

*“Capitalizing on the evolving role
of smart metering at the heart of
the energy industry revolution”*

Landis+Gyr Markets & Strategy Update

Richard Mora, CEO

Global leader in smart metering solutions...



Swiss HQ with offices in 30+ countries worldwide



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



Serving 3'500+ utilities worldwide



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



Over 90 million connected intelligent devices deployed



More than 15 million meter points under managed services



The largest installed base with 300+ million devices globally



Frost & Sullivan Global AMI Company of the Year 2017 - the 4th consecutive year

... serving three regional segments

Landis+Gyr Group: 1'738m Net Revenues in FY17

Asia-Pacific (8%)
USD 138m



Americas¹ (56%)
USD 972m

EMEA (36%)
USD 627m

- North America, robust smart metering business
- EMEA, on track for return to profitability
- Asia-Pacific, positioned for long term growth

¹Including Japan

Why customers choose Landis+Gyr

We offer flexible business models...

Services based business model



AMI project business model (turn key)



Product business (book & bill)



...delivering multiple layers of value to utilities

End-to-end offering

Most **comprehensive end-to-end product, solutions and services** offering in the market. **Flexible managed services model**, providing utilities any preferred level of support along the asset ownership continuum

Global presence with local proximity

Global reach with the world's largest smart meter installed base. Local development centers **tailor solutions to each region's needs**

Technology

Technology leadership underpinned by world class utility applications and R&D know how

Gridstream Connect platform for Utility IoT offers next generation of grid edge intelligence

Trusted partner

Proven track record and commitment to delivery to our valued utility customers, whether that is product shipment, solutions deployments, or delivering to service level agreements

Reliability

Leading brand known for reliability and quality
Stringent testing and quality initiatives have been implemented

Business value

Decision support analytics create actionable data for utilities to improve business value

Industry disruption drives need for grid edge intelligence

Traditional power grid



- Central one-way power system
- Focus on safe, reliable and affordable power

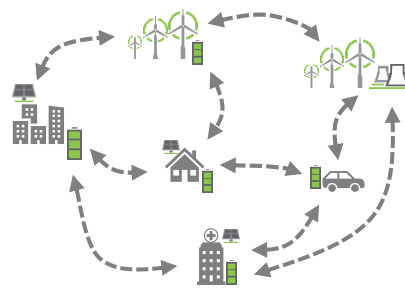


“3-D” drivers of industry disruption

- **Decarbonization, decentralization and digitalization** disrupting the utility industry
- Rise of **distributed and intermittent resources** to be integrated
- New level of **flexibility, resilience and security** needed
- Distributed energy resources increasingly raising the game on **customer engagement** and new offerings



Decentralized power grid



- Distributed two-way power flows
- Mobile energy resources
- Multiple energy players



Grid edge intelligence

- **Distributed intelligence** at each endpoint (**grid edge**)
- Near real time **energy measurement and control**
- **Data flows** via flexible communications networks
- **Enhanced capabilities** for processing throughout the network

Grid edge intelligence is the evolution of smart metering to enable the digital energy revolution

Three platforms for growth with attractive addressable market sizing and dynamics

1 | Smart metering

Smart electricity, gas and heat meters
Communication Network
Software and services

2 | Grid edge intelligence

Distribution management before the meter (on the grid)
Behind the meter applications in home energy management

3 | Smart infrastructure

Multi-Utility infrastructure
Smart street lighting Infrastructure

Addressable market 2017 USD 5.6b

USD 3.2b

USD 3.8b

CAGR 17-21

7%

19%

11%



Three growth platforms represent an addressable market of USD 12.6b
growing at more than 11% CAGR through 2021

Sources: Company analysis, Navigant Research, Northeast Group, IHS Markit, CSIL

Landis+Gyr has established leadership in smart metering and continues to strengthen and build its core business

