

# CFA Institute Research Challenge

October 11, 2018 - Zurich

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This presentation includes forward-looking information and statements including statements concerning the outlook for our businesses. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, and the economic conditions of the regions and industries that are major markets for Landis+Gyr Group AG. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans,” “outlook” or similar expressions.

There are numerous risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this presentation and which could affect our ability to achieve any or all of our stated targets. The important factors that could cause such differences include, among others:

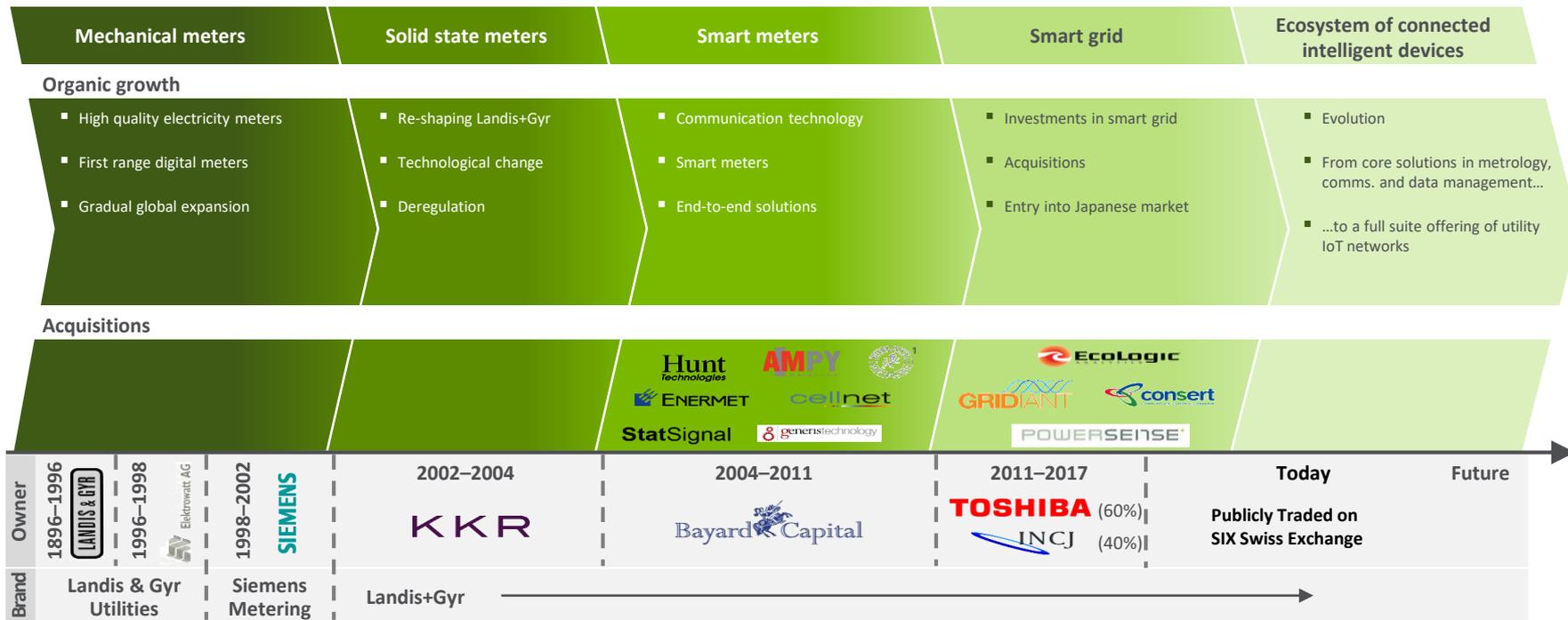
- business risks associated with the volatile global economic environment and political conditions
- costs associated with compliance activities
- market acceptance of new products and services
- changes in governmental regulations and currency exchange rates,
- estimates of future warranty claims and expenses and sufficiency of accruals and
- such other 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.

This presentation contains non-GAAP measures of performance. Definitions of these measures and reconciliations between these measures and their US GAAP counterparts can be found in the ‘Supplemental reconciliations and definitions’ section in our Annual Report 2017 on our website at [www.landisgyr.com/investors](http://www.landisgyr.com/investors).

# Section 1: Landis+Gyr Company Highlights

# 120 years of service to utility customers



<sup>1</sup> Ampy Email Metering was acquired by Bayard in 2003 and later merged with Landis+Gyr

## Global leader in Smart Metering and Smart Grid solutions



Over **80 million** smart grid connected intelligent devices deployed



**120** Years of service to **customers** as a trusted partner to utilities



Serving **3,500+** utilities worldwide



Nearly **USD 1 billion** of self-funded R&D investment since 2011



Headquartered in **Switzerland** with offices in 30+ countries worldwide

## The global #1 provider of smart metering solutions to utilities



The largest installed base with **300+ million** devices globally



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



More than **20 million** meter reads delivered every day under cloud services

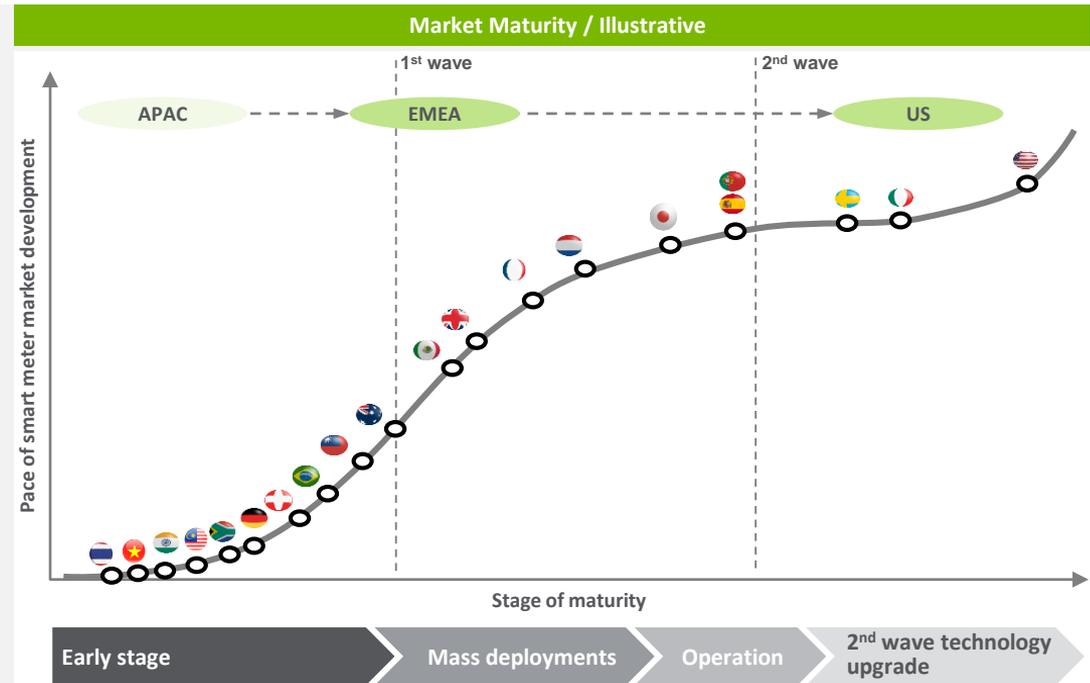
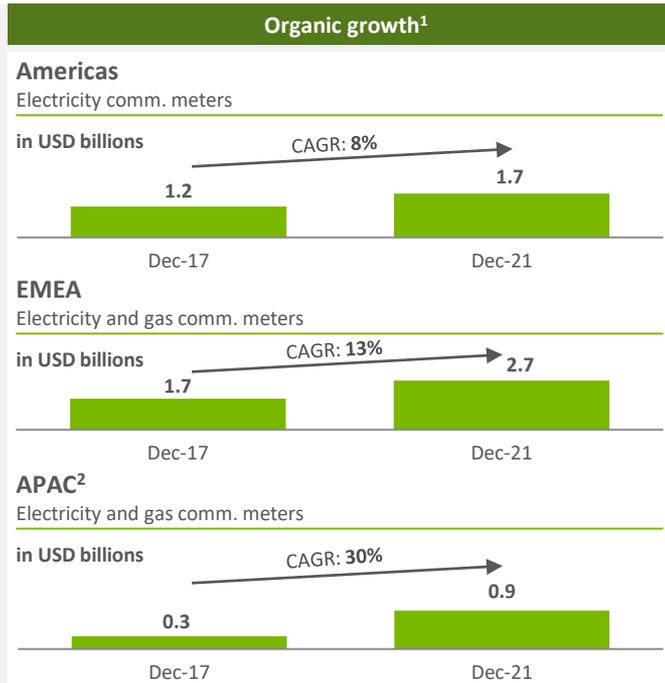


