

Full Year FY 2021 Earnings Presentation

Werner Lieberherr | CEO
Elodie Cingari | CFO

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Disclaimer

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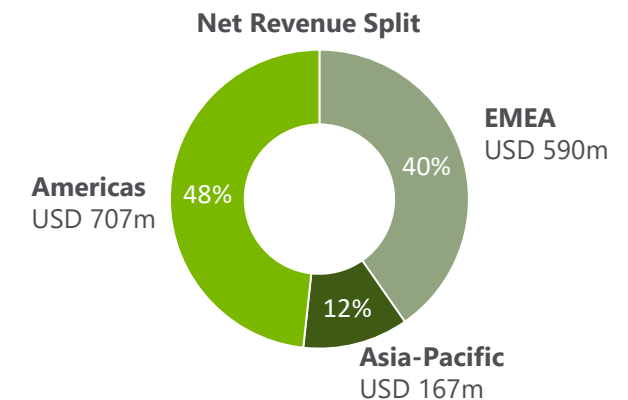
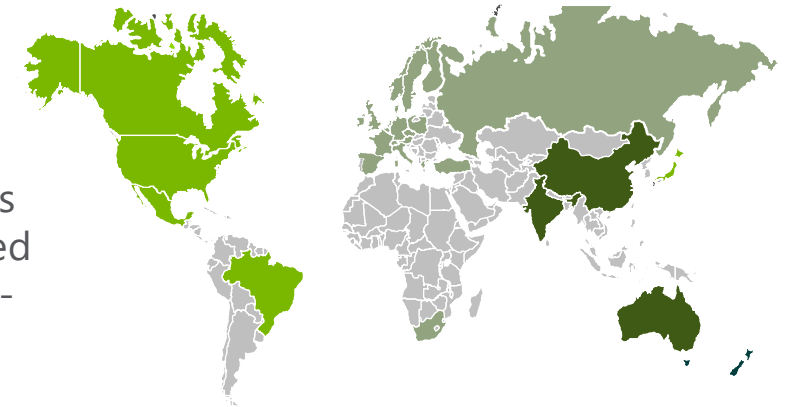
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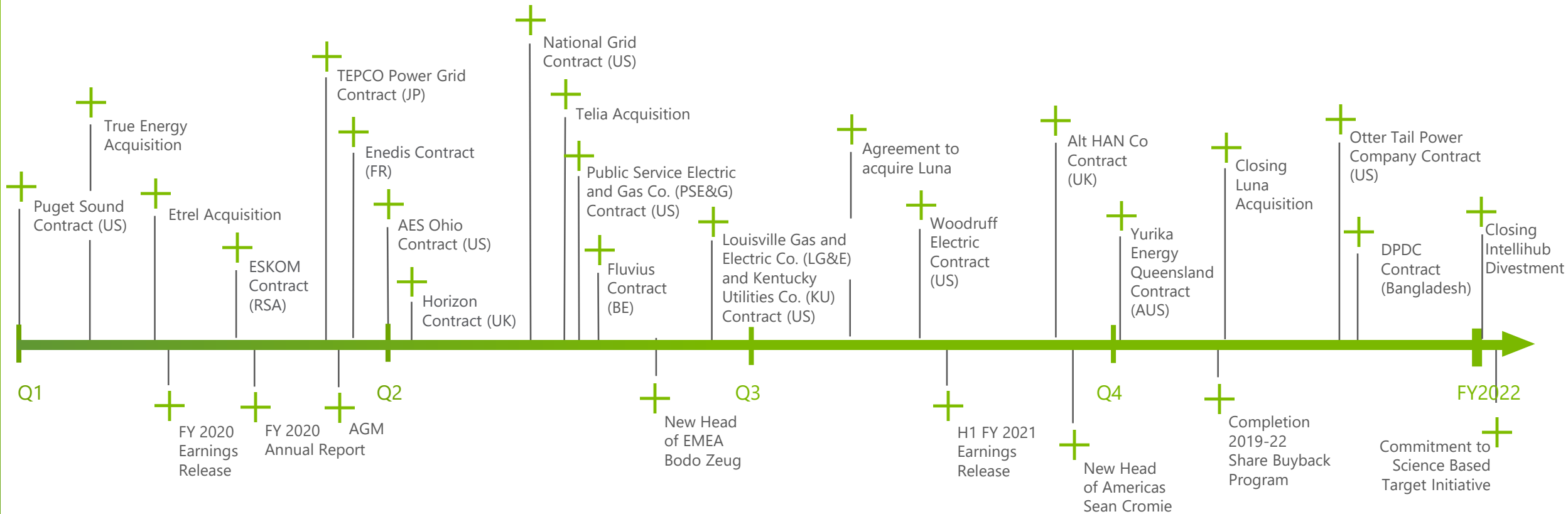
Business Performance FY 2021

- Order intake of USD 2'665.5 million more than doubled versus previous year with a book-to-bill ratio of 1.82x driven by all regions resulting in a record committed backlog of USD 3'388.6 million (up 56.5%)
- Net revenue increased 6.9%¹ to USD 1'464.0 million (5.1%¹ organic) in all regions primarily driven by EMEA recovering from the COVID-19 impacts and an Adjusted EBITDA of USD 147.0 million translating into a margin of 10.0% (10.6% organic) - solid development in H2 despite supply chain constraints and cost pressure
- Free Cash Flow (excl. M&A) of USD 89.0 million – continued investments in portfolio with R&D spend at 10.7% of net revenues
- Net debt / Adjusted EBITDA of 0.98x with net debt of USD 143.6 million – Intellihub divestment on April 1st, 2022, resulting in over USD 220 million proceeds before tax in FY2022 for reinvestment in strategic organic and inorganic growth areas
- Strong positive environmental impact driven by one of the largest global installed base of smart meters enabling avoidance of 9.0 million tons of CO₂
- Four strategic acquisitions providing base for future growth in strategic pillars
- Progressive dividend of CHF 2.15 to be proposed to AGM on June 24th, 2022, paid from statutory capital reserves