Landis+Gyr continues to strengthen core offering

Smart meters



Residential



Commercial



Industrial

Communication networks



Network gateway



Network bridge

Software & Services for data aggregation and management



Head-end systems



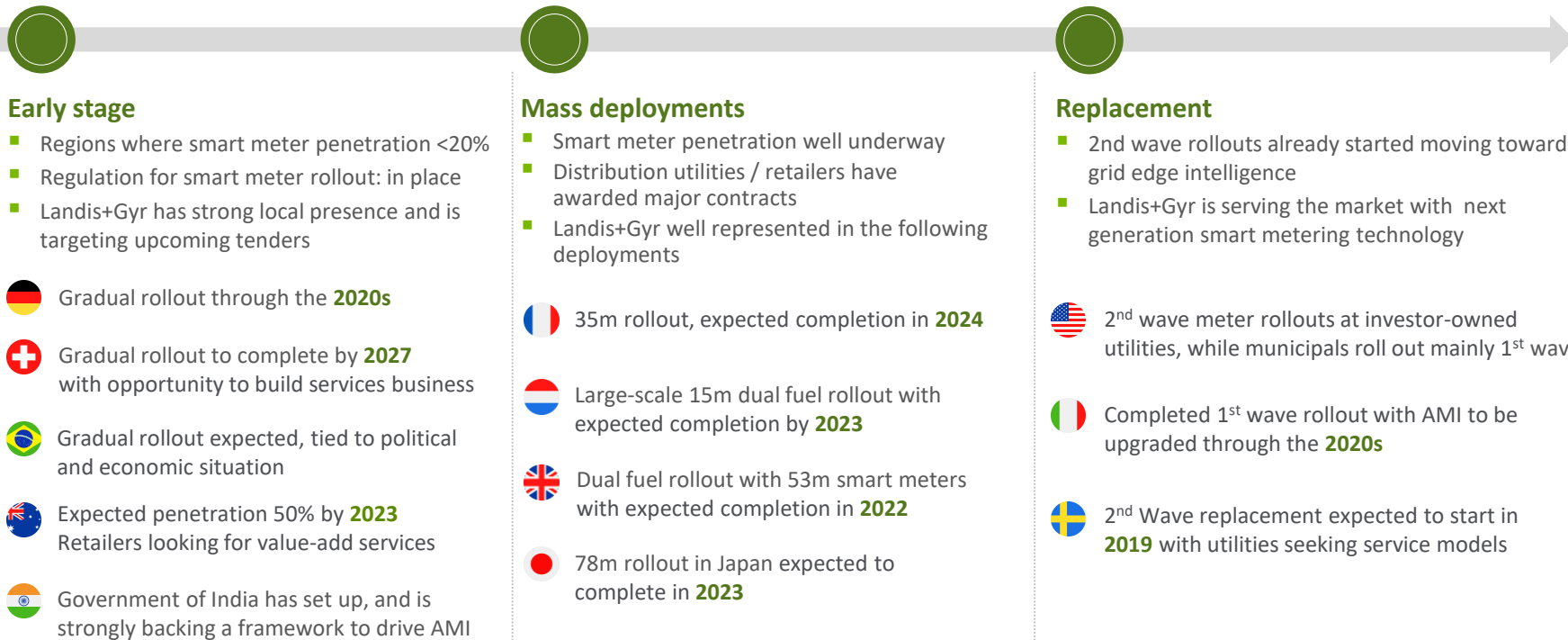
Meter data analytics



Meter data management

#1 in smart meters with more than 90 million installed connected intelligent devices

Core smart metering business has geographic diversity that supports long-term growth



Addressable core metering market of USD 5.6b (2017) expected to grow at 7% CAGR¹ through 2021

Sources: Berg Insight, Frost & Sullivan, Northeast Group, IHS Markit and company information

Grid edge intelligence is a reality today, driving significant utility benefits

Regulated distribution utilities



Emerging grid edge use cases

Enable distributed energy

Improve grid resilience

Retailers



Ensure consumer loyalty

Empower consumers

Role of Landis+Gyr offerings

Use smart meters and grid edge devices to improve energy flows on the grid: home energy management, distributed energy resource (DER) management

Edge-level sensing can provide outage detection, fault management, and power quality monitoring

Load disaggregation and energy portals increases consumer awareness of energy and reduces high-bill complaints

Analytics at the edge for behavioral insights and customer engagement; prevents bill surprises, and enables new tariff structures