**Stable recurring revenue** from managed services and meter replacement



**Strong cash flow generation**

# Global growing smart metering and smart grid solutions market...



<sup>1</sup> IHS Markit (edition 2018)

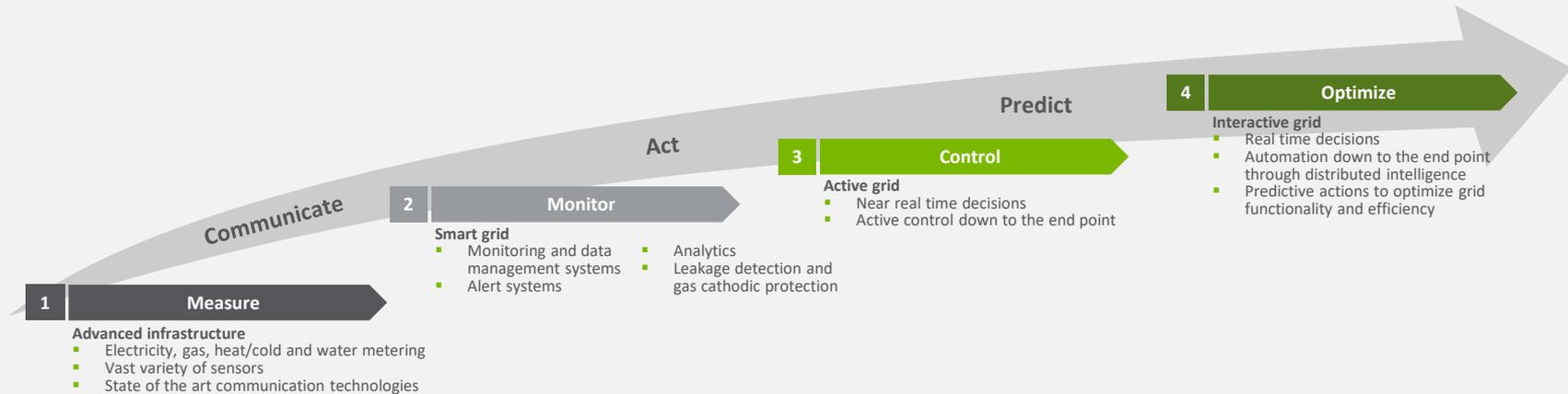
Source: IHS Markit, Frost & Sullivan, Berg Insight and company information

<sup>2</sup> Frost & Sullivan (edition 2017), Excl. China and Japan

Exceptionally well positioned for future growth

# .... to enable utility journey towards the interactive grid

## Utility industry transformation roadmap:



## Landis+Gyr's future proof technologies:



Global leader in smart metering and AMI communication networks

Industry leading software suite to operate, supervise and analyze utility distribution networks

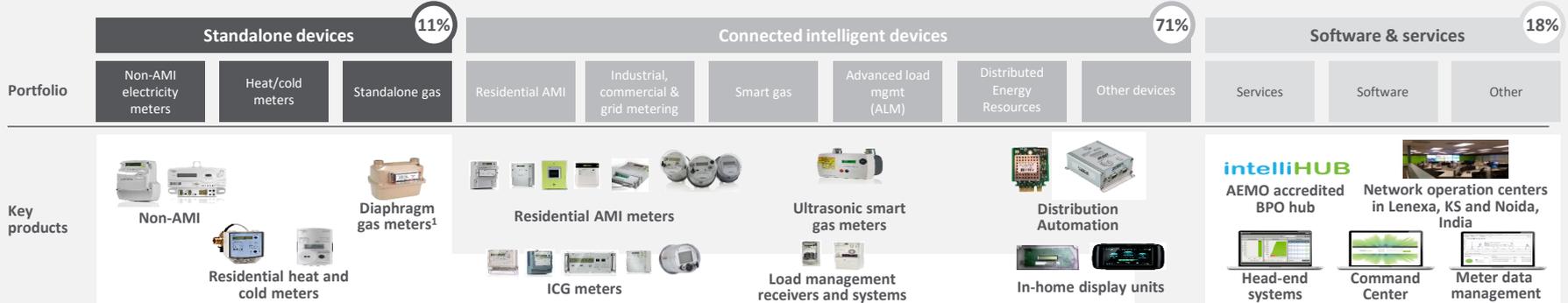
Multiple technology, open standard-based 2-way network to the grid edge enables visibility and ability to control renewable/distributed energy sources in near real time

Next generation network will allow for peer to peer communications, IoT, distributed intelligence and applications, with computing power at the grid edge in real time

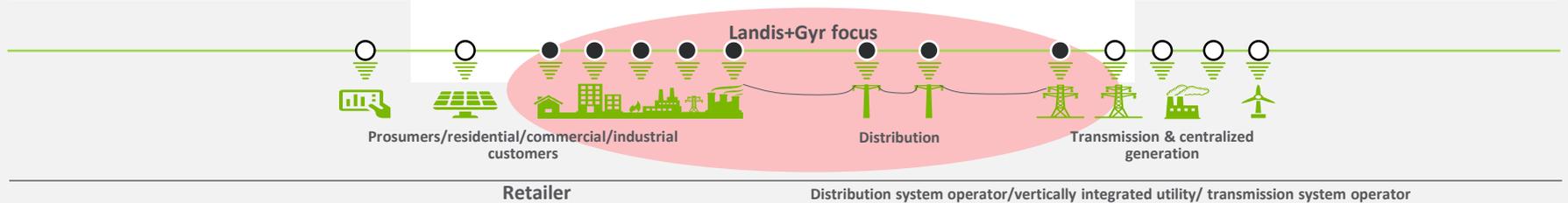
**AMI technology is on the cusp of enabling an interactive grid**