Strong performance despite increasingly challenging supply chain situation

FY 2021 + Review



Record order intake and strategic acquisitions fuel momentum with impact realization starting in FY 2023

Acquisitions & Transactions in FY 2021+

ETREL

EV charging & software and DER flexibility management with 175+ employees and active in 40+ markets – Acquisition (75%) closed in July 2021

true

Strengthens software capabilities in smart EV infrastructure market through smart charging flexibility management app – Acquisition (100%) in April 2021

allego

USD 5 million strategic investment in Charge Point Operator (CPO) closed in April 2022 – listed on NYSE

Rhebo

Cyber security threat detection down to the grid edge – Acquisition (100%) in January 2021

Telia

Adding 950k metering endpoints to managed services business in EMEA – Acquisition of meter reading services business in July 2021

LUNA

Cost-competitive metering platform and manufacturing capabilities in Izmir open new markets, 945 employees – Acquisition (100%) in January 2022

INTELLIHUB

Divestiture of stake in joint venture closed April 1st, FY 2022

Investments in Smart Infrastructure strengthen holistic solutions portfolio in fast growing adjacent markets

Strategic Transformation

Landis+Gyr

+
SMART
METERING

+
GRID EDGE
INTELLIGENCE

+
SMART
INFRASTRUCTURE



Transforming the business for profitable growth while providing attractive returns to shareholders

Google Cloud Partnership

Utility IoT Platforms

- Release of utility IoT cloud-based Head End System (HES): Emerge modernization progressing with Release 1 delivery in Q1 FY 2022
- First customer transition in Q1, FY2022 - onboarding and migration of 30-40 customers in the Americas region anticipated through out FY 2022
- Platform to enable releases to support all regions; release 2 planned for Q4 FY 2022; agile delivery in the future to accelerate onboarding new customers and devices

Innovation @ Scale

- Utility Advanced Analytics release on track for the platform and use cases in Q2 FY 2022
- First release of analytics platform will include use cases for utilities - Grid Power Quality, SmartGrid Insights (Analytics & Reporting), Pattern Detection capabilities including EV Detection
- Roadmap to align all software products to the platform and cloud progressing, including transitioning Etrek EV charging platform, True Energy Flexibility Services Platform and Rhebo cybersecurity solutions into the cloud

Digital Operations in the Cloud

- Defined products lifecycle into digital portfolio for scalable and agile delivery of solution offerings
- Benefit realization of convergence and migration of all business systems to Google Cloud Platform to reduce ongoing operational costs, increase resiliency and improve business efficiency has started in end of FY 2021
- Enabling industry leading security on the platform based on global control frameworks to satisfy increasing utilities compliance requirements

Holistic portfolio approach to offer integrated customer solutions

EV Charging & DER Flexibility Management

- **Integrated solution** intelligently manages charging infrastructure lifecycle, preventing grid overload, while balancing electricity supply and demand in real-time for automated load flexibility
- **Holistic platform** for utilities to seamlessly manage **DER flexibility** by monitoring the charging infrastructure and its utilization rate and patterns, as well as managing power flexibility through application of **artificial intelligence** and **machine learning**
- Geographically diversified with global reach, present in **40+ markets**, with over **40,000 charge points** deployed, delivering ~ 2 million charging sessions in FY 2021
- Over 15,000 charge points connected to **OCEAN software**
- **Robust business** with stable **100+ partnerships** generating recurring & non-recurring revenue streams, with USD ~18 million revenues since closing
- Scalable easy-to-use solution is both **EV & EV-charger agnostic**, giving consumers maximum choice
- Software algorithms help consumers **reduce their carbon footprint**, lower their costs, and balance the grid by enabling automated clean energy charging
- **Double-digit expansion** opportunity generating **profitable growth**



Strategic portfolio expansion offers integrated solutions for DER flexibility management and decarbonization of the grid

Decarbonizing the Grid



Reporting according
to GRI core since 2020



Joined in
November 2019



In 2020, 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



Included in the
SPI ESG Index



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

Committed to the Science Based Target Initiative

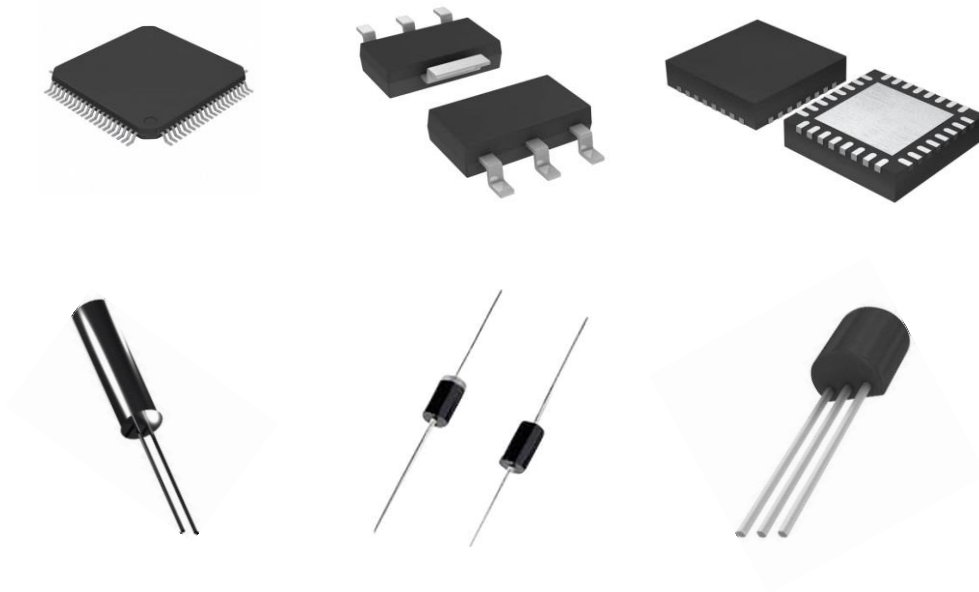
Ambition to new carbon emission
reduction targets in line with the
Paris Agreements 1.5°C trajectory

