in last year's corresponding period, net income attributable to shareholders was positive, reaching USD 79.4 million and an earnings per share amount of USD 2.59.

For financial year 2021, a progressive dividend of CHF 2.15 per share will be proposed to the Annual General Meeting in June 2022, after a dividend of CHF 2.10 had been paid for FY 2020.

### Outlook for FY 2022

While delivering a strong performance in financial year 2021, as a result of the ongoing global supply chain challenges, we view FY 2022 to be a transition year with continued high investments and increasing supply chain and inflation headwinds before we see the benefits of our transformative initiatives in FY 2023.

While demand among customers remains high, the ongoing global supply chain constraints and the unstable geopolitical situation result in considerable uncertainties and low visibility for financial year 2022. Barring any unforeseen circumstances, we expect net revenue growth in financial year 2022 of between 6% and 10%, including financial year 2021 acquisitions.

In financial year 2022, we continue to invest up to around 11% of net revenue to drive our strategic transformation forward to ensure mid- and long-term profitable growth. Together with higher expected costs from supply chain and cost inflation, the Adjusted EBITDA margin is expected to be between 5% and 8% of net revenues. Free Cash Flow (excluding M&A) is expected to be between USD 30 million and USD 60 million.

Our mid-term targets through FY 2023 are reconfirmed, assuming the supply chain situation normalizes.

### Transformative Investments

Reflecting on more than 125 years of excellence, we look to the future optimistically. With our focus on creating value for our customers and shareholders, we are excited about the transformation of Landis+Gyr. Our strategy is designed to broaden our core offering of Smart Metering and further expand our reach in Grid Edge Intelligence and Smart Infrastructure with the objective to transform the business.

Organic investments in Smart Ultrasonic Gas and Water technologies and the acquisition of Luna, which opens new markets and complements our portfolio with a cost-competitive metering platform, are strengthening our core in Smart Metering.

The acquisitions of Rhebo, a cybersecurity company protecting critical infrastructure technology through anomaly and threat detection down to the grid edge, which is critical for utilities as they modernize the grids, and Telia, further enhancing our managed services business in EMEA, are driving the expansion of our Grid Edge Intelligence offering.

As grid complexity increases, we are actively shaping our Smart Infrastructure offering with the acquisitions of Etrek, offering electric vehicle (EV) management software and corresponding hardware technology, and True Energy, an application provider managing the demand of charging processes for increased cost-efficiencies and sustainable energy usage, as well as the strategic investment in the charge point operator Allego. We invested in EV infrastructure technology and holistic distributed energy resource flexibility management solutions. Building on our strong market position, we leverage our close relationships with the leading utilities in key markets by expanding our offering with EV charging hardware and smart charging software, including demand response and flexibility management to allow utilities to better manage the grid. In addition, our seven-year strategic partnership with Google will enable our customers to manage the grid with real-time information and data analytics insights, leveraging machine learning and artificial intelligence to enhance grid operations and empower consumers.

As a result, we ensure that we are well equipped to remain a leading force in the future of energy while doing so in a sustainable way as we continue to invest in efforts to decarbonize the grid and elevate our ESG efforts.

### Decarbonizing the Grid

Actively driving sustainable impact is not just what we do, but who we are. 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. Our comprehensive portfolio of products and services uniquely positions us to empower utilities, energy consumers and communities by helping them to reduce their CO<sub>2</sub> footprint.

Expressing our deeply rooted commitment to our ESG (Environmental, Social, Governance) targets, in the past financial year, we increased the ESG component in our short-term incentive (STI) for all bonus-eligible employees to 20%, while increasing the number of ESG-related STI tar-

gets from three to eleven, driving sustainable progress in support of the UN Sustainable Development Goals. These targets include environmental topics, such as the reduction of the company's and its product portfolio's carbon footprint, while increasing the benefits generated. In addition, the targets cover initiatives enhancing diversity, ESG-driven supplier management and governance topics, including employee trainings on compliance.

Having made the commitment to become carbon neutral by 2030 for scope 1 and 2, we are proud to be part of the global efforts to decarbonize the grid and convinced that we are driving the right priorities to continue to support sustainable resource management all over the world. In FY 2021, Landis+Gyr's Smart Metering base ensured the avoidance of 9 million tons of CO<sub>2</sub>, while the percentage of products shipped as part of our Eco-Portfolio remained stable at 74%. To further drive measurable progress in our Environmental, Social and Governance areas, Landis+Gyr has committed to the Science Based Target initiative.

### Promoting Diversity on the Board of Directors

In June 2021, Laureen Tolson was elected to join our Board of Directors as an expert in the energy and software industry, increasing the representation of female directors, while we continue to be committed to further enhance the diversity of our Board going forward to reach at least 30% female directorship in the near future. For the upcoming Annual General Meeting of Shareholders on June 24<sup>th</sup>, 2022, Dave Geary has decided he will not stand for re-election as member of the Board of Directors. As a result, the Board will be reduced to seven members.

### Passion and Commitment

Our teams around the world continue to drive leading-edge innovation, the strategic transformation of our portfolio and the expansion of our offering in integrated energy management solutions.

Especially in light of the challenges presented by COVID-19 and the continued constraint supply chain situation, our employees have demonstrated a high level of resilience and shown an amount of dedication towards customers and each other that deserves recognition. Therefore, we would like to thank our 6,500 employees around the globe for their continued dedication, passion and entrepreneurial

spirit to solidify our leading position and ensure continuous leading-edge innovation, customer satisfaction and speed to market.

Our customers' ambitious goals to serve communities around the globe with safe and reliable energy and to decarbonize the grid inspire us every day and we would like to thank our customers and partners for their continued trust and partnership.



As we celebrated 125 years of success this past year, we are excited about our transformational journey and continue to focus on offering leading innovative technology to our customers, expanding our strong partnerships, driving profitable growth and, thus, contributing to sustainable global development.

On behalf of all of us at Landis+Gyr, we thank you, our shareholders, for your continued support of and ownership in Landis+Gyr, and that you have joined us in driving our mission to **manage energy better** – together.

Yours sincerely,

Andreas Umbach  
Chairman

Werner Lieberherr  
Chief Executive Officer

# Consolidated Statements of Operations

USD in thousands, except per share data	FINANCIAL YEAR ENDED MARCH 31,	
	2022	2021
<b>Net revenue</b>	<b>1,463,961</b>	<b>1,357,448</b>
Cost of revenue	981,231	966,780
<b>Gross profit</b>	<b>482,730</b>	<b>390,668</b>
<b>Operating expenses</b>		
Research and development	160,270	148,717
Sales and marketing	71,852	69,603
General and administrative	126,690	107,230
Amortization of intangible assets	35,147	34,247
Impairment of intangible assets	-	396,000
<b>Operating income (loss)</b>	<b>88,771</b>	<b>(365,129)</b>
Other income (expense), net	3,261	(3,472)
<b>Income (loss) before income tax expense</b>	<b>92,032</b>	<b>(368,601)</b>
Income tax benefit (expense)	7,002	(19,422)
<b>Net income (loss) before noncontrolling interests and equity method investments</b>	<b>99,034</b>	<b>(388,023)</b>
Net loss from equity investments	(19,596)	(4,636)
<b>Net income (loss) before noncontrolling interests</b>	<b>79,438</b>	<b>(392,659)</b>
Net income (loss) attributable to noncontrolling interests, net of tax	35	(267)
<b>Net income (loss) attributable to Landis+Gyr Group AG Shareholders</b>	<b>79,403</b>	<b>(392,392)</b>
<b>Earnings per share:</b>		
Basic	2.59	(13.61)
Diluted	2.59	(13.61)
<b>Weighted-average number of shares used in computing earnings per share:</b>		
Basic	28,831,212	28,824,039
Diluted	28,831,212	28,824,039

The accompanying notes are an integral part of these consolidated financial statements.

“Our strong balance sheet provides a solid foundation and a great platform for future growth opportunities.”

Elodie Cingari,  
CFO



# Consolidated Balance Sheets

USD in thousands, except share data	March 31, 2022	March 31, 2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	84,850	140,549
Accounts receivable, net of allowance for doubtful accounts of USD 6.2 million and USD 6.7 million	323,612	282,132
Inventories, net	143,106	110,550
Prepaid expenses and other current assets	59,680	65,642
<b>Total current assets</b>	<b>611,248</b>	<b>598,873</b>
Property, plant and equipment, net	116,310	118,514
Intangible assets, net	270,593	251,342
Goodwill	1,048,404	966,823
Deferred tax assets	43,557	18,039
Other long-term assets	197,905	205,828
<b>TOTAL ASSETS</b>	<b>2,288,017</b>	<b>2,159,419</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Trade accounts payable	163,323	127,758
Accrued liabilities	34,928	45,123
Warranty provision – current	33,433	37,255
Payroll and benefits payable	62,017	51,626
Loans payable	228,831	147,672
Operating lease liabilities – current	13,068	15,187
Other current liabilities	90,910	93,933
<b>Total current liabilities</b>	<b>626,510</b>	<b>518,554</b>
Warranty provision – non current	14,892	20,315
Pension and other employee liabilities	29,157	32,286
Deferred tax liabilities	36,546	14,543
Tax provision	26,529	32,109
Operating lease liabilities – non current	90,588	95,289
Other long-term liabilities	66,239	70,573
<b>Total liabilities</b>	<b>890,461</b>	<b>783,669</b>
Redeemable noncontrolling interests	11,969	-

USD in thousands, except share data	March 31, 2022	March 31, 2021
<b>Shareholders' equity</b>		
<b>Landis+Gyr Group AG shareholders' equity</b>		
Registered ordinary shares (28,908,944 and 28,908,944 issued shares at March 31, 2022 and March 31, 2021, respectively)	302,756	302,756
Additional paid-in capital	1,156,312	1,225,328
Accumulated deficit	(31,829)	(111,232)
Accumulated other comprehensive loss	(36,596)	(35,546)
Treasury shares, at cost (74,344 and 81,777 shares at March 31, 2022 and March 31, 2021, respectively)	(6,413)	(6,854)
<b>Total Landis+Gyr Group AG shareholders' equity</b>	<b>1,384,230</b>	<b>1,374,452</b>
Noncontrolling interests	1,357	1,298
<b>Total shareholders' equity</b>	<b>1,385,587</b>	<b>1,375,750</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,288,017</b>	<b>2,159,419</b>

The accompanying notes are an integral part of these consolidated financial statements.

# Our Purpose

Landis+Gyr has led the energy sector through change for over 125 years, from when electricity use was just beginning to today as we are innovating and expanding our solutions to help utilities and consumers improve energy efficiency, reduce energy costs and contribute to sustainable use of resources.

While our world and business have transformed since 1896, the very reason why Landis+Gyr exists has remained the same over the years: to manage energy better – together, in a changing world, for a greener tomorrow.

## **We manage energy better – together**

With significant challenges ahead as society works to build a greener tomorrow, our purpose to manage energy better can only be realized by working together – with our team members, customers and partners.

At Landis+Gyr, our world-class teams of people are the best and brightest in the industry and they are key to driving Landis+Gyr's success. Our employees at every level of our organization design innovative strategies for moving our company and our customers' companies into the future. They build meaningful partnerships with our customers and serve as their trusted advisors for some of their most complex, mission-critical challenges such as maintaining national critical infrastructure and building a safe, reliable and flexible grid.





Our current slate of revolutionary partnerships will further help our customers deliver vital services more quickly, securely and efficiently while meeting the demands of a new generation of empowered consumers. For example, our revolutionary partnership with Google Cloud powerfully combines our energy and utility expertise with Google's unparalleled capabilities in cloud-based data analytics, artificial intelligence and machine learning. Our cloud journey is accelerating utilities' digital transformations, empowering consumers and solidifying our leadership in innovative energy management.

#### **We manage energy better – in a changing world**

We are building beyond our integrated energy and resource management expertise through a growing suite of cutting-edge technologies that can reduce emissions, empower consumers and strengthen critical systems as a changing world requires a new approach.

Our Grid Edge Intelligence services help utilities modernize and decarbonize the grid, while ensuring a seamless integration into existing networks. While utilities and retailers require aggregated decision-making at the head-end of their systems – in the cloud or on premise – emerging second wave deployment use cases require distributed decision making and automation capabilities located at the grid edge. By integrating more Grid Edge Intelligence in sensors and connected endpoints, we enable a broader set of use cases requiring flexible communications networks, enhanced system functionality, and value-adding software and services. Our Grid Edge Intelligence solutions create an ecosystem of connected intelligent devices that seamlessly integrate existing networks with the internet of things (IoT) to help utilities modernize and decarbonize.

Our innovations in Smart Infrastructure solutions are paving the way for the Smart Cities of our future, advancing electric vehicle (EV) charging infrastructure, and safely enabling digital transformation. Going forward, Landis+Gyr will shape the way resources are being managed through Smart Infrastructure technology even more effectively and efficiently, creating value for utilities and energy consumers. Landis+Gyr's longstanding

heritage developing the most advanced energy management solutions, combined with our extensive portfolio of EV capabilities, strongly positions us to play a vital role in the global EV revolution, further driving sustainability in the industry. To capture digital transformation opportunities EVs can offer, utilities need to gain much better visibility of EVs and their charging patterns as they will play a critical role in the deployment of EV charging infrastructure and managing smart charging.

#### **Managing energy better – for a greener tomorrow**

As energy production, storage and consumption continue to change, and grid load and complexity continue to increase, we are an essential part of utilities' and people's journey to building a greener tomorrow – one grid at a time.

Our technologies can drive advanced load management, grid analytics and distribution automation solutions that conserve energy and empower consumers. For end users, new analytics applications provide more control over electricity consumption in a user-friendly and transparent way and allow better integration of renewable resources.