# Best-in-class portfolio of end-to-end solutions

## Broad solutions offering...



## ...across the value chain



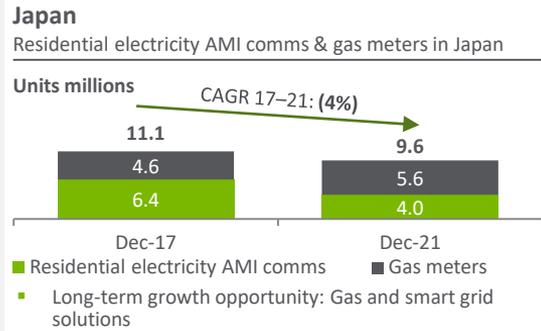
○ % of sales Mar-18

<sup>1</sup> Built and sold only in Australia and New Zealand

## Section 2: Market Overview

# Attractive long term growth potential for L+G in Americas

L+G Installed base



## North America

Communicating electricity meters in NAM

- Current growth driver: 2nd wave deployments, smart grid solutions



- Long-term growth opportunity: smart grid solution oriented utilities, increased penetration

## Latin America

Communicating electricity meters in LAM

USD billions



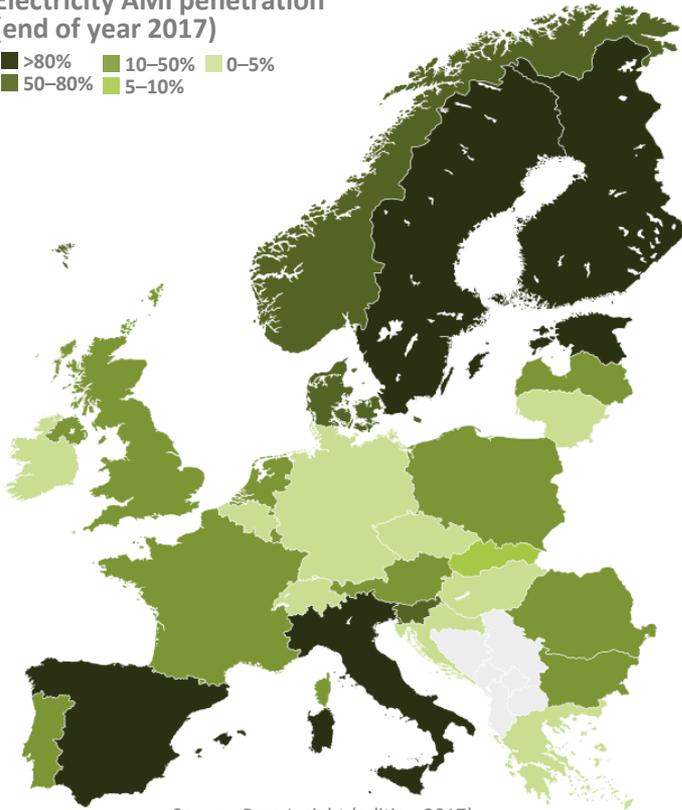
- Long-term growth opportunity: continued penetration of AMI

Source: Company information, IHS Markit (edition 2017)

**Leverage installed base to grow smart grid solutions business through 2021 and beyond**

# EMEA growth driven by AMI penetration...

## Electricity AMI penetration (end of year 2017)



Source: Berg Insight (edition 2017)

## Electricity AMI Rollout Status end of year 2017, Main European Countries



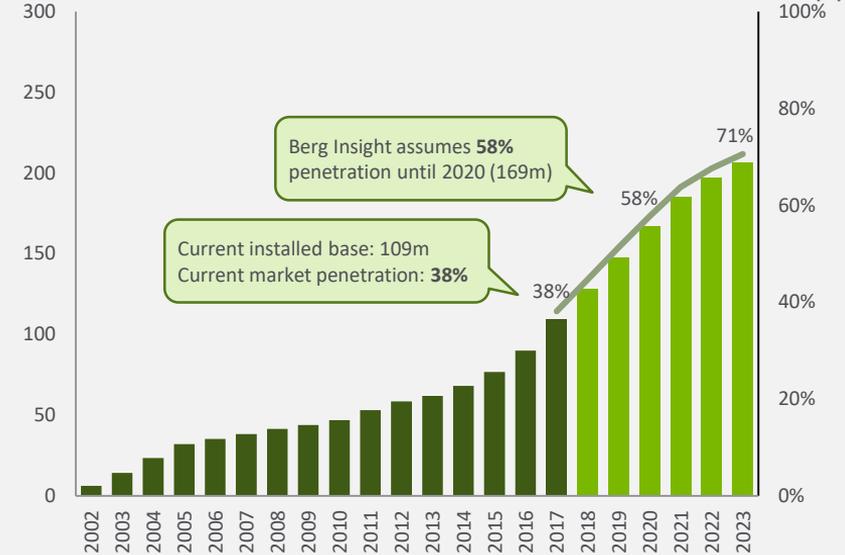
Source: Berg Insight, Frost & Sullivan (edition 2017)

# ...with clear strategic levers and market trends to support longer-term growth

## Smart meters installed base forecasts:

Smart meter installed base

Units millions



Source: Berg Insight (edition 2017)

## Long-term growth drivers:

- Long term goal of remaining market leader for Smart Electricity and Smart gas in major EMEA markets
- Growth opportunity based on three pillars:
  - 1 AMI growth in Germany and CEE
  - 2 Service and upselling opportunities
  - 3 2<sup>nd</sup> wave installed base
- Leverage best practices from NAM on services and software to grow smart grid solutions

Bright future from services and upselling opportunities as well as increasing smart meter penetration and replacement of installed base

# Large untapped AMI potential in APAC to fuel growth in the region

## India

- Expected installed base of 100m meters by 2022
  - Communicating meters represent just 2% of installed base today
- First major AMI contract in India awarded by Tata Power to Landis+Gyr