Carbon neutral by 2030

9 million
tons CO₂

Direct CO₂ emissions avoided
through installed Smart Metering
base in FY 2021

Supply Chain Impact FY 2021



- USD ~100 million topline deferred due to supply chain constraints with no order cancellations
- EBITDA results include USD ~30 million supply chain cost
- Expecting increasingly challenging situation in FY 2022
- Types of components impacted include
 - Integrated Circuits (IC) – MCU
 - IC – Analogue Components
 - IC – RF Transceivers
 - Crystals
 - Memories
 - Diodes
 - Transistors
 - Resistors
 - Optocouplers
 - Capacitors
 - Lithium

Impact USD ~100 million topline deferred in an increasingly challenging supply chain environment

Americas | Key Developments in FY 2021

- In the **Americas**, major wins with National Grid, PSEG and LG&E & KU resulted in **record backlog** in excess of USD ~2.4 billion
- Infrastructure Investment & Jobs Act signing in Nov 2021 provides more than **USD 1.2 Trillion in infrastructure spending**, with focus on energy efficiency, broadband internet, electrification and resiliency
- Although ~90% of the US & Canada will have installed or contracted to install 1st wave of smart meters by 2026, **refresh cycles** have begun and ramping up
- New capabilities such as **edge computing** and associated **apps** prized as utilities look ahead to challenges of integrating millions of **distributed energy resources** (DERs), incl. photovoltaic, battery storage units, and Evs
- In **Japan**, Landis+Gyr will continue to provide **Command Center** (head-end system) for replacement (2021-2024) of the **world's largest AMI system** with 28.4 million meters installed - meter replacement cycle expected to start in 2025
- Expanding **South America** market involvement with new engineering center of excellence, increased sales in the cabinet market, further **solidifying position with Magno**
- **Largest AMI project in South America**, Light, renewed contract with L+G for Magno and DA
- Technology advances with **Revelo** Residential, **Magno Grid**, AXEi, Reverse Actuator, **G480 NB-IoT Smart Gas Meter**, WiFi certification on Revelo, and **EMERGE** testing



Revelo™



Head-end systems



Meter data management



Magno
Cabinet Meter

Record backlog of USD ~2.4 billion demonstrate validation of Revelo grid edge intelligence sensor technology

EMEA | Key Developments in FY 2021

- **UK meter installs returning to pre-COVID levels** after weak Q1 FY21, despite market disruption to energy suppliers and notwithstanding the global component crisis L+G **delivered 2.8m meters** into the UK Smart Metering Implementation Programme; with approximately 23m smart meters total under contract and 9m still to be delivered, L+G **continues to play a major role in the rollout**
- **AltHAN contract** signed; **1 million smart meters** over 4 years
- **Swiss metering rollout** in full swing with 80% of devices to be deployed by 2027 driving high order intake for smart meter volumes, with continued public tender activity throughout 2021 resulting in **>200k metering points awarded** and **win of first Swiss hosted SaaS contract**; ramping up service capabilities
- In **France for Enedis, 35m Linky smart meters installed** and further 8m to be deployed, increased market share in Linky tenders for 2022-2026 to ~40%. **L+G is n°1 supplier for Enedis' industrial electricity meters**
- In **Belgium, won 50% of Fluvius II tender, supplying 2.6m residential smart electricity meters, 1m residential smart gas meters and 15 years of meter reading services**
- In the **Nordics**, strengthened leading position through **acquisition of Telia's meter reading service business**, adding 950K endpoints
- In **South Africa**, won **Eskom 5-years contract** for **smart residential meters** and **AIM/HES** covering 800k endpoints
- Technology advances with **Gridstream Connect** new software release with optimized communications, enhanced security and expanded interoperability, **E360** IoT grid edge meter second generation, **E660** next generation industrial grid edge and power quality solution, **T450 Heat and Cold** next generation meter, **SMETS2** compliant gas and electricity portfolio enhancements, **Water** portfolio development on plan for FY23



E360™



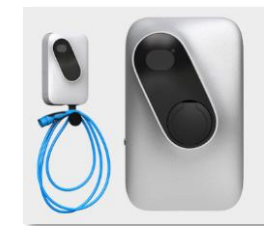
E660™



Head-end systems



Meter data management



Etrell INCH Home



True Energy app

Major wins in Belgium, UK, France strengthening position and resulting in Book-to-Bill ratio of 1.23

APAC | Key Developments in FY 2021

- In **Australia and New Zealand**, slight YoY sales growth despite supply chain constraints; good growth in orders at **1.24 Book-to-Bill** with good start to new smart **water meter business**, orders for ~70K meters and first sales and strong demand from services JV **Intellihub (IH) with long-term partnership** extended until 2026; Yurika, an **Energy Queensland** subsidiary, contract win displacing current sole sourcing from incumbent
- In **India and Bangladesh**, sales up slightly YoY despite low demand in the Non-AMI market and Covid related impact to operations in H1, while greater proportion of revenue from **AMI project wins** at Dhaka Distribution Company (DPDC) PDC in Bangladesh as well smaller projects in India drove improvement; new award for DPDC project of 185K smart meters
- In **China**, strong YoY sales growth driven by **higher grid meter sales**
- In **Hong Kong**, strong relationship building over the year with **CLP and HEC** has led to **contract extensions** worth >\$60M (for supply of 1M smart meters) over 3 years
- Technology advances with **E355/360 smart meter launch** delivering high speed data streaming to assist with **Distributed Energy Resource (DER) management**, new **smart water metering solution** bringing network **leak detection** to the market in ANZ, and **SaaS offering** launched for smart water and gas metering device management