Already benefitting from utility and energy retailer investments in grid edge intelligence for advanced use cases



Grid edge intelligence is key to operating a decentralized grid



Application Enablement



Network manager

Device manager

Analytics



Flexible Communications



Network gateway



Network bridge



Network node



Intelligent End-Points



Smart meters



Line sensors



Edge intelligence cards

Key Benefits

- Integrated data visualization and analysis
- Network and device management solutions
- 3rd party applications and development ecosystem

- Multiple communication technologies under a single network (PLC, RF-mesh, cellular)
- Bandwidth and latency tailored to use-cases
- Designed for lowest “total-cost-of-ownership”

- Securely connected sensors & controllers
- Grid edge intelligence for 2nd wave use cases
- Diverse device ecosystem: 60+ integrated devices from 20+ 3rd party suppliers

New utility IoT platform underpins complete Landis+Gyr portfolio for upcoming deployment cycles

Smart infrastructure offers additional avenues for expansion

Smart infrastructure use cases



Smart streetlighting solutions



Water resource usage



EV load management and charging optimization



Stock level monitoring for city-wide smart vending machines



High voltage tower lighting status monitoring



Role of Landis+Gyr

Continue organic growth in smart infrastructure. **Explore inorganic avenues for growth** through M&A and partnering

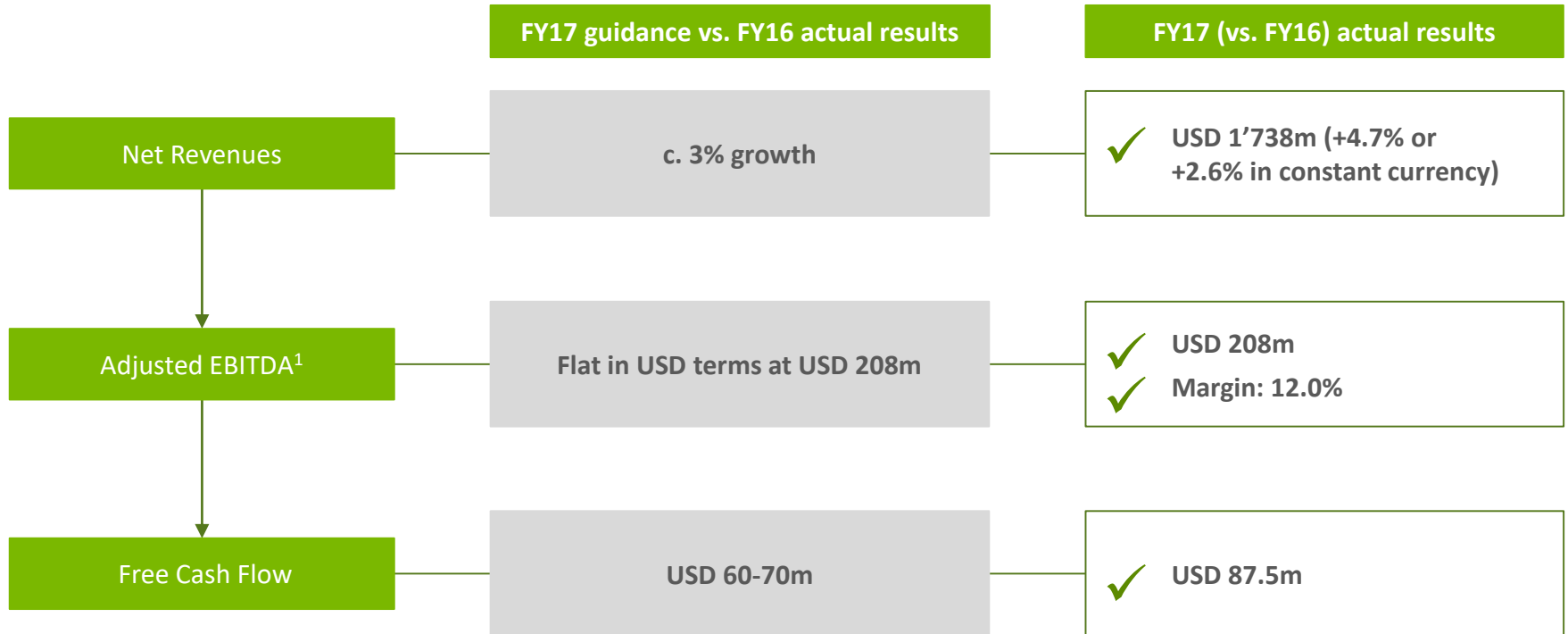
Leverage **communication and network management platforms** to further integrate sensors and devices for **use cases beyond smart metering** applications