## China and SEA

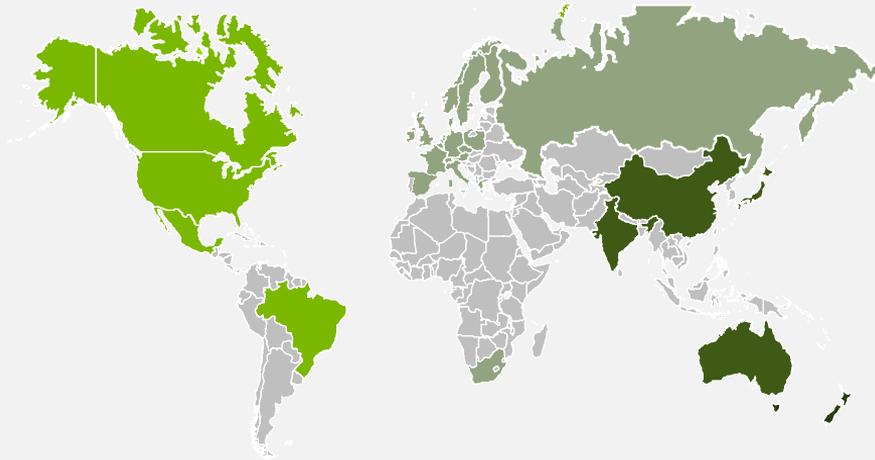
- Expected installed base of c.610m meters by 2022
  - AMR meters to be replaced by AMI meters starting in 2020 at pace of 30-40m per year
- CLP expected to start full roll-out from 2019, up to 2.5m EP

## Australia / New Zealand

- Clear sources of profitable growth **today**
  - intelliHUB to drive reliable managed services revenue stream
  - "Power of Choice" reform slated to start December 2017

## Section 3: FY 2017 Highlights

## Group:



### Overall Group performance for FY2017:

- Sales growth year over year of 4.7% (2.6% in constant currency)
- Adjusted EBITDA stable at USD 212.0 million
- Free cash flow reached USD 87.5 million, up USD 34.4 million compared to FY2016
- Key Group guidance parameters met or exceeded
- Order intake growth of 18.8% (16.0% in constant currency)
- Reported net income improved from a loss of USD 62.6 million to a profit of USD 46.4 million
- The Board of Directors proposes a dividend of CHF 2.30 per share (USD 71 million at year end FX rate), 81% of free cash flow



- Good order intake and overall financial performance driven by US AMI business
- Continued market penetration in US Public Power market and extension of key customer contracts
- Launched Gridstream Connect, Landis+Gyr's flexible utility IoT platform



- Major AMI deployments in the UK, the Netherlands and France continue with strong momentum
- Industry wide supply chain constraints dampened second half
- Good results from restructuring program (Project Phoenix) and increased savings expected from Project Lightfoot (USD 25 million)
- Gross profit recovery delayed with further work to be done on product costs to ensure sustainable margins



- Major AMI deployments with CLP, Hong Kong on track
- Deployment commenced at Tata Power, India
- Power of Choice regulatory change came into effect in Australia but market take-up is slow

# Consolidated results – Full-Year to March 2018 (FY2017)

USD in millions (except per share amounts)	FY2017	FY2016	Change
Order Intake	1'574.4	1'325.5	18.8%
Change in constant currency			16.0%
Committed Backlog	2'389.0	2'491.4	(4.1%)
Net revenue	1'737.8	1'659.2	4.7%
Change in constant currency			2.6%
Gross Profit (before depreciation and amortization)	563.7	595.5	(5.3%)
Adjusted Gross Profit	597.3	620.2	(3.7%)
EBITDA	145.1	150.8	(3.8%)
Adjusted EBITDA	212.0	212.0	0.0%
Net income attributable to Landis+Gyr Group AG Shareholders	46.4	(62.6)	n/a
Earnings per share - basic and diluted (in USD)	1.57	(2.12)	n/a
Cash provided by (used in) operating activities	124.7	95.3 <sup>a</sup>	30.8%
Free cash flow	87.5	53.1	64.8%
Net debt	40.5	126.8	(68.1%)

- At constant currencies, order intake grew by 16.0% and revenue by 2.6%
- Adjusted EBITDA stable at USD 212.0 million
- Net income turned from loss of USD 62.6 million to profit of USD 46.4 million
- Free cashflow increased by 65% to USD 87.5 million

<sup>a</sup> Includes foreign exchange items on intercompany loans that are included under net cash provided by operating activities in the Consolidated Statement of Cash Flows, but classified as financing activities in the Group's Free Cash Flow.

## Solid revenue, Adjusted EBITDA and cash flow performance

# Adjustments to EBITDA – FY2017

USD in millions	H1 FY2017	H2 FY2017	FY2017	FY2016	Change
<b>EBITDA</b>	<b>43.1</b>	<b>102.0</b>	<b>145.1</b>	<b>150.8</b>	<b>(3.8%)</b>
Adjustments					
Restructuring Charges	8.1	6.5	14.7	3.8	286.8%
Exceptional Warranty Expenses	2.4	(0.1)	2.4	6.4	(62.5%)
Normalized Warranty Expenses	30.3	(6.1)	24.2	25.2	(3.6%)
Special Items	24.8	0.9	25.6	25.8	(0.8%)
<b>Adjusted EBITDA</b>	<b>108.8</b>	<b>103.3</b>	<b>212.0</b>	<b>212.0</b>	<b>0.0%</b>

## Adjustments FY2017

- Adjustments in H2 FY2017 reduced to USD 1.3 million, net
- Restructuring – Costs mainly associated with the implementation of restructuring programs in EMEA.
- Exceptional Warranty Expenses – All attributed to the X2 capacitor warranty case.
- Normalized Warranty Expenses – The difference between the rolling 3 year average of actual warranty costs incurred and the net P+L warranty expense. In the Americas, in H1 FY2017 we booked a provision of USD 40.9 million in connection with legacy component issues.
- Special Items – Primarily IPO related expenses of USD 24.2 million. Of this amount, USD 9.8 million was funded by the selling shareholders.
- In FY2016 Special Items mainly related to patent litigation and costs associated with a planned acquisition that did not proceed.

USD in millions	FY2017	FY2016	Change
Net income (loss)	46.8	(62.1)	n/a
Depreciation, amortization and FY2016 goodwill impairment	97.3	156.2	(37.7%)
Change in OWC, net	14.1	(10.0)	n/a
Other	(33.6)	11.2	n/a
<b>Net cash provided by operating activities</b>	<b>124.7</b>	<b>95.3<sup>a</sup></b>	<b>30.9%</b>
<i>(incl. Tax payment of)</i>	<i>(45.4)</i>	<i>(41.8)</i>	<i>(8.5%)</i>
<b>Net cash used in investing activities</b>	<b>(37.3)</b>	<b>(42.2)<sup>b</sup></b>	<b>11.7%</b>
<i>(incl. Capex of)</i>	<i>(38.0)</i>	<i>(42.8)</i>	<i>(11.3%)</i>
<b>Free Cash Flow</b>	<b>87.5</b>	<b>53.1</b>	<b>64.8%</b>

<sup>a</sup> Includes foreign exchange items on intercompany loans that are included under net cash provided by operating activities in the Consolidated Statement of Cash Flows, but classified as financing activities in the Group's Free Cash Flow.

<sup>b</sup> Excludes the cash paid for the acquisition of Consort's net assets described under Note 8 of the Consolidated Financial Statements for the year ended March 31, 2017.