E360™



Head-end systems



Meter data management

Trajectory of business in all markets positive with strong backlog and active pipeline

Consolidated Results – FY 2021

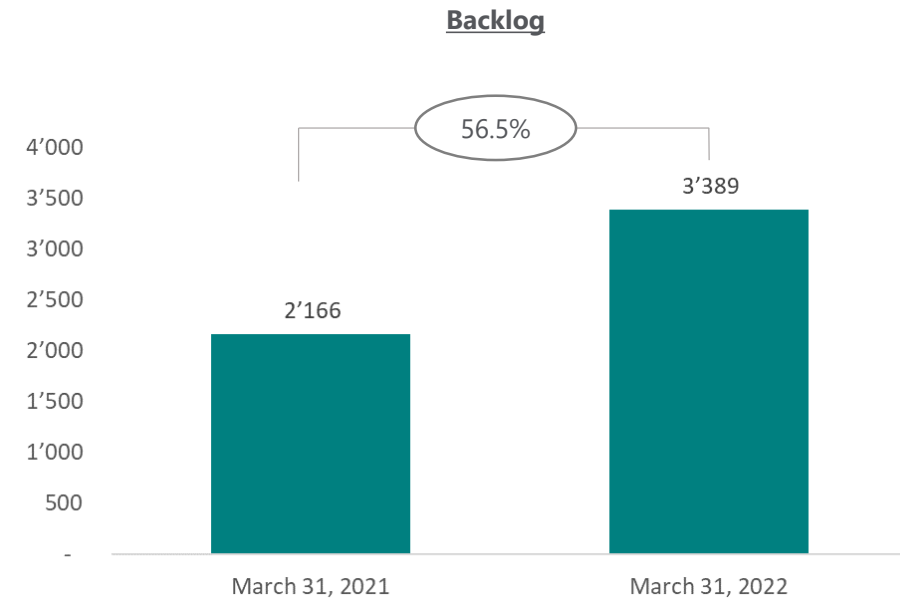
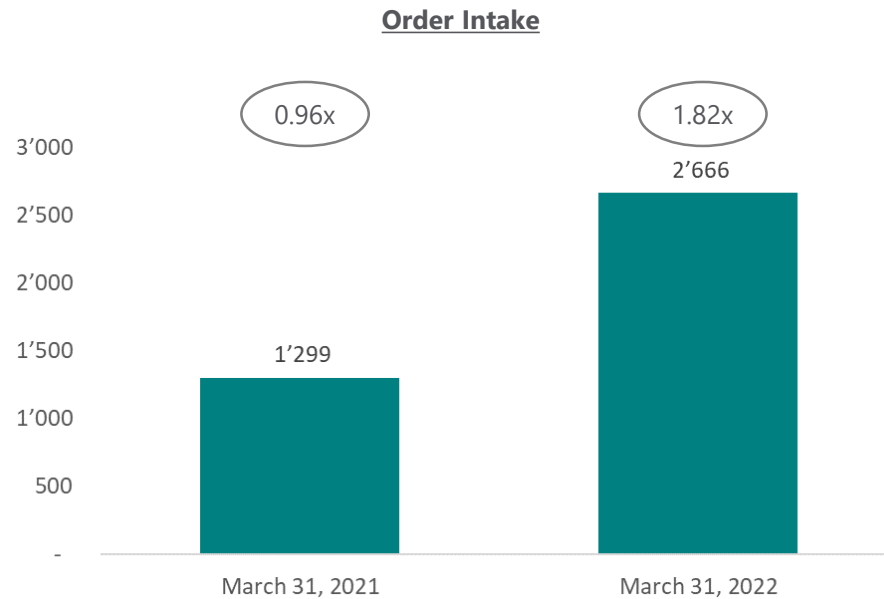
USD in millions (except per share amounts)	FY 2021	FY 2020	Change
Order intake	2'665.5	1'298.7	105.2%
Change in constant currency			103.9%
Committed backlog	3'388.6	2'165.9	56.5%
Net revenue to external customers	1'464.0	1'357.4	7.8%
Change in constant currency			6.9%
Adjusted Gross Profit	494.9	449.2	10.2%
<i>Adjusted Gross Profit %</i>	33.8%	33.1%	71 bps
Adjusted Operating Expenses	(347.9)	(309.6)	12.4%
Adjusted EBITDA	147.0	139.6	5.3%
<i>Adjusted EBITDA %</i>	10.0%	10.3%	(24) bps
Operating Income (Loss)	88.8	(365.1)	n/a
Net Income attributable to L+G Group AG shareholders	79.4	(392.4)*	n/a
Earnings per share - diluted (in USD)	2.59	(13.6)	n/a
Cash provided by (used in) operating activities	115.8	123.9	(6.5)%
Free Cash Flow (excluding M&A)	89.0	97.6	(8.8)%
Net (Debt) Cash	(143.6)	(6.9)	n/a

- Order Intake supported by major contract wins in Americas and EMEA
- Revenue growth in all regions, primarily driven by EMEA recovery and acquisitions
- Adjusted EBITDA expansion driven by operating leverage and mix offset by supply chain cost pressure, investments in R&D, strategic transformation and acquisitions
- Robust free cash flow generation