Landis+Gyr's solutions help utilities navigate rising threats like extreme weather and reduce their own impacts on the climate as smarter metering technologies create unprecedented real-time awareness of utility systems – a crucial tool for utilities working to adapt to growing challenges like wildfires, hurricanes, and heat waves. In the financial year 2021, our state-of-the-art technologies and solutions helped to avoid CO<sub>2</sub> emissions of 9.05 million tons.

We continue to demonstrate our enduring commitment to driving progress in support of the UN Sustainable Development Goals (SDGs) and have pledged to become carbon neutral by 2030 for scope 1 and 2.

# Interview with the CEO

**In FY 2021, Landis+Gyr delivered a strong performance despite ongoing global supply chain challenges. At the same time, it was a transformative year for the Company as it expanded its reach in smart infrastructure and grid edge intelligence solutions. Werner Lieberherr, Chief Executive Officer of Landis+Gyr, reflects on the milestones and elaborates on the crucial factors that will shape the Company going forward.**

**Werner, although we're looking back on the financial year 2021, the current events in Ukraine are on top of everyone's mind right now. What are your thoughts?**

I am deeply concerned about the war in Ukraine and my thoughts are with the people who stand up for peace. We have taken a public stand against the war, supporting the UN resolution and we have taken the decision to cease all exports to Russia and Belarus until further notice. We are speaking up for democratic values and we stand with the Ukrainian people. Therefore, we have started an employee donation fund that we as a company will match up to USD 250,000 and support efforts to alleviate the suffering of those impacted by the war.

**A global pandemic followed by ongoing supply chain constraints - the two years since you took on the CEO position haven't been short of challenges. Yet, the Company managed to present solid results for the financial year. How did you manage to overcome these objections at Landis+Gyr?**

First of all, we have great teams around the world that are passionate and laser-focused to drive success and minimize disruption for our customers and our Company. Despite the external challenges, we have successfully driven our strategic transformation forward and I am proud of how far we have come. The entrepreneurial spirit driving us allowed us to set the foundation for a shift in our business. While our core Smart Metering remains a crucial part of our success, we have strengthened our strategic pillars Grid Edge Intelligence and Smart Infrastructure through sizable organic investments and acquisitions.

**How has the COVID-19 pandemic changed corporate culture and collaboration?**

We are a global Company, but at the same time a tight-knit community. During the pandemic, we were forced to move our offices to our homes virtually overnight. The teams have managed the situations impressively and now I am also very excited to see our employees in person again and to start collaborating face-to-face on a regular basis. Even before the pandemic we implemented

a hybrid work model, which enables our employees to work from home for up to 40%, while we meet in person in the office for 60% of the working time. As a result, we offer flexibility while also fostering a culture of collaboration and in-person engagement.

**With the acquisitions of two companies in electric vehicle technology, Landis+Gyr has entered a different arena. How do you assess your current position and growth potential in the EV charging market?**

I believe we are well positioned for two reasons. First, Etrek and True Energy offer truly unique technology that adds value to the operations of several different market players. Second, Landis+Gyr's long-standing relationships with utility partners are a vital foundation for the expansion of these two Companies. We are excited to offer a fully integrated EV Smart Infrastructure suite that empowers utilities and end consumers to manage the interaction and interdependency of EVs and the grid infrastructure seamlessly.

**Are you planning any further acquisitions?**

We are certainly looking at several options to expand and strengthen our portfolio and create value for our customers, shareholders and employees.

**With R&D spending of around 160 million a year, where do you see major developments in terms of technology?**

As part of our strategic transformation, we have increased our investments in Grid Edge Intelligence and Smart Infrastructure, and in R&D in general. We will, for example, offer a unified Head End System in the cloud for our customers to utilize real-time data analytics and insights into grid performance. We also have expanded our EV technology offering and manufacturing capabilities and we are scaling up our cybersecurity portfolio, of which Rhebo, detecting threats down to the grid edge, is a critical part. In addition, we are investing in the organic development of smart ultrasonic gas and water meter solutions. All of these efforts combined position us well for the future.

**Looking ahead, inflation, supply chain constraints and a global war for talents pose more challenges. What are your expectations for the next two financial years?**

In January 2021, we communicated our guidance for FY 2023. That guidance stands unchanged and we are confident that we will be able to deliver on our commitments. That said, due to ongoing supply chain challenges and the latest geopolitical developments, FY 2022 will be a challenging year, but we are closely monitoring the situation and have multiple mitigation actions in place to meet the demands of a changing environment.

**Where do you see Landis+Gyr in five years and how will the business model change?**

We are right in the sweet spot of the energy transition and proud to play an active role in decarbonizing the grid. This past year, we were able to deliver a record order backlog of USD 3.4 billion which positions us well for future profitable growth. I am convinced that we will still lead the market from the front, empowering customers and end consumers to decarbonize the grid, manage resources sustainably and efficiently, utilizing data to gain invaluable insights to manage the grid infrastructure effectively and enable truly smart cities that will serve all of us with more quality of life.

**“Our record book-to-bill of 1.82 and our backlog of USD 3.4 billion position us well for future profitable growth and, despite the external challenges, we have successfully driven our strategic transformation forward.”**

Werner Lieberherr,  
CEO



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# Performance Review – Group

Despite ongoing global supply chain constraints, Landis+Gyr delivered a strong performance in FY 2021 with a robust order intake of USD 2,665.5 million, corresponding to a book-to-bill ratio of 1.82. In addition, the Company saw a record committed backlog of USD 3,388.6 million – an increase of 56.5% year-over-year (YoY). Net revenues increased 6.9% YoY in constant currency, while Adjusted EBITDA increased by 5.3% to USD 147.0 million, which is equivalent to a margin of 10.0%. During a transformative financial year, Landis+Gyr expanded its reach in Grid Edge Intelligence and Smart Infrastructure solutions.

The positive development in the order intake was driven by major contract wins in the Americas and EMEA regions but also Asia Pacific contributed positively. The Americas region recorded an order intake of USD 1,701.9 million (book-to-bill of 2.41) while recent landmark wins in the U.S. led to an increase in the committed backlog of 70.6% to USD 2,435.0 million. The region delivered higher net revenue, up 0.8% in constant currency, of USD 706.7 million caused by the strong performance in Brazil and Japan and despite a challenging component availability

situation impacting predominantly North America. In EMEA, orders of USD 724.6 million (book-to-bill of 1.23) were booked leading to a 22.7% higher committed backlog of USD 781.1 million. Business in the EMEA region recovered strongly compared to the prior year with net revenue up 17.4% in constant currency to USD 590.1 million. The growth was driven by the UK market recovery post COVID-19, the Nordics markets and further supported by the acquisitions. In Asia Pacific, order intake increased by 43.5% to USD 239.0 million (book-to-bill of 1.43), resulting in a 68.9% higher committed backlog of USD 172.5 million. Net revenue in the Asia Pacific region was up 1.0% in constant currency to USD 167.2 million with ANZ being the main driver and despite the non-availability of certain components.

## Availability, Price Increases and Freight Costs Continue to Impact

Over the last few months, Landis+Gyr has seen an impact on its supply chain amidst this global crisis. The pressure is mainly related to three topics – material non-availability, material price increases and heightened freight costs. Although the Company didn't see any order cancellations, approximately USD 100 million of Landis+Gyr's topline have been deferred due to global supply chain constraints, while the EBITDA results include around USD 30 million supply chain costs in FY 2021.

Landis+Gyr managed cost diligently, formed mitigation actions and worked closely with its customers and suppliers throughout the year. However, the Company expects the situation to become increasingly challenging in the financial year 2022.

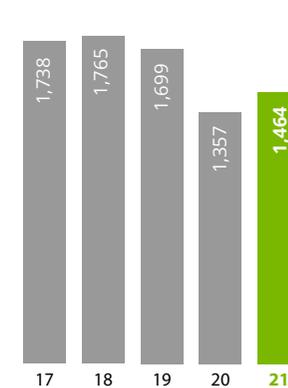
## Transformation at Full Speed with EV Expansion and Google Partnership

Landis+Gyr is committed to continue to be a leading provider of resource management solutions by building on its core offering of leading Smart Metering technology and expanding into advanced Grid Edge Intelligence and Smart Infrastructure solutions. While smart ultrasonic water and gas technology development propels its organic growth in Smart Metering, the addition of Luna Elektrik Elektronik Sanayi ve Ticaret A.Ş. (Luna), a

## Net Revenue

# 1,464

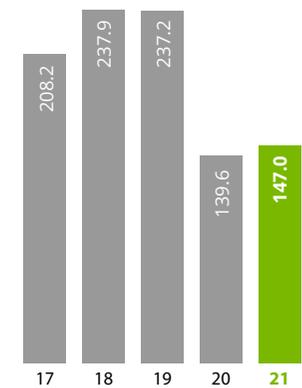
in million USD



## Adjusted EBITDA

# 147.0

in million USD

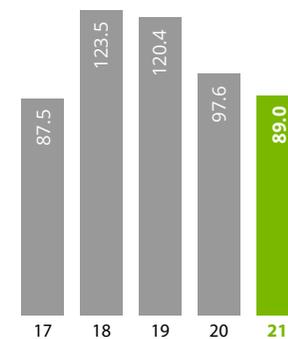


## Free Cash Flow

(excluding M&A)\*

# 89.0

in million USD



\* Net cash provided by operating activities minus net cash used in investing activities, excluding merger&acquisition activities.

Turkey-based metering provider, expands Landis+Gyr's core capabilities and increases its offering of cost-competitive metering solutions.

Leveraging Rhebo GmbH's (Rhebo) technology, which offers cyber threat detection at the grid edge, has proven to be more important than ever, Landis+Gyr continues to strengthen its cybersecurity offering as a provider of critical infrastructure. The Company further invested in Grid Edge Intelligence by acquiring Telia Finland Oyj's meter reading service business (Telia), which expands its managed services position in EMEA significantly and paves the way for the second wave of smart meter rollouts.

The acquisitions of electric vehicle (EV) companies Etrell d.o.o. (Etrell) and True Energy A/S (True Energy), as well as the investment in charge point operator Allego N.V. (Allego), expand Landis+Gyr's portfolio to offer integrated solutions for Distributed Energy Resources (DER) flexibility management, which allows the Company to elevate its contributions to further decarbonize the grid. Having long-standing customer partnerships and a reputation to solve their challenges with leading innovation, this expansion is the next logical step as the grid becomes increasingly more dynamic. Landis+Gyr's EV offering covers activities in more than 40 markets and over 40,000 charge points deployed globally, which delivered around 2 million charging sessions in FY 2021.

The digital transformation partnership with Google allows Landis+Gyr to offer integrated customer solutions with a holistic software and services portfolio and supports the transformation of its business towards a more software and services-driven company. The Company is proud to release its first Head End System (HES) in the cloud in the first quarter of FY 2022 and is excited to onboard and migrate the first 30 to 40 customers in the US over the next few months. The first releases of data analytics use cases are in the pipeline as part of the co-innovation efforts and will allow customers insights into the vast amounts of data that smart meters and Grid Edge Intelligence sensors collect on their behalf.

### **Outlook for the Group's Financial Year 2022**

Landis+Gyr expects FY 2022 to be a transition year with continued high investments as well as supply chain and inflation headwinds before the benefits of the Company's transformative initiatives will materialize in FY 2023. While demand among customers is expected to remain high, the ongoing global supply chain constraints and the unstable geopolitical situation result in considerable uncertainties and low visibility for financial year 2022.

Barring any unforeseen circumstances, Landis+Gyr expects organic net revenue growth in FY 2022 of between 6% and 10%, including FY 2021 acquisitions. As announced at the Capital Markets Day in January 2021, Landis+Gyr will continue to make significant additional strategic transformation investments of approximately 2% of net revenues in FY 2022. Together with higher expected costs from the supply chain and price inflation, the Adjusted EBITDA margin is expected to be between 5% and 8% of net revenues.

# Performance Review – Americas

In a challenging FY 2021 shaped by COVID-19-related headwinds and supply chain delays, the Americas region managed to slightly increase revenue and Adjusted EBITDA: Net revenue was USD 706.7 million, compared to USD 700.0 million in FY 2020. Adjusted EBITDA increased by USD 3.7 million, from USD 105.7 to USD 109.4 million. In addition, the region achieved a record backlog of USD 2,435 million.

Despite the continuation of COVID-19 and ensuing supply chain challenges that have tempered delivery of product and revenue recognition across FY 2021, a stream of project signings drove significant backlog growth. Many of these wins required multi-year pursuits, focused on market development and intense regulatory approval processes. Landmark project signings with customers, including National Grid, PSE&G, AES Ohio, and Louisville Gas & Electric bolstered a record backlog of more than USD 2.4 billion.

## US Administration's Clean Energy Goals Signal Strong Grid Investment

FY 2021 ushered in a new U.S. presidential administration, along with infrastructure objectives focused on enabling clean energy alternatives and preparing the US power grid for more distributed and clean energy alternatives. 100% clean electricity by 2035 and a zero-emissions economy by 2050 are the longer-term goals of this administration, also supported by the U.S. Department

of Energy (DOE), which announced a new initiative in 2022 called "Building a Better Grid." This announcement indicates a strong commitment to the nationwide modernization of the power grid to ensure its resilience in the face of climate change, as well as to increase access to affordable and reliable clean energy.