**Operating Working Capital**  
management improved by USD 14.1 million despite higher sales

**Capex**  
reduction compared to FY2016 despite higher revenue, consistent with asset light approach

**Other**  
the movement mainly relates to the release of deferred tax positions due to US tax reform

**Improved net income and working capital management led to growth in cash generation**

## FY2018 Outlook:

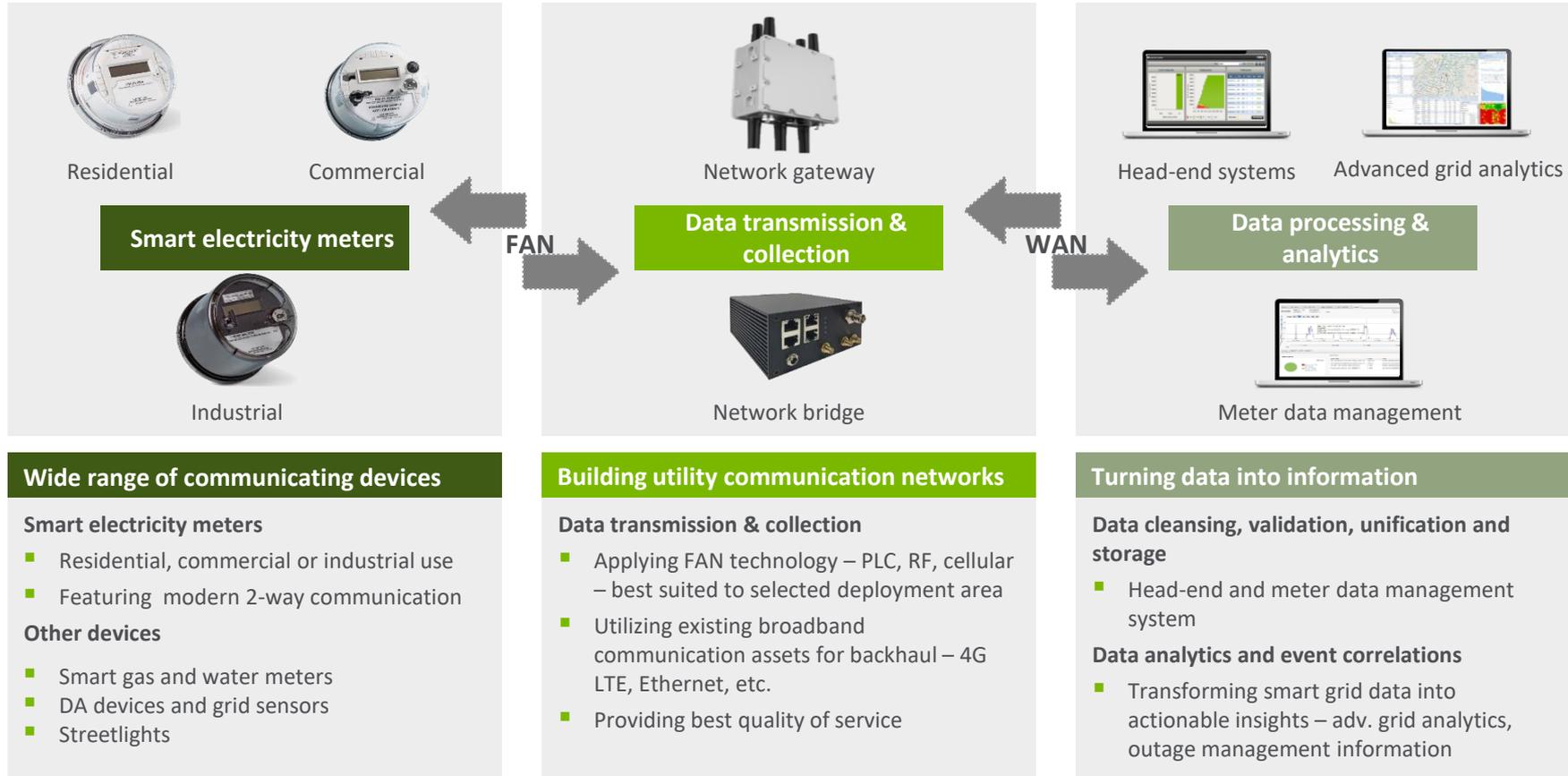
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- Landis+Gyr expects FY2018 sales growth of approximately 3 - 6%.
- Group Adjusted EBITDA expected to be in the range of USD 222 million and USD 232 million.
- Free cash flow<sup>1</sup> between USD 95 million and USD 105 million.
- Given some of the supply chain challenges currently being experienced in the industry and the timing of product cost reductions in EMEA, Landis+Gyr expects the first half of FY2018 to be weaker than the second half.
- Dividend of at least 75% of free cash flow<sup>1</sup> for FY2018

<sup>1</sup> Free cash flow excludes M&A activities

## Section 4: Our Products

# Smart metering systems —an end-to-end solutions helping Utilities improve their business and operations



## Wide range of communicating devices

### Smart electricity meters

- Residential, commercial or industrial use
- Featuring modern 2-way communication

### Other devices

- Smart gas and water meters
- DA devices and grid sensors
- Streetlights

## Building utility communication networks

### Data transmission & collection

- Applying FAN technology – PLC, RF, cellular – best suited to selected deployment area
- Utilizing existing broadband communication assets for backhaul – 4G LTE, Ethernet, etc.
- Providing best quality of service

## Turning data into information

### Data cleansing, validation, unification and storage

- Head-end and meter data management system

### Data analytics and event correlations

- Transforming smart grid data into actionable insights – adv. grid analytics, outage management information

# Wide portfolio a differentiated value proposition

Portfolio

Standalone Devices			Connected Intelligent Devices					Software & Services		
Non-AMI electricity meters	Heat/cold meters	Standalone gas	Residential AMI	Industrial, commercial & grid metering	Smart gas	Advanced load mgmt (ALM)	Other devices	Services	Software	Other

Key products

**Standalone Devices:**

- Non-AMI
- Diaphragm gas meters<sup>1</sup>
- Residential heat and cold meters
- India non-AMI
- Regulators<sup>1</sup>
- District meters
- Flow meters

**Connected Intelligent Devices:**

- EMEA AMI meters
- Ultrasonic smart gas meters
- In-home display units
- EMEA ICG meters
- Load management receivers and systems
- Americas AMI meters
- Comm modules for gas and water
- Americas ICG meters
- Gateways, routers and collectors
- DA products
- ANZ and India AMI meters
- South Africa Prepay meter
- APAC ICG meters
- Advanced load management devices

**Software & Services:**

- intelliHUB
- AEMO accredited BPO\* hub
- Accredited Network operation centers
- Head-end systems
- Command Center
- Meter data management
- PowerCenter VPP
- Advanced grid analytics
- Managed services
- SaaS
- Load management systems

## E450 Linky – Facilitating energy transition in France



**State-of-the-art future-proof smart meter developed for ERDF and the French market that enables accurate consumption based energy profiling, optimized load control and demand response as well as higher consumer engagement.**