Delivered resilient financial performance despite supply chain headwinds

Order Intake / Backlog – FY 2021

USD in millions



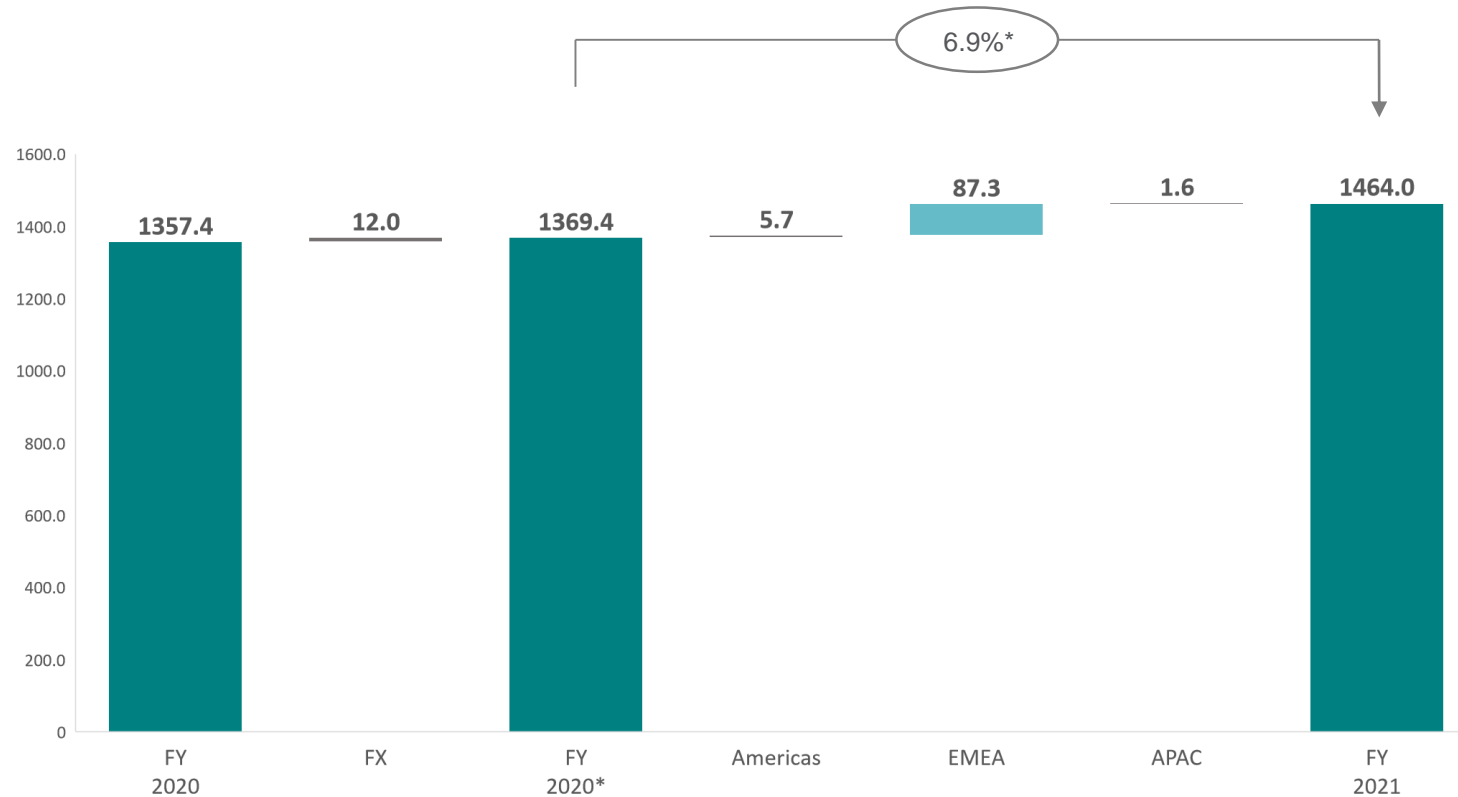
- Order Intake USD 2.7 billion driven by major wins in Americas (National Grid, PSE&G, LG&E, TEPCO) and EMEA (Fluvius, Enedis)
- Book-to-Bill ratio of 1.82x (2.4x Americas; 1.23x EMEA; 1.43x APAC) resulting in record backlog of USD 3.4 billion

○ Book-to-Bill: Order Intake / Net revenue to external customers

Strong FY 2021 Order Intake to support future growth

Net Revenue Bridge – FY 2021

USD in millions



Americas

- Higher volume in Brazil and Japan, offset by supply chain constraints in North-America

EMEA

- Revenue growth driven by UK recovery, Nordics and acquisitions (\$24.8m)

APAC

- Revenue growth in ANZ and China partially offset by Hong-Kong

6.9%* growth YOY constrained by supply chain availability

Adjusted EBITDA Bridge – FY 2021

USD in millions



- Adjusted Gross profit volume increase driven by EMEA growth
- Adjusted Gross profit Margin expansion due to favorable product mix in Americas and EMEA partially offset by increased supply chain cost
- Adjusted Operating Expenses driven by investment in strategic transformation, R&D and acquisitions

EBITDA expansion whilst investment in growth through acquisitions and strategic transformation

Adjustments to EBITDA – FY 2021

USD in millions	FY 2021	FY 2020	Change
Reported EBITDA	170.3	113.7	49.8%
<i>Adjustments</i>	(23.3)	25.9	n/a
Restructuring Charges	2.9	15.3	(81.0)%
Warranty normalization adjustments	(13.8)	(13.2)	4.5%
Timing Differences on FX Derivatives	(12.4)	23.8	n/a
Adjusted EBITDA	147.0	139.6	5.3%
Adjusted EBITDA %	10.0%	10.3%	(24) bps

- No major restructuring in FY2021
- Warranty normalization adjustments of USD (13.8) million represent the amount of provisions made relative to the average actual warranty utilization for the past three years with annual warranty costs continuing to trend downwards
- Timing differences of FX derivatives: USD (12.4) million related to market differences on hedges, primarily GBP-USD