## National Grid Contract Confirms Alignment of Utility Priorities and Landis+Gyr's Approach to Grid Edge Intelligence

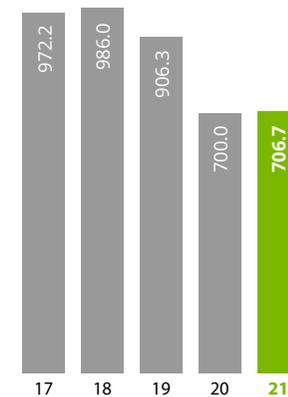
National Grid will become the first North American utility to comprehensively install next-generation Smart Metering technology capable of enabling sub-second data analysis, machine learning, and grid-edge applications. Landis+Gyr's Grid Edge Intelligence technology will be deployed across approximately 1.7 million electricity sensors and 640,000 smart gas meter modules, as part of a 20-year contract with National Grid for state-of-the-art grid modernization. National Grid will deploy Landis+Gyr's Revelo® meter, the first and only residential electricity meter to offer high-resolution sensing of streaming waveform data. This advanced technology unlocks the potential to have real-time load disaggregation and decision making at the grid edge, a key technology for giving customers more control and enabling a cleaner energy future. The National Grid contract is one of multiple notable customer partnerships, including AES Ohio, LG&E, PSE&G and Otter Tail Power, that have collectively affirmed the technology direction and trusted partnership of Landis+Gyr.

Landis+Gyr continues to serve a diverse set of communities through contracts with cooperative and municipal utilities. For utilities of all sizes, grid modernization is not limited to smart meters; this substantial investment is rationally justified with a multi-purpose platform that provides benefits beyond a traditional business case for AMI. This trend is evident across a variety of recent examples, including Woodruff Electric's selection of Landis+Gyr AMI and Advanced Grid Analytics to provide the utility with meter-transformer mapping validation, transformer loading performance, abnormal meter measurements and event patterns, and detailed load reports as part of a software-as-a-service (SaaS) deployment.

## Net Revenue

# 706.7

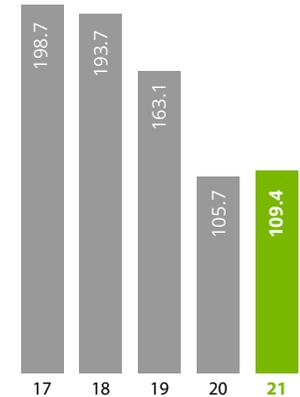
in million USD



## Adjusted EBITDA

# 109.4

in million USD



Berkeley Electric Cooperative is another example of the value of multi-purpose platforms; in addition to AMI, they will also leverage the Landis+Gyr infrastructure investment to manage over 30,000 load control devices and over 50,000 street light controllers.

## South America Market Gaining Traction on Cabinet Metering and Utility IoT Adoption

Landis+Gyr is leading the South American market in cabinet metering to address revenue theft with the development and upcoming launch of Magno®, which will build on the established uptake of cabinet metering solutions, demonstrated by the 400,000 endpoints shipped in 2021, which is double the historic average volume since this technology was launched. Additionally, the adoption of Gridstream® Connect IP-based networks continues to expand in Brazil, through recent contracts to expand the platform in various utilities in the country. This trend toward AMI technology sophistication is also evident in the industrial and commercial metering arena where quality is a strong driver for premium commercial offerings.

### Utility IoT Leadership in Japan Continues with TEPCO Contract Expansion

In June 2021, Landis+Gyr announced the continuation of a business partnership with Tokyo Electric Power Company in Japan, on the world's largest utility IoT platform enabling 28.4 million smart meter endpoints, demonstrating unrivaled scalability and data processing capacity. The project with TEPCO is entering the next stage of development including AMI software maintenance and the planned cycling of endpoints over a contract spanning the next eight years. The next generation of endpoint technology deployment is planned to begin in 2025.

### Outlook for FY 2022

Building on the success of FY 2021 while navigating the continued macroeconomic challenges will drive three primary themes for FY 2022 – delivering on market-defining customer projects, managing supply chain challenges and achieving major technology portfolio milestones. Following the series of new customer contracts signed in FY 2021, the Americas business will ensure that operational excellence remains a top priority across the organization, including efficient project management and streamlined product delivery.

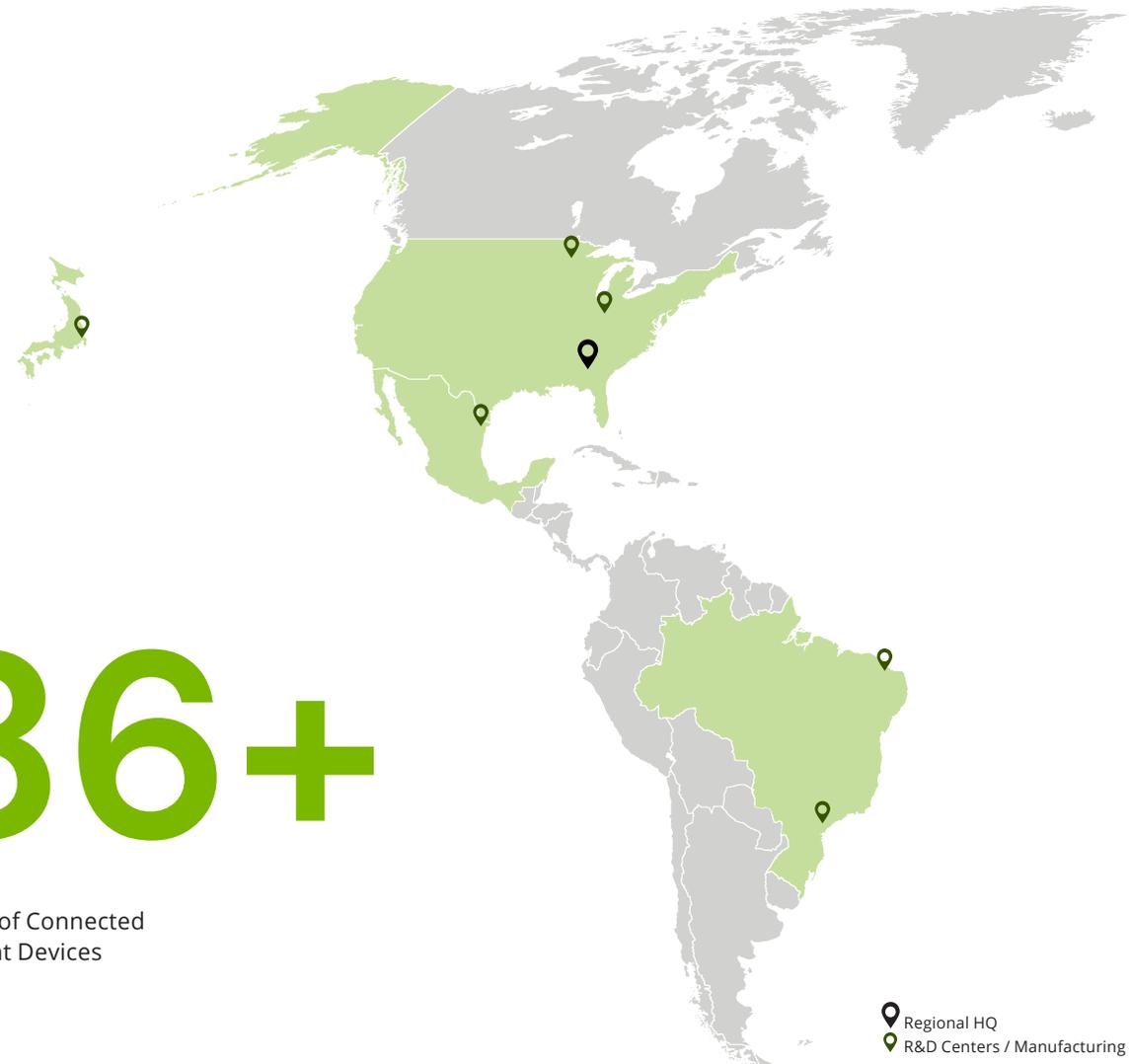
Finally, notable products will be deployed in FY 2022 including the Grid Edge Intelligence sensor Revelo. Waveform data capabilities in Revelo deliver powerful clarity and insight, providing both utilities and energy consumers with precise and accurate usage data. Revolutionary technology advancements allow for flexible communication over multiple networks, and the use of pattern recognition to enable remote decision making for real-time management of residential solar, EV charging and other loads.

# 86+

**Million**  
Number of Connected  
Intelligent Devices

# 33%

**Market Share**  
No. 1 for Smart Electricity Meters  
(Source: Frost & Sullivan)



# Meet Sean Cromie

**Our financial year 2021 was** demanding due to COVID and supply chain headwinds, but sizeable contract signings demonstrated the strength of our portfolio, vision and trust of the market. This backlog momentum will bolster us well into our midterm business horizon.

**Our regional setup is strong because** we place top priority on delivering major commitments to ensure successful project deployments.

**In our region, we drive sustainability** via a purpose-driven approach to developing the technology and services that continue to enable clean and reliable energy – everyday, in everything we do. The technology and services we provide enable the potential of a cleaner energy infrastructure, and for reliable energy delivery to serve the energy and resources that are a critical backbone for communities to thrive and economies to grow.

**At the top of my agenda for the next financial year** is to build upon the strong foundation of long-term customers, while establishing trust in our newest business relationships through flawless execution.

**What I'm most looking forward to is** expanding the talent of our green energy workforce. Innovation, passion and dedication are cornerstones of our culture, and the reason I am proud to serve as a leader. I look forward to continuing this journey with a team that thinks boldly and aspires to lead a generational shift in energy management.

**“The technology and services we provide enable the potential of a cleaner energy infrastructure.”**

Sean Cromie,  
Executive Vice President and Head of Americas



# Performance Review – Europe, Middle East and Africa

In FY 2021, the EMEA region delivered a solid performance despite supply chain constraints, COVID-19 and high energy prices affecting UK energy suppliers. Revenue increased to USD 590.1 million, up 17.4% compared to FY 2020 in constant currency. Adjusted EBITDA was USD 25.7 million, compared to USD 2.2 million in the prior financial year.

While deployment programs in several European countries were put on hold in the first half of the financial year due to COVID-19, Landis+Gyr saw some recovery in the second half and managed to increase overall net revenue and Adjusted EBITDA for FY 2021. Several cost savings measures were initiated to counter the lost margin, which helped the region achieve a solid financial performance.

## UK Energy Suppliers Impacted by High Energy Prices, SMETS2 Installations Continue as Part of Smart Metering Implementation Programme

COVID-19 still affected installations in UK during the first quarter in FY 2021, but has since improved greatly and is moving closer to pre-COVID levels. Despite the global supply chain and logistic situation, Landis+Gyr has been able to maintain manufacturing, enabling the UK energy

suppliers to continue to install meters for the UK Smart Metering Implementation Programme (SMIP). With approximately 23 million smart meters under contract in total and 9 million still to be delivered, Landis+Gyr will continue to play a major role in the program.

The extraordinarily high wholesale energy prices have led to more than 25 UK energy suppliers collapsing. Whilst this will affect every meter supplier in the short term, Landis+Gyr is well protected due to the long-term agreements with the major energy suppliers and Meter Asset Providers (MAPs). In addition to this, Landis+Gyr will support a full deployment of SMETS2 meters, even in hard-to-reach areas, with the delivery of at least one million bridge communication technology devices over a period of four years for the Alternative Home Area Network Company (Alt HAN Co), a regulated not-for-profit company owned and funded by all of Great Britain's energy suppliers. The technology will enhance the communication between properties and smart meters.

Following the closure of Landis+Gyr's Stockport manufacturing facility in October 2021, Landis+Gyr opened a state-of-the-art headquarters and center of excellence in Manchester focused on expanding the energy management services to smart charging and further solutions supporting the Company's carbon neutral goals.

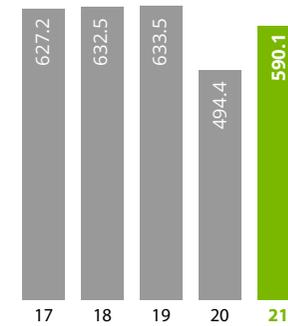
## Increased Market Share in France, Tender Awarded by Belgian Utility Fluvius

The massive rollout in France to cover 90% of the population has already achieved a milestone with the deployment of 35 million Linky smart meters and foresees further eight million to be deployed until 2026 to Enedis, overseas territories and medium utilities, in line with the regulator timeline requirements. Landis+Gyr has significantly improved its market share in the last Linky tenders for the coming period (2022–2026) with approximately 40% of the volume. Landis+Gyr is also the number 1 supplier for Enedis industrial electricity meters (PME-PMI), while preparing the ground for designing the next-generation industrial and commercial meter to be rolled out starting from 2026. Enedis has also selected Landis+Gyr as a partner for two strategic key projects, both based on Linky technology: 'Blueky' is a dedicated

## Net Revenue

# 590.1

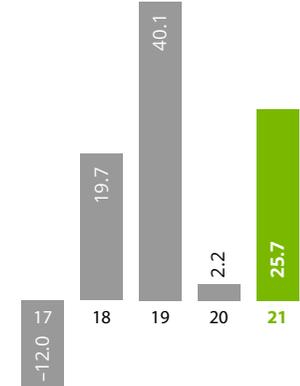
in million USD



## Adjusted EBITDA

# 25.7

in million USD



meter for EV charging use cases and renewable energy management, while 'Pinky' aims at remotely monitoring around 750,000 low-voltage distribution stations.

In Belgium, Landis+Gyr was awarded a tender to supply 2.5 million E360 residential smart electricity meters and 1 million residential smart gas meters by Fluvius System Operator, with installations starting in 2023. Landis+Gyr will also provide 15 years of metering as a service as well as IoT connectivity as a Service. With this project, Landis+Gyr will help Fluvius and the country's main energy distribution companies Resa and Ores in Wallonia, and Sibelga in Brussels to further upgrade their metering infrastructure and provide business relevant managed services.