- Enables renewable energy integration to the grid and EV loading management
- Ensures secured access to consumption data helping the customer to better understand his energy consumption
- Manages household equipment and helps reducing both consumption and budget
- A simple and unique system to facilitate demand response



## E470 SMETS - Flexible smart metering offering for the UK



**Advanced Smart Electricity Meter designed to meet UK Regulatory and Industry Specifications build off proven reliable L+G technology**

- Aligned to the UK Smart Metering Equipment Technical Specifications (SMETS)
- Future proof – OTA field upgradeable, flexible tariffing, provisioning for Communication Hub (ICHIS)
- Supports Credit and Prepayment accounting modes
- Load Limiting capabilities
- Voltage quality measurements for network operators
- Open and interoperable – DLMS and ZigBee Smart Energy Profile
- Integrated Home Area Network Communications

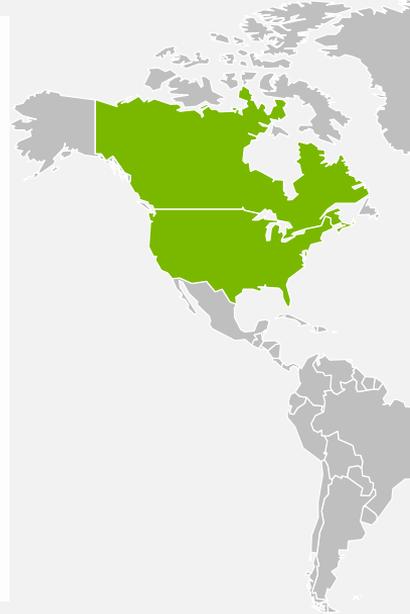


## E350 Focus AX-SD – The No.1 Residential Smart Meter in North America



Landis+Gyr's third-generation design with field-proven reliability as the answer to today's evolving utility requirements in North America

- Most advanced cam-driven 200A switch design to withstand 10K cycles at full rated current
- Prepay ready
- Power quality data (sag/swell)
- Magnetic/DC presence detection
- Surpasses ANSI requirements for surge protection and meter accuracy
- Advanced over-the-air-flashable firmware upgrades without loss of billing or configuration data
- Versatile communications – RF, PLC, cellular



## Network gateway



Enabling community intelligence at the edge of the grid with support for multiple communications technologies and field data center processing capabilities

### Communications gateway

- Multiple radio options – RF, LTE-M, LoRa, WiMAX, WiFi, etc.

### Local server for distributed apps

- Linux-based platform with edge computing
- Distributed data processing lowers cost of data sharing and networking

### Battery-backed routing

- Up to 14 hours backup battery during outage scenarios

### Ruggedized and locations aware

- Ruggedized IP-67 rated case with door tamper alarm
- GPS for location based services

## Network bridge



Connect new and legacy DA equipment with RF Mesh while simultaneously providing high-speed/low-latency capabilities

### Communications options

- Multiple radio options - RF, LTE-M, LoRa, WiMAX, WiFi, etc.

### Edge enablement

- 2x serial ports plus 2x Ethernet ports for maximum interface flexibility

### Configurable, upgradable and serviceable

- On-board Linux-based processor provides distributed computing platform
- Configurable as a collector in an RF Mesh network

## Network node



Bring any sensor into the Wi-SUN compliant, IPv6-based Landis+Gyr network with the small RF Mesh node

### Easy integration with IoT sensors

- 1.5in x 1.5in size allows for deep integration into sensor modules
- Configurable output power

### Connect any sensor

- Node connects via standard off-the-shelf edge connector (e.g. street lighting, EV charging stations, parking sensors, environmental sensors etc.)

### Edge computing platform

- Extendable with Intelligent Carrier Board – an on-board microprocessor and additional memory capabilities enabling to write your own apps at the edge

# Gridstream - Serving Utility Billing & Customer Care and Network Planning & Operations teams



Billing & Customer Care

## Meter Data Management [MDM]:

- Continuous meter to cash support through data validation, estimation & editing
- Data unification & data repository
- Revenue protection



Network Planning & Operations



## Advanced Grid Analytics [AGA]:

- Harnessing the power of physics based analytics
- Asset loading & lifetime optimization
- Reliability planning & justification of investments



HES

## Head End System [HES]:

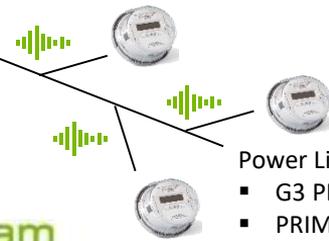
- Datcollection
- Communication a network management
- Device management

Public or Private WAN:

- Cellular [3G, LTE]
- Fiber

Radio Frequency Communications [RF]:

- RF mesh
- RF mesh IP
- WISUN



Power Line Carrier Communications [PLC]:

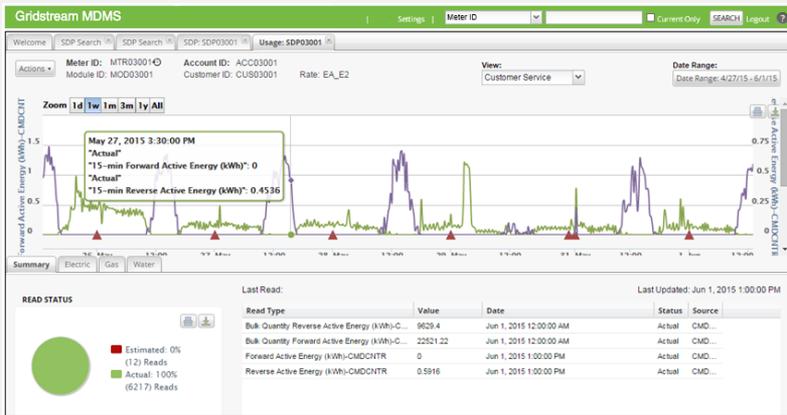
- G3 PLC
- PRIME
- PLX



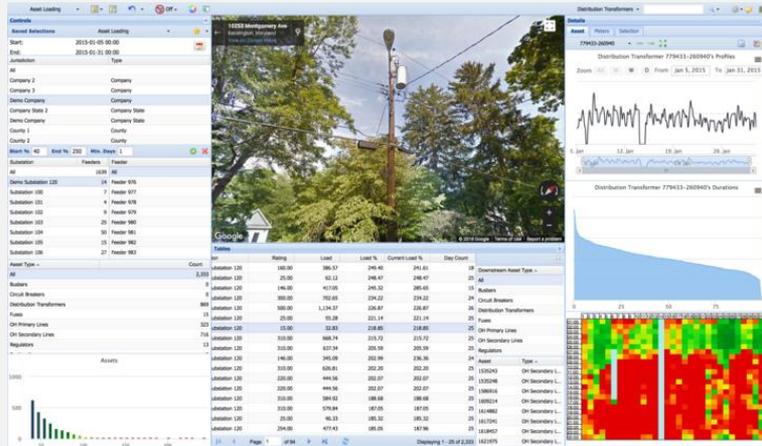
## Meter Data Management– Data management, processing and unification