Cash Flow – FY 2021

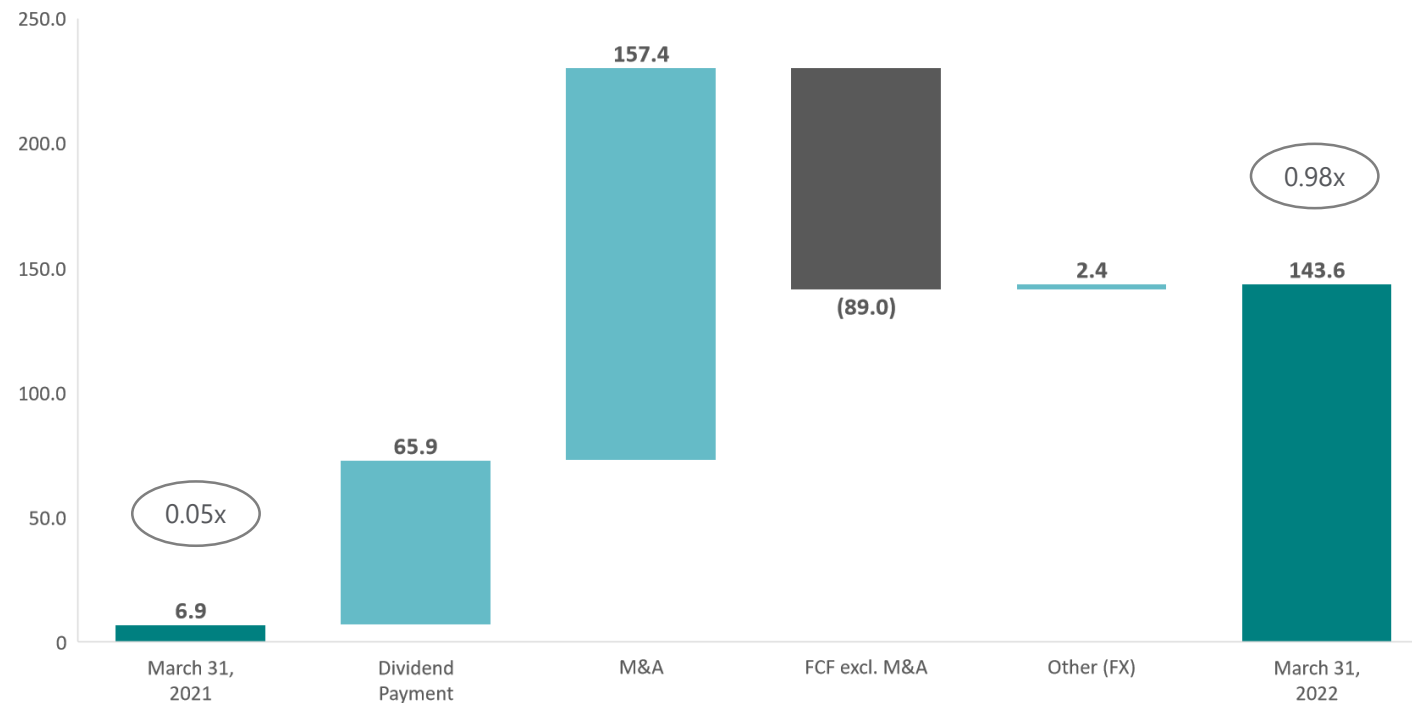
USD in millions	FY 2021	FY 2020	Change
Net Income (Loss)	79.5	(392.7)	n/a
Depreciation and Amortization	81.5	82.9	(1.7)%
Impairment of intangible assets	-	396.0	n/a
Net loss from Equity Investments	19.6	4.6	326.1%
Change in OWC, net	(14.1)	51.7	n/a
Warranty and warranty settlement cash outs	(16.0)	(17.3)	(7.5)%
Other	(34.6)	(1.3)	n/a
Net cash provided by operating activities	115.8	123.9	(6.5)%
(incl. tax payment of)	(19.9)	(26.1)	(23.8)%
Net cash used in investing activities	(184.2)	(38.1)	383.5%
(incl. Capex of)	(27.1)	(26.6)	1.9%
(incl. Acquisitions, proceeds from sales of investments)	(157.4)	(11.7)	n/a
Free Cash Flow	(68.4)	85.8	n/a
Free Cash Flow (excluding M&A)	89.0	97.6	(8.8)%


- Operating Working Capital development in line with volume
- Lower warranty and warranty settlement cash attributable to payments for legacy component issues
- Other Cash Flow impacted by YoY changes in FX derivative valuation and tax payments
- Acquisitions primarily related FY 2021 M&A and Allego investment

Continued strength and resilience in Cash Flow generation

Net Debt – FY 2021

USD in millions



 Net debt / Adjusted EBITDA

- Net debt position of USD 143.6 million; 0.98x leverage ratio
- Cash at hand as of March 31st of USD ~85 million
- Remaining credit facilities with available undrawn facilities of USD ~345 million
- Cash for Intellihub share disposition received in Q1 2022 for reinvestments in strategic organic and inorganic growth areas

Americas Segment – FY 2021

USD in millions	FY 2021	FY 2020	Change
Order intake	1'701.9	665.4	155.8%
Committed Backlog	2'435.0	1'427.0	70.6%
Change in constant currency			68.9%
Net revenue to external customers	706.7	700.0	0.9%
Change in constant currency			0.8%
Adjusted Gross Profit	274.3	257.6	6.5%
<i>Adjusted Gross Profit %</i>	38.8%	36.8%	200 bps
Adjusted Operating Expenses	(139.9)	(124.4)	12.5%
Adjusted EBITDA before Group Charges	134.4	133.2	0.9%
Group Charges	(24.9)	(27.4)	(9.1)%
Adjusted EBITDA	109.4	105.7	3.5%
<i>Adjusted EBITDA %</i>	15.5%	15.1%	40 bps