## Acquisition of Meter Reading Business Drives Managed Services Business in the Nordics, Swiss Rollout in Full Swing

The Nordics remain an important region for Landis+Gyr, with more than one million smart meters contracted in Sweden and Denmark. The region is still expected to provide additional opportunities of approximately 7.5 million meters in 2<sup>nd</sup> wave rollouts. Landis+Gyr is well

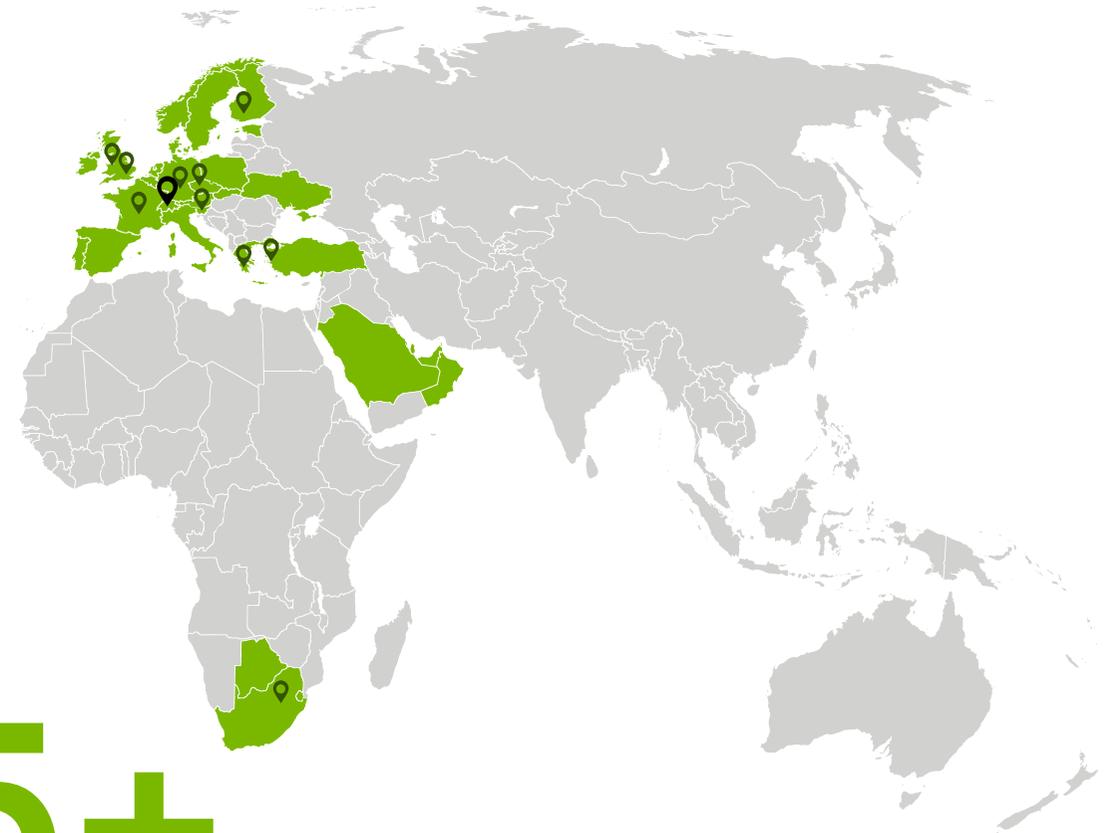
positioned in the region with a strong competence center located close to its customers. In FY 2021, Landis+Gyr strengthened its leading position in the market through the acquisition of Telia's meter reading services business. As a result of the transaction, Landis+Gyr is now delivering daily tens of millions of meter values to 63 utilities, covering approximately 2.5 million metering points.

The Swiss Smart Metering rollout is in full swing driven by the regulatory obligation for the distribution system operators (DSOs) to deploy 80% smart meters by 2027. This is driving high order intake volumes for residential smart meters. Continued public tender activity throughout FY 2021 and beyond secures a sustainable opportunity pipeline. Technology-wise, the large-scale adoption of the new NB-IoT platform is under way and the paradigm change from on-premise system to software-as-a-service (SaaS) model is gaining momentum.

#### Outlook for EMEA's Financial Year 2022

Landis+Gyr expects that medium-term growth will be driven by UK, second-wave rollouts in Northern Europe and upcoming first-wave rollouts in Central and Eastern Europe. With increased public tender activity in Switzerland throughout FY 2021, the Company expects ongoing momentum in the next financial year.

As the global demand for electronic components is still at high levels, Landis+Gyr continues to see increasing lead times and costs for some of the key components used in its products. The Company is monitoring the situation closely and working together with suppliers to mitigate the risks in terms of supply chain constraints.



# 45+

**Million**  
Number of Connected  
Intelligent Devices

📍 Regional HQ  
📍 R&D Centers / Manufacturing

# 11%

**Market Share**  
No. 3 for Smart Electricity Meters  
(Source: Frost & Sullivan)

# Meet Bodo Zeug

**Our financial year 2021 was** a year of mixed feelings – with major contract wins, new companies joining the Landis+Gyr family and helping us expand our portfolio of energy management solutions but also with the daily supply chain challenges related to electronic components and materials while focusing on fulfilling our commitments towards our customers.

**Our regional setup is strong because** of our customer intimacy backed by our local presence as well as a broad portfolio helping our customers to face current and future challenges related to digitalization and the energy transition.

**In our region we drive sustainability** with products and services developed according to special consideration for the environmental impact, supporting the achievement of net zero goals. We contribute to a resilient power grid and cautious use of energy despite higher demand – with flexibility management solutions enabling the integration of renewable energy sources or of a growing number of electric vehicles.

**On the top of my agenda for the next financial year** are first, to continue serving our customers in the best possible way while managing supply chain issues; second, to drive the profitable growth of the region leveraging cost competitive manufacturing and market access of Luna; and third, to accelerate our transformation with, for example, the introduction of our new water meters and the expansion of our grid edge and cloud applications as well as our smart charging solutions.

**What I'm most looking forward is** to be able to personally meet our customers and employees across the EMEA region again.

**“We contribute to a resilient power grid and cautious use of energy despite higher demand.”**

Bodo Zeug,  
Executive Vice President and Head of EMEA



# Performance Review – Asia Pacific

In FY 2021, the APAC region was able to slightly increase net revenue by USD 4.2 million, from USD 163.0 million in the previous year to USD 167.2 million. Temporarily closed factories across the continents led to supply chain interruptions, resulting in a decrease of the Adjusted EBITDA to USD 7.8 million, compared to USD 11.3 million in FY 2020.

In FY 2021, Asia Pacific experienced strong demand from the existing customer base, mainly attributed to AMI projects in Hong Kong and Bangladesh, as well as Australia and New Zealand (ANZ). Across ANZ, Landis+Gyr experienced early success entering the smart water metering market with network leak detection technology. The pandemic created short-term supply chain interruptions due to factories' closures of key suppliers and the Company's manufacturing plants in China and India. Landis+Gyr navigated through the uncertainties by working very closely with its customers to minimize risks.

## Strong Momentum across Australia and New Zealand for Smart Water and AMI Technology

In September 2021, Landis+Gyr partnered with Australia's South East Water (SEW) to bring the utility's network leak detection technology to market, integrated into Landis+Gyr's ultrasonic smart water meter with NB-IoT communications. This combined offering is viewed

as a game-changing technology for water utilities in their digital transformation.

Landis+Gyr has been working closely with SEW in their trial of 5,000 Landis+Gyr smart water meters to prove the end-to-end technical solution. The preliminary results have been promising in locating leaks unknown to the network operators and customers. Landis+Gyr secured an additional order from SEW to deliver 35,000 units of smart water meters and the Company expects to see this strong momentum in smart water continue into FY 2022.

Landis+Gyr secured a strategic AMI contract in Australia, delivering Landis+Gyr's next-generation smart meter E360, combined with communications and SaaS offering for Yurika, part of Energy Queensland. This is a significant win for the Australian market given the increased focus on new regulation policies that will drive the enablement of grid edge applications and the need for better management of distributed energy resources such as solar, batteries and electric vehicles.

After divesting its stake in the Intellihub Operations Pty Ltd. joint venture, Landis+Gyr continues to partner with the company to supply meters across their Australia and New Zealand footprints. Their continued growth as the leading meter services provider in the Power of Choice market which seeks to provide consumers with more opportunities to make informed choices regarding how they use electricity, has provided Landis+Gyr with the highest demand since the beginning of Victoria's smart meter rollout.

## Hong Kong AMI Projects Continue at Full Pace, Significant Opportunities in Bangladesh

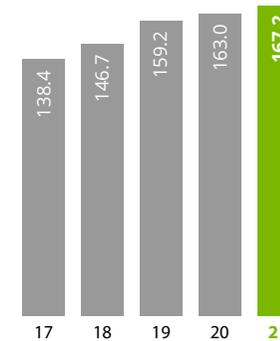
Landis+Gyr is deploying its Gridstream solution with both CLP Power (CLP) and Hong Kong Electric, and these projects continued at full speed throughout FY 2021. CLP's one-millionth meter was installed in November 2021. The Hong Kong Electric project achieved a significant milestone in November when their MDMS system went live and provided significant metering data to several of the utility's business systems.

With strong commitments by the Indian government to modernize the energy distribution sector and tackle

## Net Revenue

# 167.2

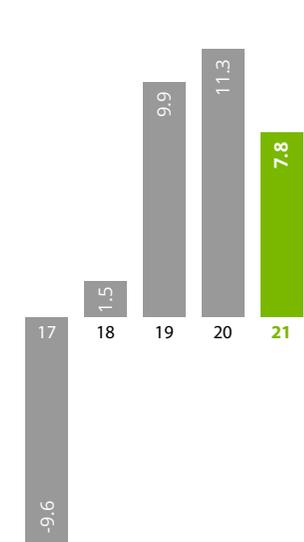
in million USD



## Adjusted EBITDA

# 7.8

in million USD



the continued high level of network losses, Landis+Gyr continues to deploy on its Smart Metering projects in India utilizing RF technology with smart meters now deployed on these systems surpassing a total of 300,000 meters. The Company's partnership with Tata Power in their largest RF Smart Metering rollout is now delivering at new heights.

Bangladesh has emerged as one of the fastest growing electrification countries in South Asia. Landis+Gyr continues to work closely with Dhaka Power Distribution Company (DPDC) and other major consortium partners to deploy phase one of the Smart Metering program for which Landis+Gyr delivered 100,000 units of smart meters and laid out the radio frequency network for 850,000 endpoints. At the end of FY 2021, Landis+Gyr has further secured the notification of award for the second AMI contract to deploy an additional 135,000 single-phase and 45,000 three-phase smart meters.

### Strong Demand for Landis+Gyr's High Precision Meters in China and Well-Progressing Trials in Southeast Asia

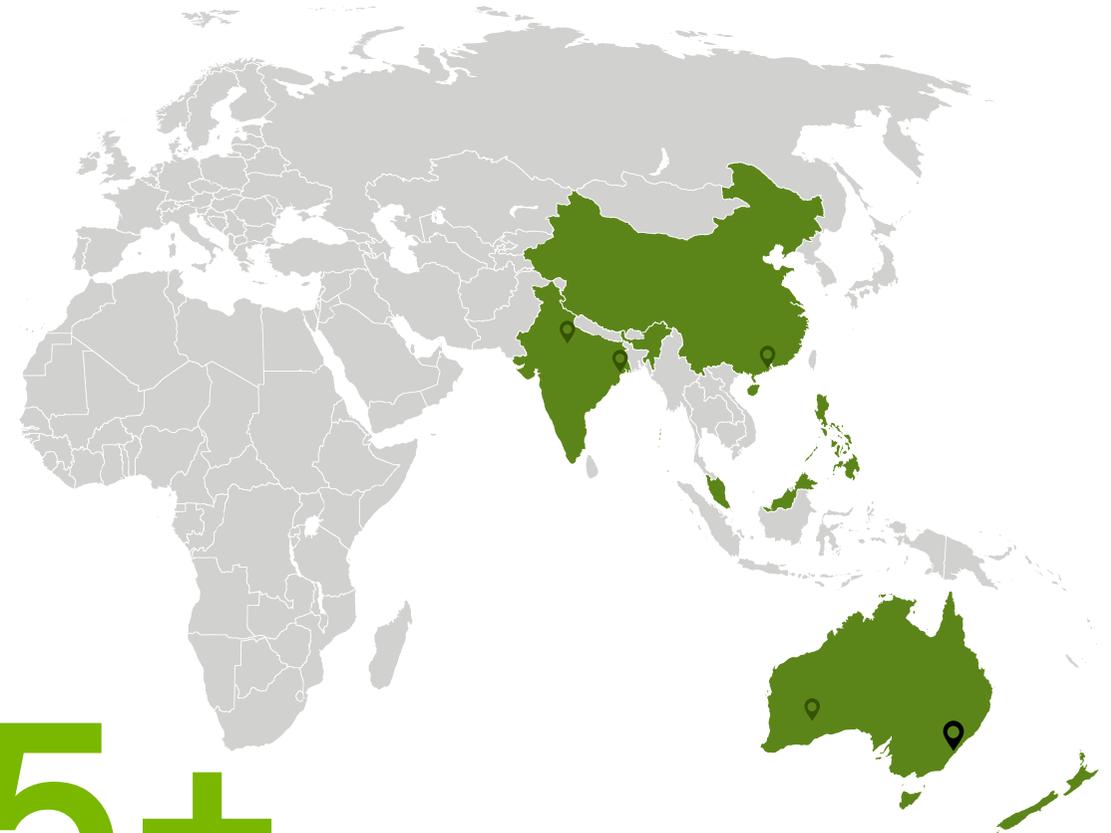
In China, Landis+Gyr continues to see investments in ultra-high voltage transmission and hydro power plants which contributed to increasing demand for the Company's high-precision grid meters. Landis+Gyr continues to hold a strong position in this segment and will seek to strengthen this position with the introduction of its next-generation grid meters in FY 2022.