**MDM is the unifying integration point and system of record for consolidation, analysis, validation and normalization of metering data:**

- Continuous Data Validation & Estimation - every read from every meter every day
- Data validation Auditing, Automated Analysis, Correlations and Actions
- Interoperability - standards based and certified business solution
- Unprecedented scalability in performance and storage - +60M licensed endpoints, billions of reads daily
- Transactional Velocity – real-time, mission-critical data for automated decision making



## Advanced Grid Analytics –Driving convergence of Utility IT & OT



AGA with its unique combination of physics-based and statistical analysis helps Utilities based on smart meter data to:

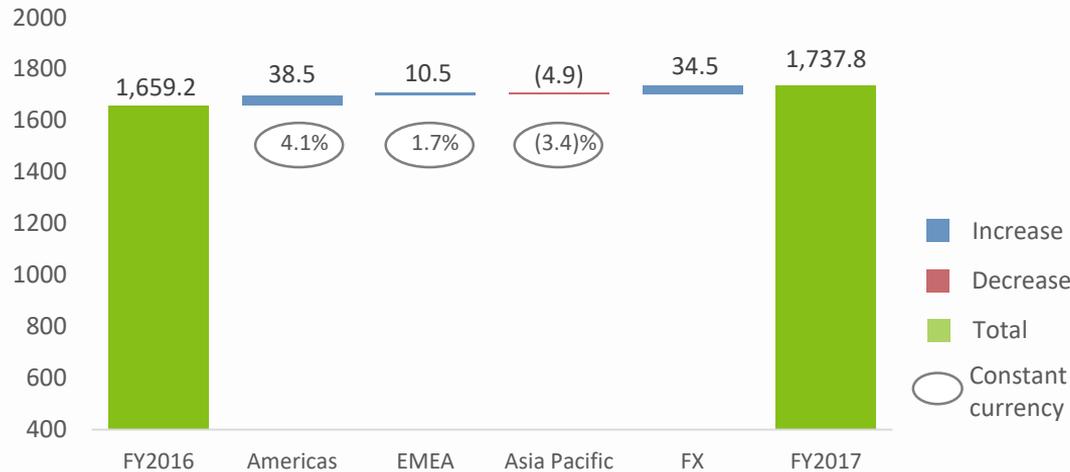
- Predict and improve asset life
- Understand the impact of Distributed Energy Resources (DER)
- Analyze system losses
- Improve reliability by enabling engineering, planning, operations and asset management groups
- Restore, Predict & Prevent outages

# Appendix 1: Supplementary Materials

# Net revenue year-over-year bridge – FY2017

## Net revenue year-over-year bridge:

USD in millions



### Americas

Driven by strong US AMI sales offsetting an expected decline in Japan revenues and supply chain shortages.

### EMEA

Industry wide supply chain shortages limited growth in AMI deployments.

### Asia Pacific

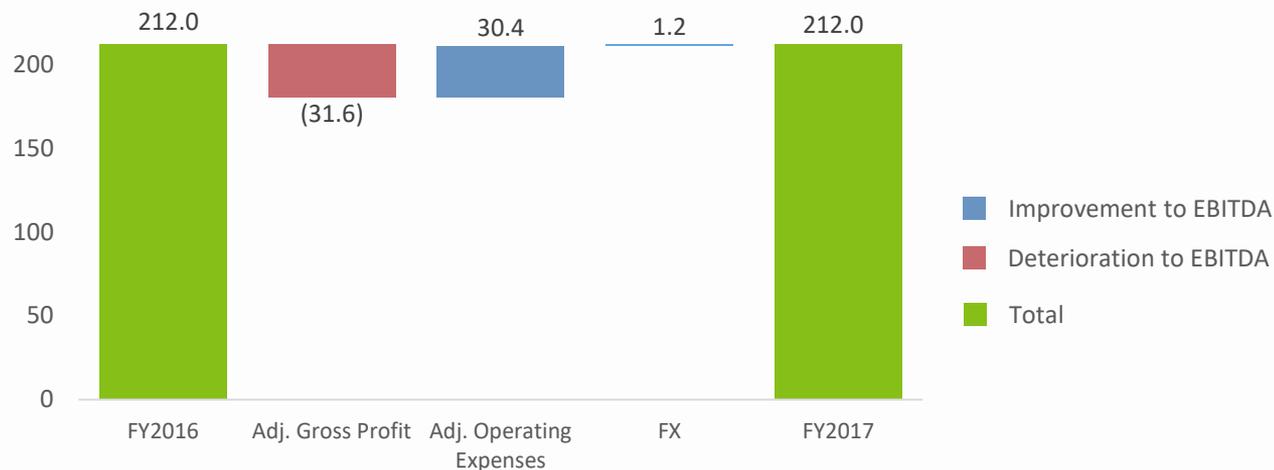
Revenue decline due to Power of Choice regulatory change in Australia

Revenue grew in Americas and EMEA, dampened by industry wide supply chain constraints

# Adjusted EBITDA year-over-year bridge – FY2017

## Adjusted EBITDA y-o-y bridge:

USD in millions

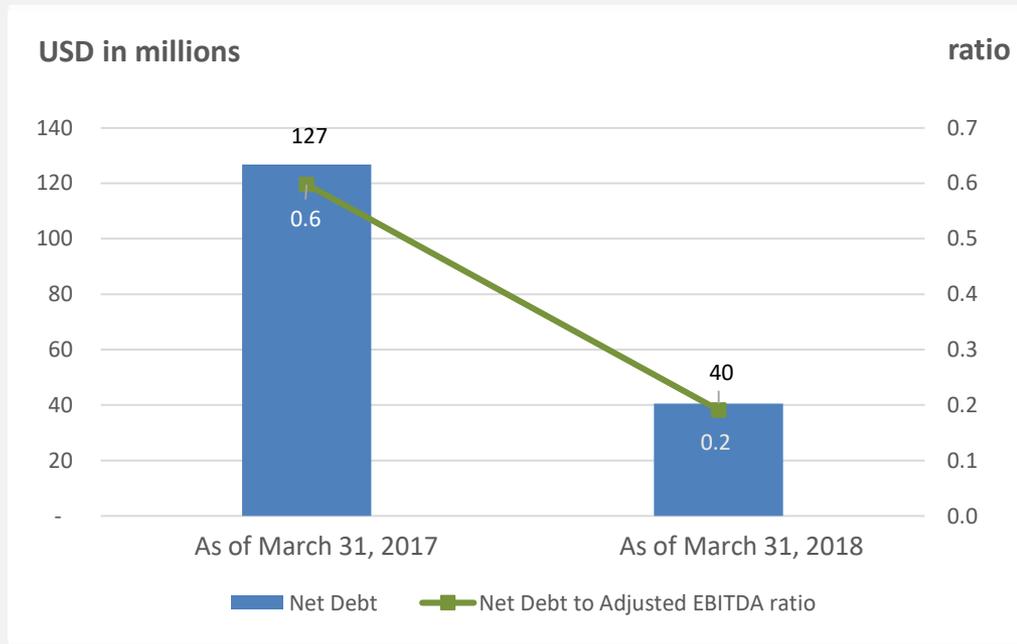


### Adjusted Gross Profit

decline resulted from mix changes in Americas & delays in cost optimized product launches in EMEA.