Add further capabilities to portfolio and leverage integrated **measurement and analytics solutions**

Benefit from grid edge intelligence leadership by deploying knowhow for other **smart infrastructure applications**, potentially through inorganic market entry (M&A or partnerships)

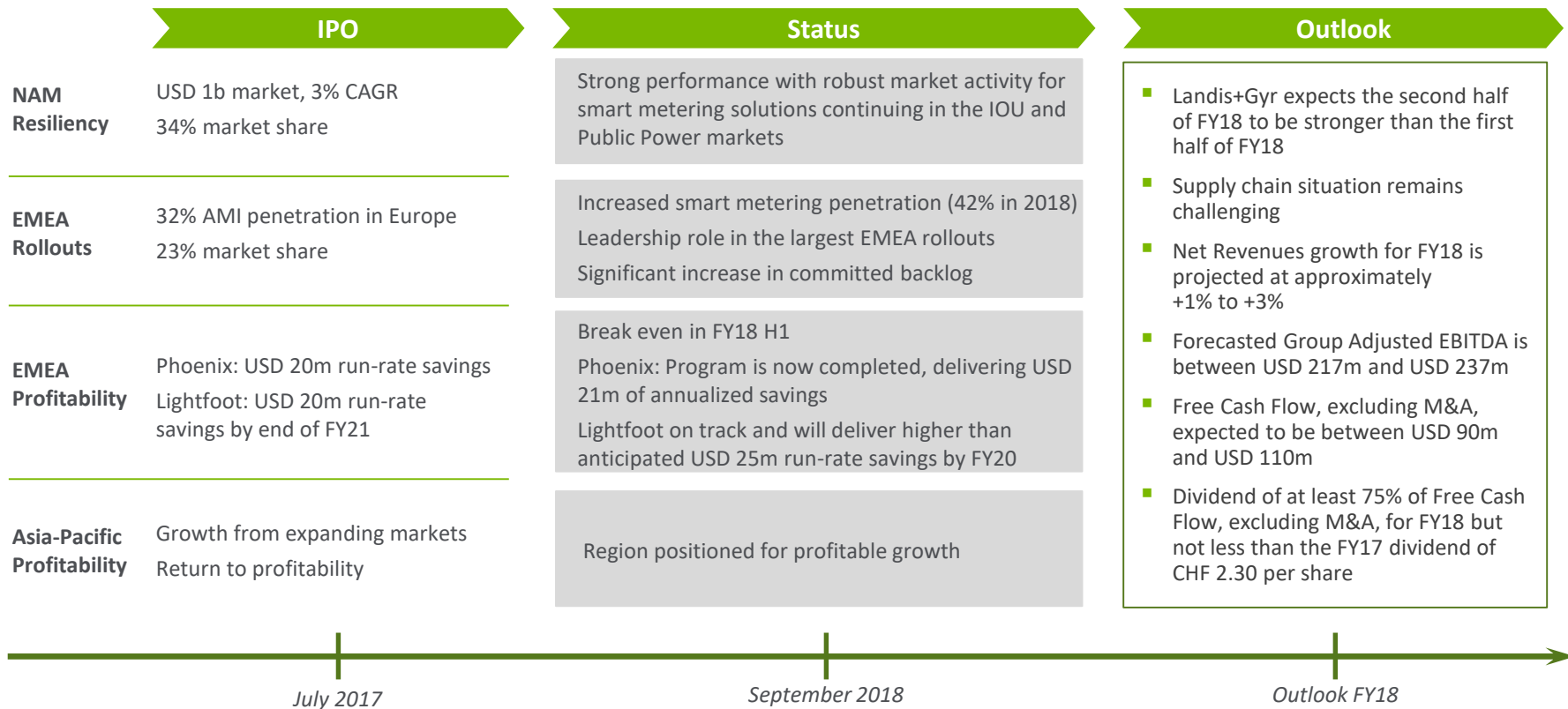
Landis+Gyr has proof points for all of these smart infrastructure use cases today