In Southeast Asia, Landis+Gyr continues to see demands on smart meter rollouts and appetite for new technology trials. Despite COVID-19 restrictions, Landis+Gyr has managed to progress trials in Thailand and Singapore and continues to engage with its key customers in Malaysia and Indonesia on their innovation roadmaps to support their sustainable energy transformation.

### Outlook for APAC's Financial Year 2022

Strong demand will continue in FY 2022 for Landis+Gyr's products and services across the Asia Pacific region. In Australia, Landis+Gyr expects the smart electricity meter demand to pick up pace on the back of existing and new project wins in the contestable Power of Choice market. The continuing high rate of rooftop solar continues to accelerate the switch to Smart Metering. In addition, Landis+Gyr expects the transition to smart water metering to grow in Australia and New Zealand.

The ongoing smart city transition in Hong Kong will continue to be an important contributor to Landis+Gyr's outlook. Furthermore, the Company expects to see early trials commenced in countries such as Indonesia and Thailand to move forward to more significant Smart Metering deployments. On the sub-continent, the Bangladeshi and Indian projects will continue to grow with a sizable number of projects in execution phase and Landis+Gyr is well placed to capture new opportunities.



# 5.5+

**Million**  
Number of Connected  
Intelligent Devices

# 19%

**Market Share**  
No. 1 for Smart Electricity Meters  
(excl. China & Japan, Source: Frost & Sullivan)

📍 Regional HQ  
📍 R&D Centers / Manufacturing

# Meet Steve Jeston

**Our financial year 2021 was** challenging due to the impact of electronic component shortages while managing customer demand and employees' health and well-being.

**Our regional setup is strong because** we have a stable and experienced leadership team that has stood the test of time. Asia Pacific has also built a stronger customer-oriented team to support our diverse customer needs.

**In our region, we drive sustainability** by growing the adoption rate of Landis+Gyr's smart meters in tandem with the evolution of our eco-portfolio. We continue to place strong emphasis on employees' learning and development and foster diversity, equity and inclusion – imperative to our diverse region.

**At the top of my agenda for the next financial year** is delivering sustainable business results as we navigate through the slow recovery of electronic components shortages. As tender activity continues to gather momentum, we will stay focused on delivering high-quality products and services to new and existing customers.

**What I'm most looking forward to is** continuing to improve our customers experience with Landis+Gyr in Asia Pacific, particularly as we are serving several customers for the first time. We are well positioned to deliver improved customer outcomes with our new smart meter portfolio and continue to build on our entry into the water metering business.

**“We continue to place strong emphasis on employees' learning and development and foster diversity, equity and inclusion.”**

Steve Jeston,  
Executive Vice President and Head of Asia Pacific



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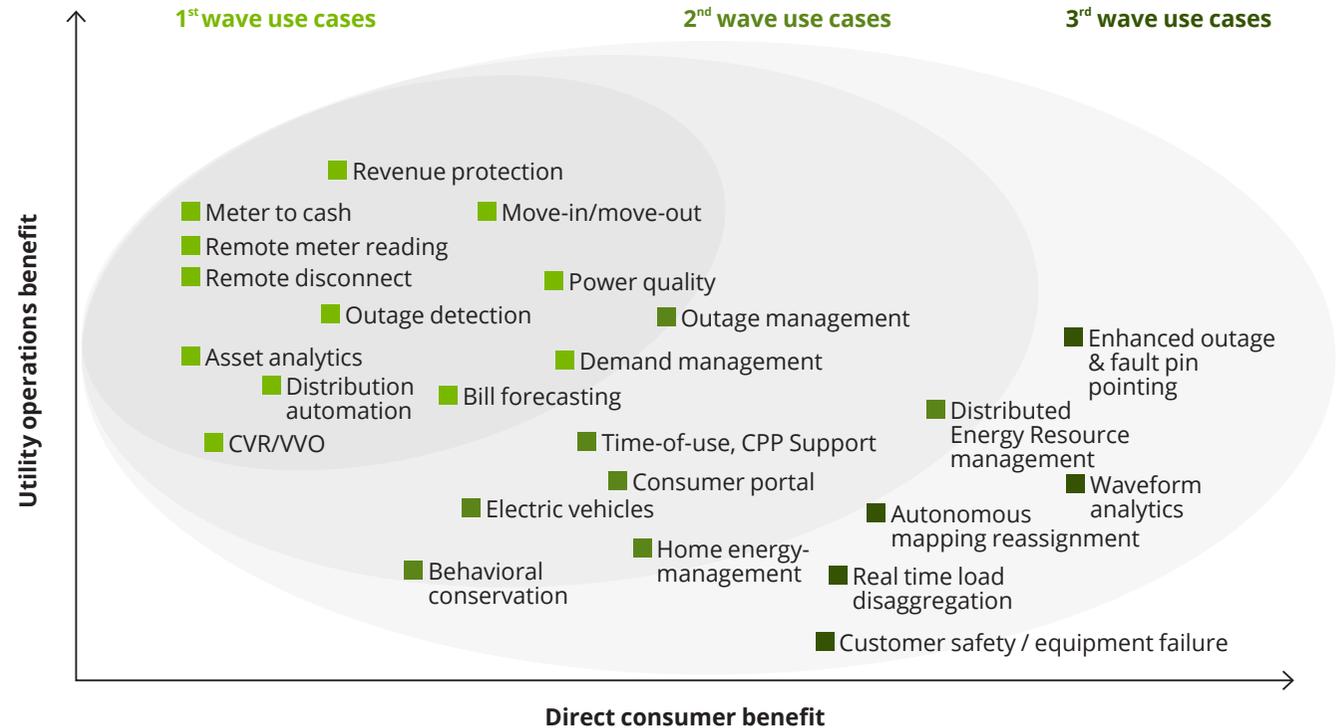


# Market Environment

As a critical infrastructure provider with more than 320 million installed devices across the globe, Landis+Gyr has established itself as a trustworthy partner for utilities for the past 125 years. With rising challenges to enable a smarter and more flexible grid, Landis+Gyr is transforming to a software and services-oriented partner by advancing the data-driven digital evolution of utilities and industry players such as the automotive or transportation sector.

Landis+Gyr serves utilities around the globe, from large investor and government-owned to smaller, community-focused municipal and cooperatives. Their adoption of smart grid technologies and the breadth of products, software and services they have deployed, vary widely, but they are unified by a set of shared challenges amplified by four disruptors: decarbonization, decentralization, digitalization and democratization.

As policymakers, corporations and utilities set more stringent goals to combat climate change, decarbonization is a key consideration. An increasing number of utilities have communicated their commitments to meeting environmental sustainability and set clean-energy objectives by 2050 or sooner. The International Energy Agency estimates that the share of renewables in the global electricity generation mix today represents 30%. Further pressuring the distribution grid, space heating and the electrification of automotive transportation will continue to drive an unprecedented growth in load.



According to UN's sustainable development scenario, 13% of the global car fleet is expected to be electric by 2030, which drives the need for flexible and sustainable charging to balance the load on the grid. Regarding decentralization, the annual distributed energy resources capacity brought online exceeded new centralized capacity for the first time in 2021. Utilities need to manage this change in electricity generation while continuing to meet high customers' expectations, especially around grid reliability and resiliency.

Environmental factors like extreme weather events and the COVID-19 pandemic also bring new challenges to the utilities. They are more dependent on remote monitoring and control to manage their assets; requiring real-time insights on grid activities and the ability to react quickly. Digitalization of the tools that enable energy distribution and manage customer relationships are leading utilities to a heightened focus on cybersecurity and data privacy. Lastly, regulators are also weighing

in to ensure that Advanced Metering Infrastructure (AMI) deployments provide maximized benefits for consumers such as actionable data on their energy usage and cost. As these consumers become prosumers, the democratization of the energy systems enables every stakeholder to play an active role in managing their energy consumption and production.

Landis+Gyr's core offering, Smart Metering, is the foundation for future energy distribution systems and plays a significant role in managing the grid edge, where many new energy resources are disrupting load dynamics. Grid management use cases are increasingly tied to direct consumer benefits, especially in the second wave of AMI adoption, in addition to operational benefits from the first wave. Intelligence at the grid edge is fundamental to the enablement of these second wave use cases. Third wave use cases improve benefits a step further, with more real-time actionability, enhanced usage of machine learning and artificial intelligence technologies.

# Strategy & Business Model

As energy production, storage and consumption continue to change, and grid load and complexity continue to increase, Landis+Gyr's approach to energy management helps utilities navigate the changing landscape and reach their ambitious sustainability targets. In FY 2021, building on its leadership in Advanced Metering Infrastructure (AMI), the Company has made a major step in its transformation and further expanded its reach in Grid Edge Intelligence and Smart Infrastructure through organic and inorganic growth. At the same time, Landis+Gyr remains committed to ESG principles and ambitions.

As a trusted partner to its utility customers, Landis+Gyr is committed to providing high-quality products and services that contribute to solving the challenges faced by the utility industry and shaping the future of energy distribution and energy consumption in a sustainable way.

Landis+Gyr takes responsibility for and manages its impact on society, the environment and its business ecosystem. This is demonstrated by the Company's commitment to uphold the UN Global Compact's 10 principles and contribute to the Sustainable Development Goals. It is also reflected in the Company's business strategy, policies, corporate values and Code of Conduct which

guides its operations and supports the design and manufacturing of solutions that enable environmental and societal benefits.

Building on a sustainable foundation, Landis+Gyr's vision encompasses three strategic pillars: Smart Metering, Grid Edge Intelligence and Smart Infrastructure. These build the foundation for Landis+Gyr to grow organically, to partner with industry leaders such as Google and Vodafone and to acquire companies with extended knowledge to solve utilities' complex challenges.

## Smart Metering

Smart meters provide baseline sensing technology for AMI to deliver real-time data and advanced metrics and thus the enablement of an ecosystem of connected intelligent devices. Next-generation Smart Metering solutions offer new capabilities in analytics and connectivity, with faster response times for fault location and predictive measures for grid-hardening. The Company sees this as a logical evolution of features and functionality, providing the key foundation for Grid Edge Intelligence and supporting a more efficient use of energy resources.

Landis+Gyr's priority is to strengthen its position as a true global partner for integrated energy management solutions. Therefore, it continuously invests in enhancing its Smart Metering offerings for electricity, gas, heat and water and expands its portfolio in-house or through acquisitions of synergistic businesses, such as Luna in FY 2021. This allows the Company to successfully partner in new rollouts and expand the penetration of Smart Metering globally, as a steppingstone for further grid innovations.

## Grid Edge Intelligence

Landis+Gyr helps utilities modernize and decarbonize the grid, while ensuring a seamless integration into existing infrastructures. While utilities and retailers require aggregated decision-making via Head End System (HES), on premise or in the cloud, current use cases require additional distributed decision making and automation capabilities at the grid edge.

By integrating more Grid Edge Intelligence in its Smart Metering and connected sensors, Landis+Gyr enables a broader set of use cases to enhance system functionality

and grow the value of software and services while strengthening its cybersecurity offering, as demonstrated by its acquisition of Rhebo.

## Smart Infrastructure

Landis+Gyr's Smart Infrastructure solutions are designed to deliver benefits for utilities from the proliferation of intelligence beyond energy management, to also include other urban infrastructure segments. A unique suite of open, scalable and robust solutions built on Gridstream Connect, a utility IoT platform, enables many related benefits. These include real-time data access and the integration of complementary services, such as street light management or charging of electric vehicles, which lay the foundation for Smart Infrastructure management.

Landis+Gyr's move into e-mobility with the acquisitions of two companies in the Electric Vehicle (EV) technology space, Etrek and True Energy, and the investment in the charge point operator Allego, is a logical next step for its business in order to address client demand. The Company is leveraging the latest in smart technology and harnessing its expertise from smart meter rollouts around the world to provide the infrastructure solutions for mass EV charging deployment and reinforce its commitment to building a more sustainable grid.

One of the biggest challenges for utilities is to access the data they need, when they need it. The Company sees tremendous opportunities to further support utilities around the globe to harness this vast collection of data and is well positioned as a transformation partner by leveraging digital platforms and technologies to meet their sustainability, resiliency and security goals. Landis+Gyr entered into a strategic partnership with Google Cloud in December 2020 to collectively enable a digital ecosystem for utilities and developing innovation and technology solutions that will significantly help transform utilities by improving the end consumer experience and engagement, grid resiliency and cybersecurity with state-of-the-art energy distribution management. The global approach enables Landis+Gyr to bring new capabilities to the market quicker, drive internal efficiencies and synergies across the regional businesses and maximize the outcomes from its R&D investments.

# R&D, Innovation & Portfolio

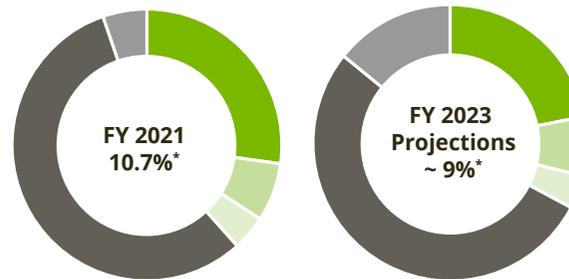
On Landis+Gyr's journey to becoming an integrated software and services-oriented provider, the Company continues to make significant investments to foster future growth while building on its core offering around Smart Metering. By integrating more Grid Edge Intelligence in connected endpoints, the Company enables a broader set of use cases requiring flexible communication networks, enhanced system functionality and value-adding software and services.