- Order growth driven by major wins in North America
- Revenue growth driven South America and Japan; supply chain constraints in North America
- Gross Profit margin expands due to mix and operational efficiencies partially offset by supply chain cost pressure
- Increase in Operating Expenses due to R&D ramp-up to support large order conversion and strategic transformation

EMEA Segment – FY 2021

USD in millions	FY 2021	FY 2020	Change
Order intake	724.6	466.8	55.2%
Committed Backlog	781.1	636.7	22.7%
Change in constant currency			28.8%
Net revenue to external customers	590.1	494.4	19.4%
Change in constant currency			17.4%
Adjusted Gross Profit	183.7	149.0	23.3%
<i>Adjusted Gross Profit %</i>	31.1%	30.1%	100 bps
Adjusted Operating Expenses	(139.0)	(128.3)	8.3%
Adjusted EBITDA before Group Charges	44.7	20.7	115.9%
Group Charges	(19.1)	(18.6)	2.7%
Adjusted EBITDA	25.7	2.2	n/a
<i>Adjusted EBITDA %</i>	4.4%	0.4%	400 bps

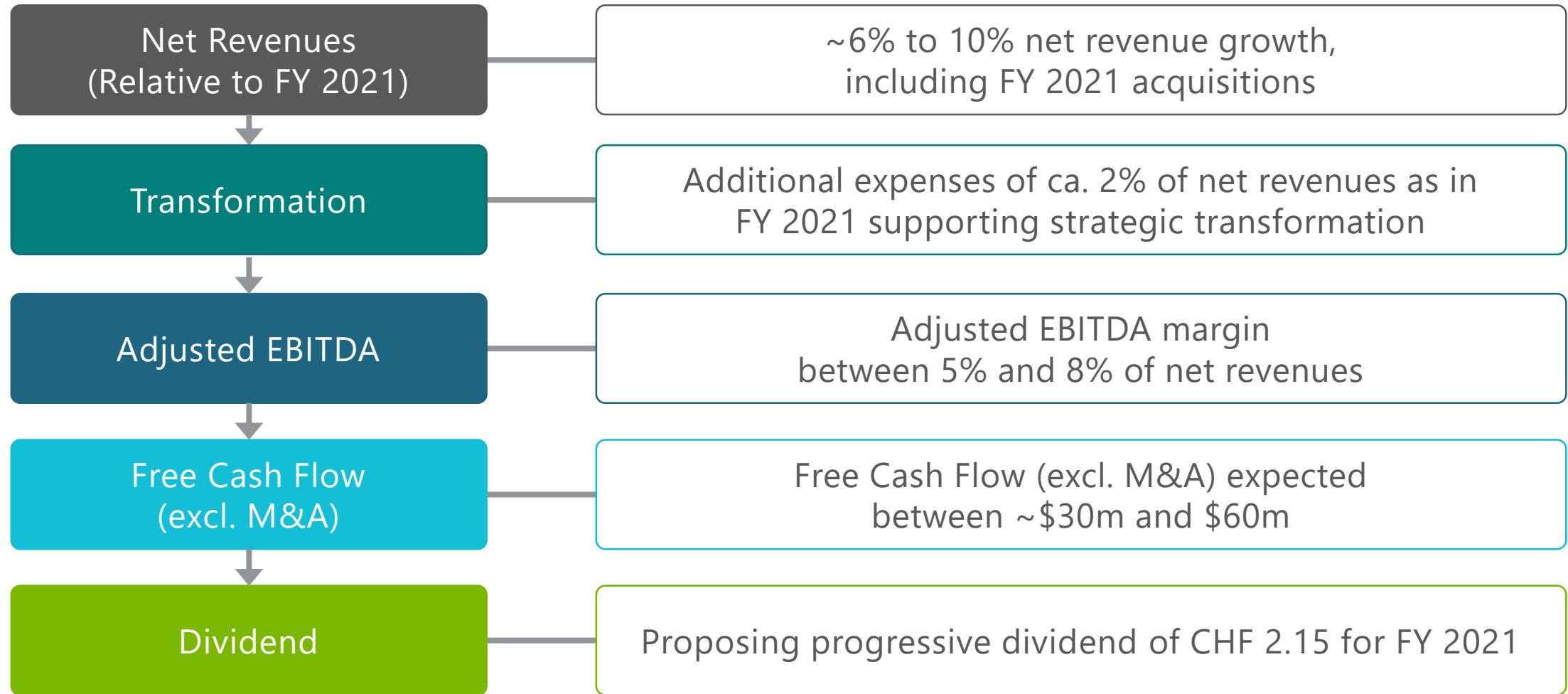
- Order growth driven by Belgium, France and UK
- Revenue driven by UK recovery, Nordics and acquisitions
- Gross Profit margin expands due to operating leverage partially offset by higher supply chain costs
- Increase in Operating Expenses primary due to acquisitions and R&D investments

APAC Segment – FY 2021

USD in millions	FY 2021	FY 2020	Change
Order intake	239.0	166.5	43.5%
Committed Backlog	172.5	102.2	68.8%
Change in constant currency			71.8%
Net revenue to external customers	167.2	163.0	2.6%
Change in constant currency			1.0%
Adjusted Gross Profit	43.8	42.4	3.3%
<i>Adjusted Gross Profit %</i>	26.2%	26.0%	20 bps
Adjusted Operating Expenses	(29.4)	(24.8)	18.5%
Adjusted EBITDA before Group Charges	14.4	17.6	(18.2)%
Group Charges	(6.6)	(6.2)	6.5%
Adjusted EBITDA	7.8	11.3	(31.0)%
<i>Adjusted EBITDA %</i>	4.7%	6.9%	(220) bps