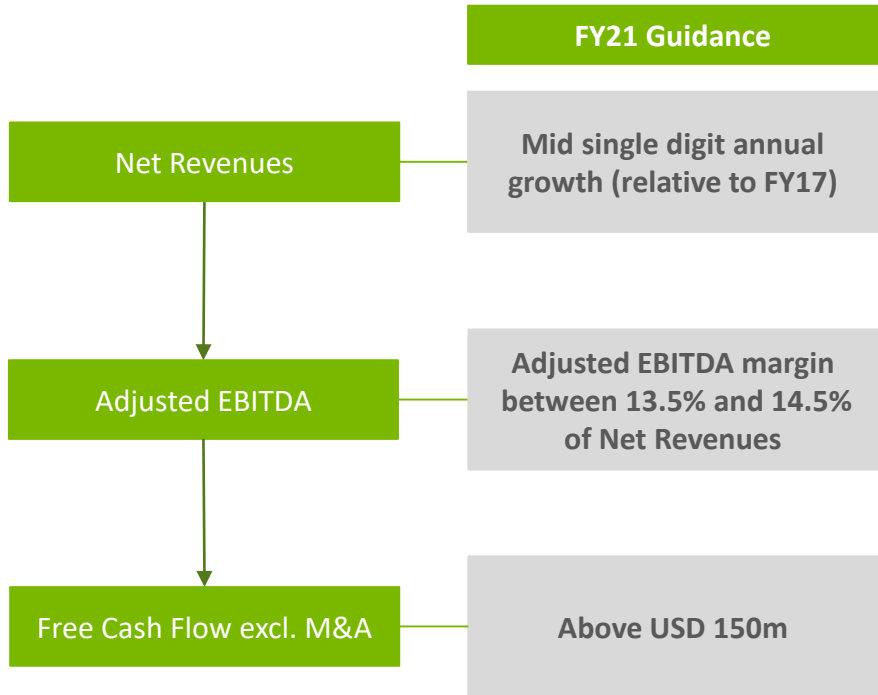
Performance against IPO guidance | FY17



1. Following the adoption by the Company of ASU 2017-07 relating to defined benefit pension scheme costs, EBITDA has been revised down by USD 3.8m in FY17 as all pension income and expenses other than service costs are now reported under "Other income (expense)".

Performance v. IPO equity story | Status FY18





Group

- Net Revenues expected to grow based on targeted profitable smart metering opportunities
- Adjusted EBIDTA margins expected to increase to between 13.5% and 14.5% of Net Revenues as EMEA and AP return to profitability

Americas

- Core smart metering market expected to continue to grow
- Adjusted EBITDA margins expected to remain strong

EMEA

- Net Revenues expected to grow based on targeted profitable smart metering opportunities
- Adjusted EBITDA % expected to reach c. 10% as margin enhancement projects materialize

Asia-Pacific

- Growth expected to resume as key markets in ANZ, India and SEA gather pace
- Return-to-profitability measures delivering first results

Dividend payout of at least 75% of Free Cash Flow excl. M&A

- Announced today a **share buy back program of up to CHF 100m** to run over a three year cycle
 - May be stopped at any time
- Landis+Gyr is undertaking this program
 - As an **opportunity to purchase our stock** which we believe is currently priced below industry multiples
 - As a means to **improve shareholder returns**
- Fully **compatible with our other ongoing uses of capital**
 - Investing for organic growth
 - Dividend policy (which remains unchanged)
 - Bolt-on M&A
- Overall **leverage-ratio remains consistent** with the IPO guidance
 - Net debt expected to remain below 1.5x Adj. EBITDA

Share buyback fully in line with capital allocation policy