In FY 2021, Adjusted R&D investments were USD 156.5 million, representing 10.7% of net revenues compared to 10.4% in FY 2020, to drive the Company's transformation. While smart electricity will remain the core of Landis+Gyr's business, it will branch out into adjacent and complementary fields. These temporarily higher expenses support strategic initiatives, including the partnership with Google, smart water and smart gas initiatives and the digital transformation of the Company as a software and services provider.

## Smart Metering

In FY 2021, Landis+Gyr enhanced the motorized service disconnect in the FOCUS AXe meter to meet the latest American National Standards Institute (ANSI) heat rise testing requirements, refreshed its water and gas retro-fit communication modules and made strides in the development

## Technology Investment Shift towards Grid Edge Intelligence and Smart Infrastructure



\* R&D expense as % of revenue



of an ultrasonic gas meter, available for volume shipments in 2023. The Company also introduced Magno®, a cabinet grid-sensing solution, to the South American market. This technology combines 20 years of anti-tampering innovation with enhanced energy measurement and leading-edge communication technology.

In the important UK market, Landis+Gyr developed and introduced the latest SMETS2-compliant gas and electricity meters, and the unique AltHAN communication solution to support UK customers to enable communication to all customer devices. For industrial applications, Landis+Gyr launched the second generation of the grid edge sensor E660 to deliver precision insights on consumption, grid status and power quality. The E660 offers powerful capabilities for network monitoring and grid edge control, all in one device. Landis+Gyr has also introduced a new-generation heat and cooling meter, the T450, with state-of-the-art communication while the strategic project for smart water metering is ongoing and evolves as planned. The entire heat, cooling and water portfolio includes internet of things (IoT) communication technology.

Landis+Gyr has developed the next generation Gridstream RF mesh IP radio, leveraging its own discrete Multi-Chip Module named MCM0, enabling cost-competitive RF communications for the Indian and Bangladesh markets. Additional benefits of this development were the reduction of the use of plastic material given the significantly smaller physical size and the reduction in the number of components. At the same time, the Company is seeing increasing demand for smarter and more precise data delivery in the power quality and grid metering segment, particularly in efforts to modernize substations. Landis+Gyr is well-positioned to capture this growing market with the newly launched E660 meter, enabling its Asia Pacific network customers to better manage a balanced grid.

In the emerging smart water segment in ANZ, Landis+Gyr has taken a leading role by partnering with industry leaders and introducing an advanced IoT smart water solution that includes a smart water meter, using NB-IoT communications technology and leak identification capability, with the option for cellular connectivity and device management in the form of SaaS. This business activity paves the way for the upcoming developments of a comprehensive Landis+Gyr smart water solution offering for the region.

## Grid Edge Intelligence

Landis+Gyr introduced Revelo®, a grid-sensing meter, featuring high-powered edge computing, waveform sensing and edge applications for the North American market. The advanced technology unlocks the potential to have real-time load disaggregation and decision making at the grid edge and led to Landis+Gyr's recognition as a Top 10 AI Vendor for DER Integration in the fourth quarter 2021 Guidehouse Leaderboard Report.

Furthermore, Landis+Gyr introduced the second generation of the residential E360 IoT grid edge meter covering the latest communication and security technology, multi-energy support and increased grid sensing capabilities. The introduction of these new intelligent endpoints and their expanded communication features expands the capabilities of Landis+Gyr's Gridstream® Connect platform and the Company's IoT portfolio

in the EMEA region. At the same time, Landis+Gyr also released the E360 IoT grid edge meters for the Asia Pacific region, with modular communications capability and real-time electricity waveform streaming. It provides richer data content to deliver on new consumer applications that better assist the management and integration of renewable energy mix, particularly the rising penetration of rooftop solar.

On top of Landis+Gyr's existing offering in cybersecurity, its subsidiary, Rhebo, further added operational technology (OT) security solutions for threat intelligence and anomaly detection to the portfolio, enhancing security in an increasingly converging OT/IT AMI infrastructure.

### Smart Infrastructure

Highlights of Landis+Gyr's Smart Infrastructure portfolio include the release of the enhanced mesh router and technology upgrades to the smart street light solution. The router now features 15-year battery technology and onboard GPS. The updated street light management solution provides utilities and communities with safe, energy efficient illumination and flexible integration options with Landis+Gyr's street light management application, Smart Community Center.

By upgrading the EMEA Gridstream® Connect solution, Landis+Gyr has optimized smart push communications, enhanced security and key management, expanded interoperability of the Head End and meter data management systems and added an enhanced application for AMI network monitoring.

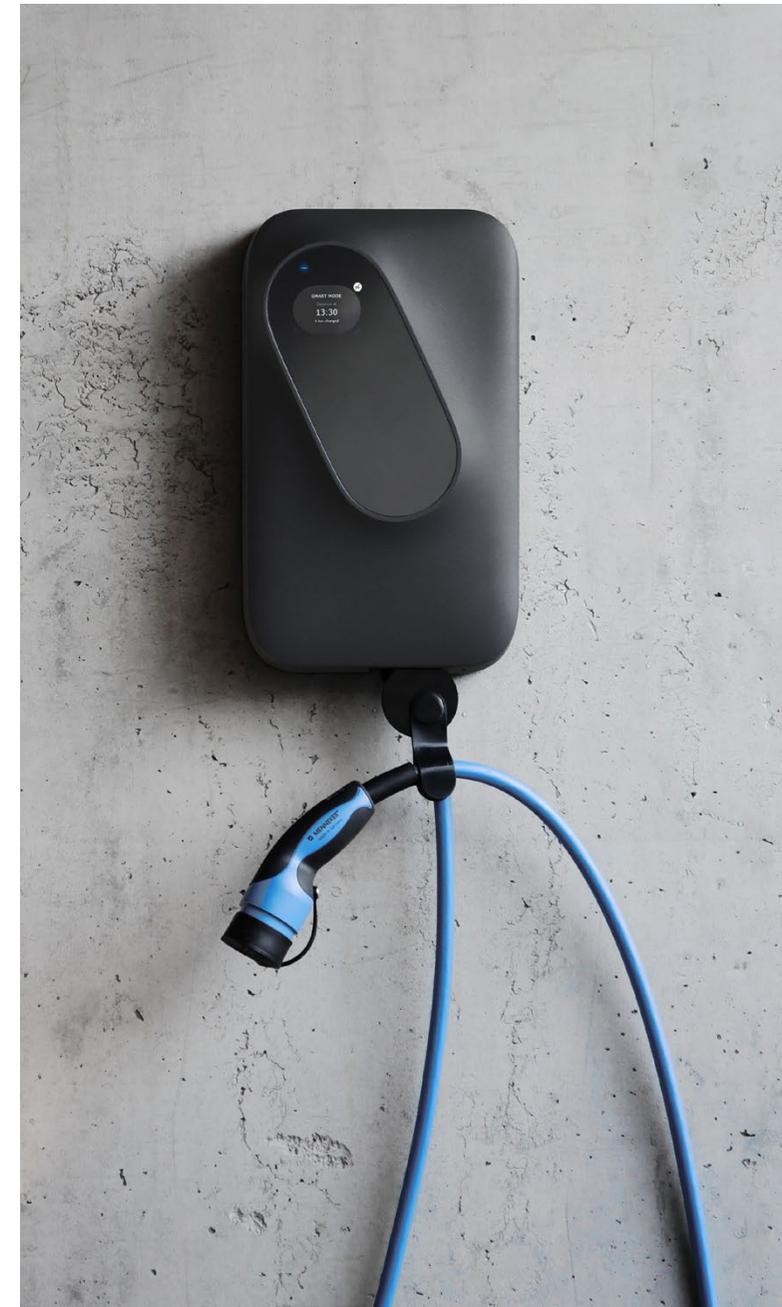
With the acquisition of Etrell and True Energy at the beginning of FY 2021, Landis+Gyr has established an extensive portfolio of electric vehicle software and charging capabilities. The Company offers solutions for home charging (INCH Home, INCH Lite), fleet or business charging (INCH Pro) and public charging (INCH Duo), as well as flexible charging management with its OCEAN charge point management software. Landis+Gyr's EV technology also covers a smart charging app, offering full visibility and control on the go, as well as automated charging when electricity is most cost efficient and environmentally friendly.



*Revelo® – a grid-sensing meter, featuring high-powered edge computing, waveform sensing and edge applications for the North American market*



*The E360 – a new generation of grid edge meters for the IoT world*



*INCH Home EV Charging Station*

### Connecting Data and Building a Digital Ecosystem with Google

As part of the global technology strategy, Landis+Gyr has made the investment to build a digital ecosystem for utilities together with Google by unifying the global AMI IoT Head End System capabilities and establishing a high-performance analytics platform. These investments enable utilities to efficiently manage devices and networks while unlocking the value of their IT/OT data and enabling state-of-the-art solutions for strategic planning and operations.

Emerge, the new IoT AMI HES, provides “edge to cloud connectivity” using various communication technologies beyond smart meters to build future smart infrastructure and cities. In addition, EmERGE offers choices for utilities, providing flexibility across public, private or hybrid deployment models, to align with their cloud strategy and investment while meeting industry-leading security standards and availability capabilities. The first release of EmERGE will be delivered in Q1, FY 2022, followed by the migration and onboarding of customers in the Americas region, as part of the pilot and migration phase.

At the same time, Landis+Gyr and Google have collaborated to build an advanced analytics solution that utilities can access flexibly, serving a broad range of use cases whose launch is planned in multiple phases. The first phase of use cases, which is currently piloted with a few existing customers and is scheduled to be released in FY 2022, will include power quality, pattern detection, as well as EV identification, smart insights and edge intelligence integration. Subsequent use cases are expected to be released on a quarterly basis over the course of the next two years, prioritized based on market needs and customer opportunities.

Together with Google, Landis+Gyr will establish an offering that provides a high degree of sophisticated automation and analytics needed to manage a system powered by an increasing variety of energy sources, and which creates a combination of power domain expertise with artificial intelligence (AI) and machine learning (ML) to deliver predictive and prescriptive insights, as well as distributed analytics at the edge, which are critical to analyze the energy demand and control the grid in an efficient way.

### Maintaining a Strong Brand

The Landis+Gyr brand is managed strategically as an intangible asset and represents a major part of its corporate identity. At the core of the corporate brand are Landis+Gyr’s values that capture the essence and elements of how the Company is doing business: customer intimacy, innovative technology, entrepreneurial spirit, uncompromising performance and sustainable impact.

In addition to the corporate brand, Landis+Gyr maintains solution (i.e., Gridstream Connect) and product (i.e., Revelo, E360) brands for its integrated energy management portfolio. With the recent acquisitions, the Company is currently in the process of onboarding and integrating other brands as part of the Landis+Gyr family.

Landis+Gyr’s global portfolio includes granted patents and pending patent applications, filed in over 50 countries. These filings reflect innovation in a broad array of energy management technologies in Smart Metering, Grid Edge Intelligence and Smart Infrastructure, including additional inventions supporting growth in solar and other distributed energy resources. Landis+Gyr continues its long tradition of protecting a pipeline of new ideas that will further strengthen its position as a global innovator in future energy management. At the end of FY 2021, the overview of active, pending and granted patents was as follows:

	FY 2021	FY 2020	FY 2019
Active	998	914	803
Pending	805	509	389
Grants	193	76	114

# People

**In FY 2021, people at Landis+Gyr demonstrated a high level of commitment and flexibility during the after-effects of the pandemic and outstanding dedication during a transformative year. Landis+Gyr is dedicated to an organizational culture where employees feel motivated and engaged. A global engagement survey has provided an excellent platform upon which Landis+Gyr can further enhance and drive a culture of transparency, continuous improvement and high performance across the Company.**

FY 2021 was a transformational year for Landis+Gyr. Looking back at the past twelve months, which were characterized by changes driven internally, but also through the pandemic, employees have demonstrated a high level of resilience and shown a great amount of dedication towards customers and each other, driving leading-edge technology, customer intimacy and speed to market. At the end of the financial year, Landis+Gyr employed 6,445 people across the globe.

## **Well-connected and Energized Workforce during the Pandemic**

The COVID-19 pandemic with its repercussions has been felt across the world and no economy has been left untouched. With the safety, health and well-being of its workforce always a top priority, Landis+Gyr monitored the situation very closely and was able to react to the changing local and regional restrictions

and directives across its various locations in a timely and agile way.

Landis+Gyr employees were able to demonstrate their high engagement, flexibility and commitment in adapting to the constantly changing circumstances. Due to the measures taken in FY 2020 and to state-of-the-art IT equipment and collaboration tools, teams around the globe were able to manage the crisis extremely well, and the workforce stayed connected and energized.

## **Leadership Changes in EMEA and Americas**

During FY 2021, the Executive Management Team underwent some changes. Effective September 1<sup>st</sup>, 2021, the Board of Directors appointed Bodo Zeug as Executive Vice President and Head of EMEA and a member of the Group Executive Management. He joined Landis+Gyr in October 2017 as Executive Vice President Supply Chain Management and Operations, streamlining and significantly improving the Company's global operational footprint. Before that, he held the position of Executive Vice President Strategy at Landis+Gyr. Bodo Zeug is an experienced global leader with solid industry knowledge, strategic thinking and organizational acumen; skills that are essential in driving success for EMEA.