**Adjusted Operating Expenses** decrease mainly resulted from restructuring program in EMEA (Project Phoenix).

The decline in Adjusted Gross Profit was offset by lower Adjusted Operating Expenses



- Cash generation of USD 87 million reduced net debt to USD 40 million, 0.2 times Adjusted EBITDA
- Bridge loan repaid as new USD 240 million multi-currency line of credit facility put in place
- Dividend payment of c. USD 71 million to be made in July 2018

**Cash generation of USD 87 million reduced net debt**

USD in millions	FY2017	FY2016	Change
Net revenue to external customers	972.2	931.2	4.4%
Change in constant currency			4.1%
Adjusted Gross Profit	409.2	414.0	(1.2%)
Adjusted Gross Profit %	42.1%	44.5%	
Adjusted Operating Expenses	(209.8)	(218.9)	(4.2%)
incl. Group recharges	(35.3)	(32.7)	
Adjusted EBITDA	199.4	195.0	2.3%
Adjusted EBITDA %	20.5%	20.9%	

- Continued strong revenue in core US AMI market offset some expected declines in Japan
- Important agreement signed to help TEPCO leverage their IoT smart metering network in future
- Adjusted Gross Profit lower than FY2016 due to changes in customer & product mix
- Adjusted EBITDA increased 2.3% driven by lower Adjusted Operating Expenses

## Americas performance driven by US AMI market

USD in millions	FY2017	FY2016	Change
Net revenue to external customers	627.2	587.8	6.7%
Change in constant currency			1.7%
Adjusted Gross Profit	155.9	174.0	(10.4%)
Adjusted Gross Profit %	24.9%	29.6%	
Adjusted Operating Expenses	(164.7)	(173.1)	(4.8%)
incl. Group recharges	(25.8)	(21.7)	19.1%
Adjusted EBITDA	(8.8)	1.0	n/a
Adjusted EBITDA %	(1.4%)	0.2%	

- Revenue growth impacted by supply chain shortages in Q4
- Adjusted Gross Profit impacted by delay to product cost reductions
  - These product cost improvements will now materialize in FY2018
- Project Phoenix restructuring delivers lower Adjusted Operating Expenses

**Savings in Adjusted Operating Expenses were not sufficient to compensate lower Adjusted Gross Profit**

## Key market developments

- **UK:** In total over 18 million smart meters under contract, of which approximately 5 million have been deployed
  - Smart meter rollout continues at pace - Landis+Gyr meters deploying at >160,000 per month
  - Two new agreements signed with UK energy retailers in 2018 for 600,000 smart meters
  - Start of second generation (SMETS2) ramp delayed – anticipate volume deployment from Q2 FY 2018
- **France:** Roll-out in full swing at a rate of about 30,000 Linky meters per day (all suppliers combined), 10 million meters deployed by May 2018. Landis+Gyr continues to be a key partner with c.25% market share.
  - Tender for 3<sup>rd</sup> procurement cycle for 14 million meters launched, results expected in Q2 FY2018

## EMEA results

- EMEAs revenue impacted by industry wide supply chain constraints which reduced H2 sales by about 7.5%. Resolving supply issues expected in Q2 and Q3 of FY2018
- EMEA's FY2017 Adjusted Gross Profit impacted by c. 3.6 percentage points due to delayed introductions of cost reduced products
- For the key markets UK, NL, France, we expect to meet planned product cost targets but we have slipped c. 12 months in getting the products into the market. Main benefits will materialize in H2 FY2018.

**EMEA results impacted by supply chain constraints and delayed cost down product introduction – H2 FY2018 will see main benefits of resolving these issues**

## Manufacturing restructuring activities

- **UK:** Successfully initiated restructuring of UK manufacturing sites.
  - Headcount reduced in the UK by more than 200 during the last 12 months.
  - Closure of electricity manufacturing capacity planned for Q2 FY2018
- Outsourcing of high volume electricity metering on track with first fully finished meter from outsourcing partner shipped in January 2018
- Outsourcing of UK gas meter volumes on track; MID regulatory approval at outsourcing partner received in April 2018; customer approvals imminent

## EMEA restructuring program

- Annual savings of USD 25 million across EMEA (previous target USD 20 million) expected from restructuring the manufacturing footprint (Project Lightfoot) by end of FY2020
- Restructuring costs incurred across EMEA in FY2017 of USD 7.6 million with USD 4.5 million still to come.

**Project Lightfoot on track with raised annual savings target of USD 25 million**

USD in millions	FY2017	FY2016	Change
Net revenue to external customers	138.4	140.2	(1.3%)
Change in constant currency			(3.4%)
Adjusted Gross Profit	28.3	31.9	(11.2%)
Adjusted Gross Profit %	20.5%	22.8%	
Adjusted Operating Expenses	(37.9)	(34.6)	(9.7%)
incl. Group recharges	(3.8)	(3.8)	(1.6%)
Adjusted EBITDA	(9.6)	(2.7)	(260.9%)
Adjusted EBITDA %	(6.9%)	(1.9%)	

- Revenue declined as expected market growth did not materialize with slow take-up of “Power of Choice” regulatory change in Australia
- Adjusted Gross Profit % below last year due to mix effects
- Adjusted Operating Expenses increased due to higher costs at our service solutions business intelliHUB

**Lower revenue as Australia did not grow as expected leading to losses at Adjusted EBITDA level**

# Asia Pacific – Joint venture to acquire Acumen from Origin

## Transaction

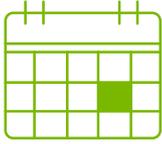


- Joint Venture (PEP: 80% / Landis+Gyr: 20%) buys Origin's Acumen business for AUD 267 million
- Origin is Australia's largest energy retailer and Acumen is their in-house metering business
- Landis+Gyr will be contributing cash (AUD 25 million) and its intelliHub business with combined equity value of up to AUD 75 million
- JV undertakes asset financing
- JV has entered into a five-year meter supply contract with Landis+Gyr. Expected volumes of approx. 800,000 smart meters to be deployed to multiple utilities in AUS/NZ

## Impact / Outlook

- Important milestone in turnaround of Asia Pacific business
- Expected Landis+Gyr meter sales to the JV of over USD 90 million over the next five years
- JV well positioned to roll-out a significant portion of upcoming deployment of estimated 8 million smart meters across NSW, Queensland, South Australia and the Australian Capital Territory

Important milestone for future development of Asia Pacific business



## Important Dates

### Release of H1'2018 Results:

October 26, 2018

Webcast

### Q&A session with CFO:

November 8, 2018

Conference call

### Capital Markets Day:

December 5, 2018 - Zurich

## Investor Relations

[www.landisgyr.com/investors](http://www.landisgyr.com/investors)

Documents for CFA Institute Research Challenge

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