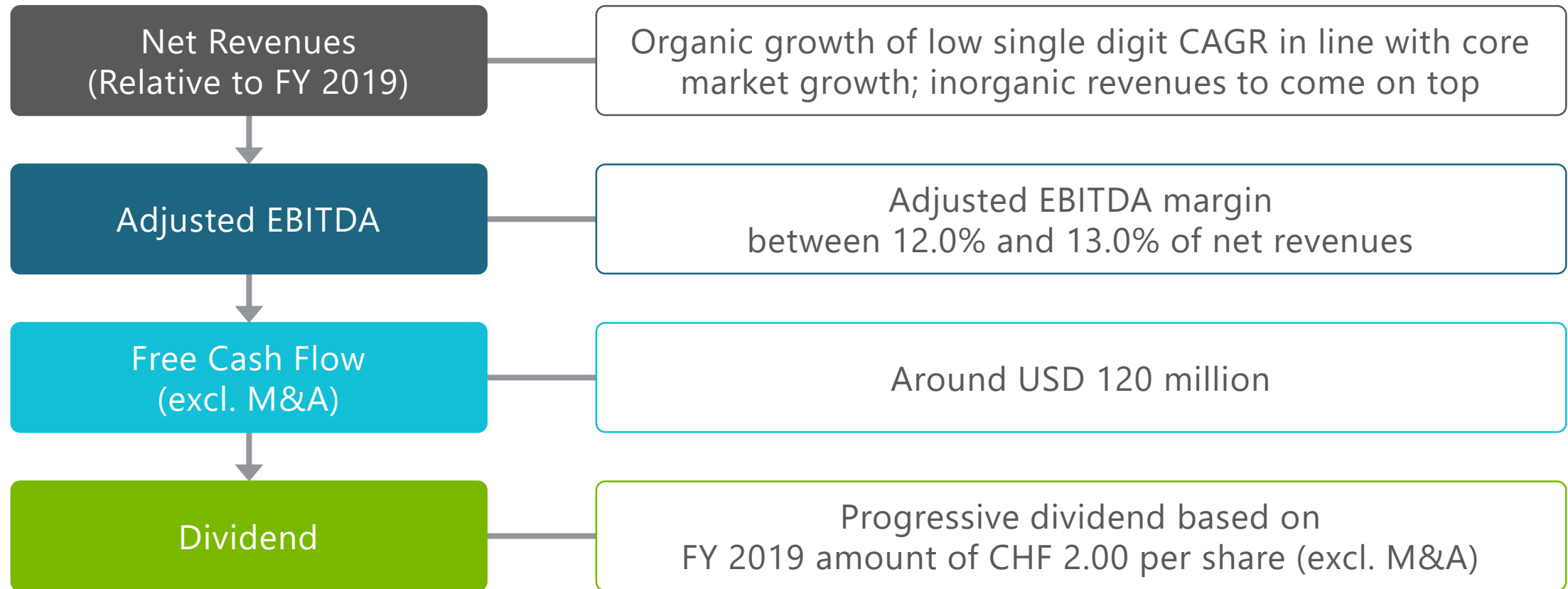
- Order growth driven by new Hong-Kong long-term contract and ANZ offset by lower order intake in India
- Revenue driven by ANZ, China and Singapore partially offset by Hong-Kong and supply chain delays
- Gross Profit margin flat as product cost-out initiatives and FX was offset by higher supply chain cost
- Increase in Operating Expenses due to planned R&D spend to support future roll-outs

Guidance FY 2022



FY 2022 transition year with supply chain challenges and increased R&D investments to strengthen position in FY 2023

Mid-Term Guidance (FY 2023) reconfirmed*



questions & answers



Key Messages

- Delivered strong FY 2021, in line with guidance, despite supply chain situation and topline deferrals
- Secured record order intake of almost USD 2.7 billion, resulting in record backlog of nearly USD 3.4 billion, ensuring future growth
- Supply chain challenges expected to increase in transition FY 2022, thus diligently managing supplier partnerships to mitigate risks
- Successful transformation to strengthen position in Grid Edge Intelligence and Smart Infrastructure through targeted M&A in EV and cybersecurity, temporarily increased investments in R&D, and co-innovation partnership with data analytics leader Google Cloud
- Holistic approach to solve customers' challenges by offering data analytics, AI, ML and EV management software solutions
- Strengthening global offering of EV charging and DER flexibility management by driving global technology and platform solutions
- Leveraging acquired cost-competitive metering platform Luna to strengthen position in EMEA
- Significant sustainable impact by decarbonizing the grid with over 9 million tons of CO₂ avoided through large global installed base of smart meters, providing technology and insights to reduce energy consumption and thus enabling lower utilization rates
- Proposing progressive dividend of CHF 2.15 to AGM on June 24th, 2022, paid from statutory capital reserves
- Guidance for FY 2023 reconfirmed

Delivered strong FY21, with strategic transformation on track and reconfirmation of guidance for FY23

Contacts & Dates



Important Dates

**Publication of Annual Report 2021
and Invitation to AGM 2022:**

May 30th, 2022

Annual General Meeting 2022:

June 24th, 2022

Ex-Dividend Date:

June 28th, 2022

Publication of Half Year Results 2022:

October 27th, 2022

Release of FY 2022 Results:

May 1st, 2023



Contacts

Eva Borowski

SVP Investor Relations &
Corporate Communications

Phone +41 41 935 6396

Eva.Borowski@landisgyr.com

Christian Waelti

Head of Investor Relations

Phone +41 41 935 6331

Christian.Waelti@landisgyr.com

ir@landisgyr.com

www.landisgyr.com/investors

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