Effective January 1<sup>st</sup>, 2022, Sean Cromie was appointed as Executive Vice President and Head of Americas and a member of the Group Executive Management. Sean Cromie joined Landis+Gyr in June 2020 as Executive Vice President Operations and Supply Chain Management and has been instrumental in streamlining Landis+Gyr's operations and stabilizing the Company's supply chain during the time of global component shortages. Prior to joining Landis+Gyr, Cromie, an Irish and US citizen, held various positions in Europe and the US as President, General Manager, Managing Director and Business Unit Manager in the automotive supply and aircraft interiors equipment and services industries. He is an experienced global leader with strong customer focus, operational experience and organizational acumen, skills that will be driving success in his new position as Head of Americas.

As per the same date, Sean Cromie's predecessor as Executive Vice President and Head of Americas, Prasanna Venkatesan, was appointed Executive Vice President

Strategy. With his unique knowledge of the industry and Landis+Gyr's customer base, Venkatesan will continue his excellent collaboration with the Chief Executive Officer and the Board of Directors to define and drive the Company's business strategy and position the Company for profitable growth, organically and inorganically.

## **Employee Engagement Survey 2021**

With an outstanding 84% response rate, gathering opinions and feedback on fourteen different categories of the Company's work environment from around the world, the 2021 engagement survey provided an excellent platform upon which Landis+Gyr can further enhance and drive a culture of transparency, continuous improvement and high performance across the Company. The highest rated category was sustainable engagement with an 85% outcome. This is an excellent result, given that there is wide evidence that companies with highly engaged employees typically outperform their competitors and achieve higher employee satisfaction rates. In a direct comparison, the favorability scores for all eight assessed categories that were repeated from the 2019 survey were stronger. Comparing Landis+Gyr's results with different global high-technology companies from around the world, eight out of thirteen categories show favorability results that score higher. The category of strategy & leadership made the most significant progress since 2019 and represents Landis+Gyr's biggest strength compared to its industry peers. As a follow-up, leaders at all levels of the Company have developed action plans to address the findings of the survey.

### **Transformational Leadership Program**

For today's senior managers, mastery of traditional leadership skills is no longer sufficient to guarantee success; they also require the advanced complex and adaptive thinking abilities that will enable them to become agile leaders. To further equip Landis+Gyr's leadership team to manage their teams' success in the Company's ongoing strategic transformation, Landis+Gyr launched a transformational leadership program. The program consists of three modules which are designed to explore how people-centered leadership is a pivotal component to energize teams, to lead and manage change, to achieve and sustain competitive advantages and to inspire change through transformational coaching. CEO Werner Lieberherr engaged with participants during a part of the training, which underlined the importance of this initiative to Landis+Gyr.

### **Making Continuous Learning a Habit**

Landis+Gyr provides services to a sector that is undergoing major change, which in turn requires its employees to be more agile. Learning is key to meeting this need, whether it's about being more efficient, or developing the skills to work with new products or services. It is a strategic goal of Landis+Gyr that employees continuously invest their time in personal and professional development, update their knowledge and acquire new skills.

To further strengthen the sustainable learning environment, regional learning weeks were held. The goal of these learning weeks was to highlight the synergy between working and learning and to demonstrate that the different models of learning are mutually reinforcing.

Despite the global COVID-19 pandemic and the shift to remote work, employees dedicated more than 34,000 hours for personal development, out of which 76% represent hours spent on the LinkedIn Learning platform. In FY 2021, the LinkedIn Learning initiative, which supports the Company's ESG targets, focused on professional development, leadership skills and technology upskilling.

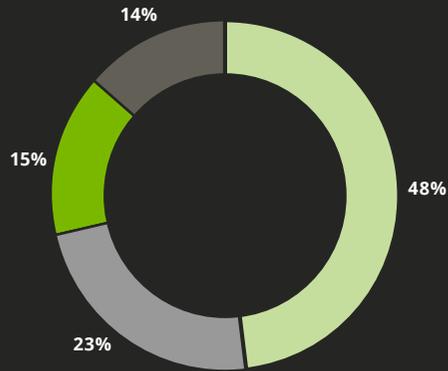
### **Cloud Transformation Learning Initiative**

Landis+Gyr and Google are developing the next generation of cloud-based energy management solutions. To maximize the return on this investment in the cloud, Landis+Gyr has developed a comprehensive cloud learning strategy to upskill and reskill the workforce. A new cloud transformation training program was launched with the aim of providing Landis+Gyr employees not only with technical knowledge but also with skills that will help them deal with continuous change such as adaptability and collaboration. Various learning paths with specific learning content from different platforms were defined to support the preparation and readiness of employees for their future roles.

### **Values Translated into Behaviors**

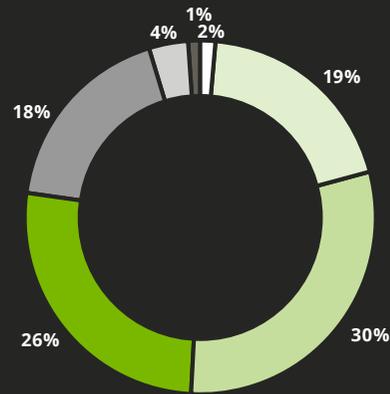
In FY 2020, Landis+Gyr introduced new corporate values. To demonstrate and explain the desired behaviors and how they correlate back to the core values, a competency toolkit containing a set of twenty foundational competencies was elaborated. The competency toolkit helps to align training needs with business needs, linking these to the career aspirations of employees. Individual development plans were subsequently developed following employee career conversations and leadership feedback in accordance with the expected behaviors.

### Employees by Function



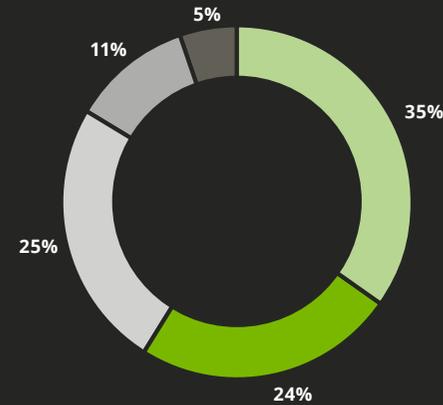
- SCM & Operations
- R&D
- Sales & Customer Operations
- Other

### Employees by Age



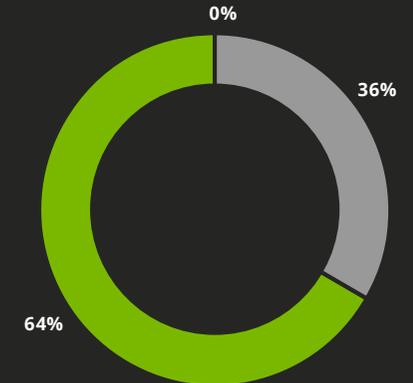
- Under 20
- 20-29
- 30-39
- 40-49
- 50-59
- 60-64
- 65+

### Employees by Length of Service (in years)



- 0-1
- 2-5
- 6-15
- 16-25
- 26+

### Employees by Gender



- Identify as Female
- Identify as Male
- Other / Not declared

### Learning Hours 2021

16.5

Hours per Employee  
Average Hours of Training

### Workforce 2021

6,445

Employees  
Total Number of Employees

### Open Positions

300+

Available Jobs  
Open Positions as of May 2022

### Apply Today!



[careers.landisgyr.com](https://careers.landisgyr.com)

# Risk Management

Landis+Gyr is exposed to various risks, which could potentially affect the Company's business. To identify and mitigate these risks, the Group operates a systematic risk management process. This process includes risk identification, analysis and assessment and the determination of appropriate risk control measurements.

Landis+Gyr tracks its risk exposure across a comprehensive set of operational, strategic, financial and compliance categories. Other considerations include the potential impact on its business from environmental, social and governance, as well as political, reputational and regulatory risks. Management is responsible for the implementation, tracking and reporting of risk mitigation measures. A risk owner at the senior management level is assigned to each material risk identified and is responsible for the implementation of appropriate mitigation measures.

## Oversight by the Board of Directors

Landis+Gyr's Board of Directors has a total of three committees, of which the Audit, Finance and Risk Committee (AFC), which is comprised of three Board members, focuses on the assessment of the adequacy of the Group's systems, policies and controls regarding both financial and non-financial risks, including legal matters that could have a material impact on the Group. The AFC regularly consults with the Group's CEO as well as the Executive Management. At least once a year, the Board of Directors, via the AFC, is briefed by the Group Executive Management of any significant changes in risk management. In financial year 2021, the Group Risk Report was reviewed with the Board of Directors at the March 2022 board meeting.



## Risk Radar and Mitigation Actions at the End of Financial Year 2021

Amongst the top material risks on the Company's risk radar are Supply Chain, Inflation, Quality Management, IT Security & Computer Crime and Portfolio & Technology Competitiveness. In addition to the risks described below, the Company is closely monitoring global geo-political risks. The following overview describes these risks in more detail and shows mitigation actions implemented by Landis+Gyr.

### Exposure to component market shortages, limited capabilities of suppliers, extended lead times and increased freight rates

- Identify and qualify alternative sources and purchase certain (critical) components from multiple suppliers
- Maintain an inventory of important components
- Maintain close collaboration with contract manufacturers

### Financial risk caused by inflation

- Review and adapt pricing strategy
- Negotiation on materials and components procurement
- Operational excellence measures to improve cost base

### Potential failure of suppliers and contract manufacturers or inadequate processes to meet quality requirements

- Global standardized supplier management process
- Global Zero-Defect Quality Initiative
- Adopted quality management system standard from the automotive industry

### Cyberattack or product hacking

- Execute and enhance control frameworks to identify, track and remediate security vulnerabilities

### Portfolio gaps, offerings alignment to customer needs and ensuring competitiveness

- Significant investments in new product development in all three growth platforms
- Systematic build / buy / partner evaluation to optimize resources and align time to market
- Continually develop and introduce new products, e.g., next-generation electricity metering
- Extend the gas and water portfolio and strengthen the partner program to develop new offerings

For further information on risk management is provided in the Corporate Governance Report, page 17/18 or the Financial Report on page 48.

# Sustainability

Landis+Gyr creates a greener tomorrow through leading technology in Smart Metering, Grid Edge Intelligence and Smart Infrastructure. For more than 125 years, the Company has empowered customers and consumers to utilize resources in a more informed and sustainable way and reduce their carbon footprint.

Sustainability is part of Landis+Gyr’s DNA, expressed in Sustainable Impact being one of its company-wide shared values and representing 20% of the Company’s short-term incentive targets. Landis+Gyr is proud to be a part of the global effort to decarbonize the grid. Following last year’s announcement to become carbon neutral by 2030 for scope 1 and 2, Landis+Gyr has joined the Science Based Targets initiative.

The Company is proud of its achievements and convinced that it is driving the right priorities to continue to support sustainable resource management all over the world. Landis+Gyr continues to be fully committed to the principles defined in the UN Global Compact as the foundation of its efforts to establish a culture of integrity and to act responsibly – today and tomorrow.

With this Annual Report, Landis+Gyr provides an outlook on the material topics, ambitions and actions for the next ESG Cycle, starting in the financial year 2022. At the same time, the Company publishes the achievements in its last financial year, as well as the overall ESG cycle from FY 2019–2021 which has now been concluded. While this chapter provides an overview of Landis+Gyr’s ESG strategy and activities, the Sustainability Report offers a more detailed perspective.



Reporting according to GRI core since 2020



Joined in January 2020



In 2021, 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



In 2022, ESG Risk Rating of 10.7 (Low Risk)



Recognized as one of 300 European Climate Leaders by FT-Statista

## Carbon Neutral by 2030 (for scope 1 and 2)

Direct CO<sub>2</sub> emissions avoided

**9.05 million tons**

CO<sub>2</sub> emissions avoided through Landis+Gyr’s installed Smart Metering base in FY 2021\*



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

Direct CO<sub>2</sub> emissions from Landis+Gyr operations

**0.60 kg**

CO<sub>2</sub> per USD 100 turnover\*



\*turnover as reported in the Financial Report, covering recent acquisitions

Reduction of Landis+Gyr resources in FY 2021 compared to FY 2020



**Material Topics and Outlook ESG Cycle FY 2022–24**

The materiality assessment is fundamental to Landis+Gyr’s ESG strategy. As a global energy management solutions leader, Landis+Gyr focuses on its resources and efforts related to the most strategic ESG areas and topics. The materiality assessment conducted in FY 2021 confirmed Landis+Gyr’s strategic positioning and ESG approach.

The topics ‘Security and Data Privacy’, ‘Business Integrity’, ‘Energy Efficiency’, ‘Climate Protection’ and ‘Employee Engagement’ continue to be the most crucial topics for the Company’s most relevant stakeholders. In addition, the relevance of the material topics ‘Strategic Responsible Sourcing’ and ‘Resource Efficiency’ has increased over the last three years.

Landis+Gyr wants to focus its resources and efforts on the topics that are considered most strategic to its business and offer the greatest potential in terms of impact. This updated materiality assessment resulted in a final list of 10 material topics for the next ESG cycle from FY 2022 to 2024.

**Material Topic**

**Energy Efficiency and Climate Protection**

**Resource Efficiency**

**Strategic Responsible Sourcing**

**Occupational Health and Safety**

**Employee Engagement**

**Fair Labor Practices**

**Community Engagement**

**Product Social Impact**

**Security and Data Privacy**

**Business Integrity and Fair Taxes**

**SDGs**



**Long-term ambition**

Attain carbon neutrality in Landis+Gyr’s operations (Scope 1 & 2) by 2030 and enable grid decarbonization through its product offerings.

Aim for zero-waste, increased product recycling and higher utilization of sustainable materials through the application of circular economy principles.

Be recognized as an industry leader in responsible sourcing.

Establish a global no-blame culture focused on improvement and involving everyone in the proactive identification, reporting and mitigation of OHS-related work hazards.

Be recognized as employer of choice, with a positive working environment in which employees are engaged and empowered in line with Landis+Gyr’s shared values.

Create, nurture, and sustain a culture of diversity, equity and inclusion within Landis+Gyr’s workplace to maximize its potential as business and as individual members of society.

Act as a responsible corporate citizen, who leverages company resources to bring prosperity and enhance quality of life in the communities where it operates and beyond.

Deliver solutions which create value to society while supporting customers’ carbon reduction and consumer engagement goals.

Ensure security and privacy are central to Landis+Gyr’s current and future products, services and culture.

Maintain an undisputed reputation as a trusted and reliable partner by customers and other priority stakeholders.

- Environmental
- Social
- Governance

**Material Topics and Achievements**  
**ESG Cycle FY 2019–21**

The last materiality assessment was performed in the financial year 2018, where a total of 9 material topics have been identified as most relevant for Landis+Gyr’s ESG cycle from FY 2019 to 2021, the Company’s business and its stakeholders. The topics were ranked by level of stakeholder concern and potential impact on the Company. More than 70 activity items were defined and have been implemented along with a central global roadmap.

In FY 2021, Landis+Gyr’s global Smart Metering base ensured the avoidance of 9.05 million tons of CO<sub>2</sub> emissions. At the same time, the percentage of products shipped as part of the Company’s Eco-Portfolio remained stable at 74%.

In the past financial year, Landis+Gyr was able to increase its portion of renewable electricity by 30 percentage points and further reduce the amount of its CO<sub>2</sub> emissions (–0.37 kg) per 100 USD turnover, water usage (–3.8 m<sup>3</sup>) per employee and proportion of waste to landfill (–0.11%).

In addition, the Company reduced its lost time incidents frequency rate, increased the average hours of training for employees and the percentage of suppliers who signed Landis+Gyr’s Supplier Code of Conduct and green procurement policy. In the area of governance, Landis+Gyr updated its Anti-Bribery & Corruption Policy and ensured that 100% of the relevant employees have completed the anti-corruption training.

**Material Topic**

Energy Efficiency & Climate Protection

Resource Efficiency

Strategic Responsible Sourcing

Occupational Health and Safety

Employee Motivation

Fair Labor Practices

Community Engagement

Security & Data Privacy

Business Integrity

**SDGs**



**Achievements Cycle**

■ Environmental  
■ Social  
■ Governance



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# Share Information

## Key Stock Exchange Figures

	FY 2021 (1.4.21–31.3.22)	FY 2020 (1.4.20–31.3.21)
Share price period end (CHF)	58.70	63.60
Share price high (CHF)	74.50	79.70
Share price low (CHF)	55.60	48.44
Market capitalization period end (excl. Treasury shares, CHF million)	1,693	1,833
Average daily trading volume on SIX Exchange (number of shares) <sup>1)</sup>	82,226	152,056
Number of issued shares	28,908,944	28,908,944
Number of treasury shares (period end)	74,344	81,777
Nominal value per share (CHF)	10.00	10.00

1) Data source: SIX Swiss Exchange

## Key Per Share Figures

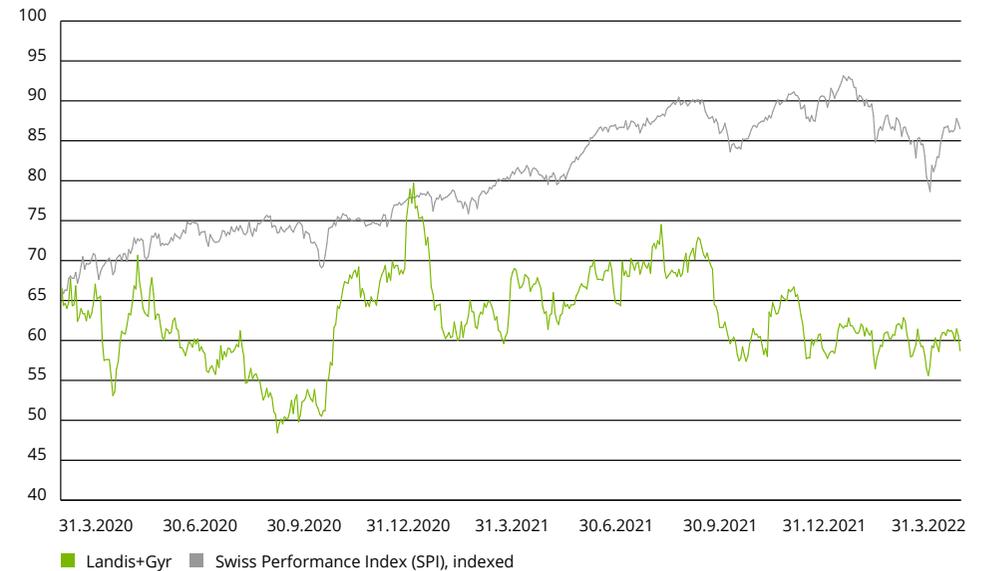
	FY 2021 (1.4.21–31.3.22)	FY 2020 (1.4.20–31.3.21)
Earnings per share – basic and diluted (USD)	2.59	(13.61)
Dividend per share (CHF)	2.15	2.10

## Shareholder Structure

As of March 31, 2022, 9,561 shareholders were entered in the share register. The following shareholders held 3% or more of the outstanding share capital of Landis+Gyr Group AG.

	Number of Shares	% of share capital
KIRKBI Invest A/S, Denmark	4,445,265	15.38%
Rudolf Maag, Switzerland	3,000,000	10.38%
PGGM Vermogensbeheer B.V., The Netherlands	890,700	3.08%

## Share Price Performance Landis+Gyr Group AG



## Landis+Gyr Group AG Registered Shares

Listing	SIX Swiss Stock Exchange (International Reporting Standard)
Ticker	LAND
Bloomberg Symbol	LAND SW
Reuters Symbol	LANDI.S
ISIN	CH0371153492
Valor Number	37115349
Indices	SPI, SPI ESG, SPI ESG Select, SPI EXTRA, SPI ex SLI, Swiss All Share Index, UBS 100 Index, Ethos Swiss Corporate Governance Index
Accounting Standard	US GAAP

## Corporate Calendar

Annual General Meeting 2022	June 24, 2022
Dividend Payment Date	June 30, 2022
Publication of Half Year Results 2021	October 27, 2022
Release of Results for Financial Year 2022	May 1, 2023

# Contacts

## Information Policy

The Landis+Gyr Group maintains an open dialog with all internal and external stakeholders. The information policy is based on consistent, effective, open, honest and timely communication. Matters affecting the share price are published immediately in accordance with the ad-hoc publicity rules of the SIX Swiss Exchange.

## Contact Investor Relations and Corporate Communications

Eva Borowski  
Senior Vice President  
Investor Relations & Corporate Communications  
Phone: +41 41 935 63 96  
Email: eva.borowski@landisgyr.com

Christian Waelti  
Head of Investor Relations  
Phone: +41 41 935 63 31  
Email: christian.waelti@landisgyr.com  
Team: ir@landisgyr.com

Melissa van Anraad  
Head of PR  
Phone: +41 41 935 63 98  
Email: melissa.vananraad@landisgyr.com  
Team: pr@landisgyr.com

Contact Share Register  
Devigus Shareholder Services  
Birkenstrasse 47  
6343 Rotkreuz, Switzerland  
Phone: +41 41 798 48 33  
Email: Landisgyr@devigus.com

## Global Contacts

Group Headquarters  
Landis+Gyr Group AG  
Alte Steinhauserstrasse 18  
CH-6330 Cham  
Switzerland

## AMERICAS

Regional Headquarters  
Landis+Gyr Technology Inc.  
30000 Mill Creek Ave., Suite 100  
Alpharetta, GA 30022, USA

## USA

Landis+Gyr Technology Inc.  
30000 Mill Creek Ave., Suite 100  
Alpharetta, GA 30022, USA

## Brazil

Landis+Gyr Equip. de Medição Ltda.  
Rua Hasdrubal Bellegard,  
400 81460-120 Curitiba Paraná

## Japan

Landis & Gyr Japan KK  
KK Level 3  
Ginza Mitsui Building 8-13-1  
Ginza Chuo-ku  
Tokyo 104-0061

## Mexico

Landis+Gyr S.A. de C.V.  
Avenida Mike Allen 1221 Edif 1  
Parque Industrial Reynosa Seccion  
Norte  
Reynosa, Tamaulipas  
México C.P. 88788

## EMEA

Regional Headquarters  
Landis+Gyr AG  
Alte Steinhauserstrasse 18  
CH-6330 Cham  
Switzerland

## Austria

Landis+Gyr GmbH  
Altmannsdorfer Strasse 76  
A-1120 Wien

## Belgium

Landis+Gyr N.V.  
Guido Gezellestraat 121  
B-1654 Beersel/Huizingen

## Czech Republic

Landis+Gyr s.r.o.  
Plzenská 5a, c.p. 3185  
CZ-150 00, Praha 5

## Denmark

Landis+Gyr  
(Subsidiary of Landis+Gyr Oy)  
Skovlytoften 33  
Øverød  
DK-2840 Holte

True Energy A/S  
A Landis+Gyr Company  
Agern Alle 5A  
2970 Hørsholm

## Finland

Landis+Gyr Oy  
Paperitehtaankatu 9  
FI-40100 Jyväskylä

## France

Landis+Gyr S.A.S.  
77-81 Bd. de la République  
F-92250 La Garenne Colombes

## Germany

Landis+Gyr GmbH  
Humboldtstrasse 64  
D-90459 Nürnberg

Rhebo GmbH  
A Landis+Gyr Company  
Halle 6, 2. OG  
Spinnereistr. 7  
D-04179 Leipzig

## Greece

Landis+Gyr A.E.  
78 km National Road  
Athens-Corinth  
P.O. Box 207 GR-20100 Corinth

## Italy

Landis+Gyr S.p.A  
Via Mazzini 3/A  
20063 Cernusco Sul Naviglio  
Milano

## Netherlands

Landis+Gyr B.V.  
Tielweg 10  
2803 PK Gouda

## Poland

Landis+Gyr Sp. z o.o.  
Al. Jerozolimskie 212  
02-486 Warszawa

## Slovakia

Landis+Gyr s.r.o.  
Mlynske Nivy 43  
821 09 Bratislava

## Slovenia

Landis+Gyr d.o.o.  
Poslovna cona A 2  
SI-4208 ŠENČUR

ETREL d.o.o.  
A Landis+Gyr Company  
Pod jelšami 6  
SI-1290 Grosuplje

## South Africa

Landis+Gyr (Pty) Ltd.  
2 Slate Avenue, N1  
Business Park  
Kosmosdal Ext. 7  
Gauteng

## Spain

Landis+Gyr S.A.U.  
Carretera de la Esclusa, 11  
Edificio Galia Puerto  
E-41011 Sevilla

## Sweden

Landis+Gyr  
(Subsidiary of Landis+Gyr Oy)  
Frösundaleden 2B  
169 70 Solna

## Switzerland

Landis+Gyr AG  
Alte Steinhauserstrasse 18  
6330 Cham

## Turkey

Luna Elektrik Elektronik  
Sanayi ve Ticaret A.S.  
A Landis+Gyr Company  
10001. Sk. No:9, 35620  
Aosb/Çiğli/İzmir

## United Kingdom

Landis+Gyr Ltd.  
The Landing  
Trident Business Park  
Styal Road  
Manchester, M22 5XB UK

Landis+Gyr Ltd.  
Lake House  
Flaxley Road  
Kingston Park  
Peterborough, PE2 9FT UK

## ASIA PACIFIC

Regional Headquarters  
Landis & Gyr Pty Ltd.  
Level 10, 241 O'Riordan Street  
Mascot NSW 2020  
PO Box 6274  
South Sydney Business Hub NSW  
2015  
Sydney, Australia

## Australia

Landis & Gyr Pty Ltd.  
Level 10, 241 O'Riordan Street  
Mascot NSW 2020  
PO Box 6274  
South Sydney Business Hub NSW  
2015  
Sydney, Australia

## China

Landis+Gyr Meters & System  
(Zhuhai) Co. Ltd.  
No.12 Pingdong 3RD  
Nanping Industry Community  
Zhuhai City, Guangdong,  
519060 P.R. China

## Hong Kong

Landis & Gyr Ltd.  
1501-2 Laford Centre  
838 Lai Chi Kok Road  
Kowloon

## India

Landis+Gyr Ltd.,  
Diamond Harbour Road,  
District: South 24 Parganas  
Joka, West Bengal – 700104

## New Zealand

Landis & Gyr Ltd.  
4F Piermark Drive  
Albany 0632  
PO Box 302205  
North Harbour  
Auckland 0751, New Zealand

## Singapore

Landis+Gyr Pte. Ltd.  
229 Mountbatten Road #02-05  
Mountbatten Square  
Singapore 398007

**© Landis+Gyr Group AG**

This Annual Report includes forward-looking information and statements, including statements concerning the outlook for Landis+Gyr Group AG's 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.

All forward-looking statements are based only on data available to Landis+Gyr at the time of preparation of this Annual Report. Landis+Gyr does not undertake any obligation to update any forward-looking statements contained in this Annual Report as a result of new information, future events or otherwise.

There are numerous risks, uncertainties and other factors, many of which are beyond Landis+Gyr's control, that could cause Landis+Gyr's actual results to differ materially from the forward-looking information and statements made in this report 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 and potential after-effects 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, any of 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, unrests and/or wars; 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 such other such factors as may be discussed from time to time in Landis+Gyr Group AG filings with the SIX Swiss Exchange.

Although Landis+Gyr Group AG 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.