



Octavian Seminar 2021

Werner Lieberherr | Chief Executive Officer

January 15th, 2021

Disclaimer

Forward-Looking Information

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This presentation may contain information regarding alternative performance measures such as Reported EBITDA, Adjusted EBITDA, Adjusted Gross Profit, Adjusted Research and Development, Adjusted Sales, General and Administrative, and Adjusted Operating Expenses. Definitions of these measures and reconciliations between such measures and their USGAAP counterparts if not defined in the presentation may be found in the 'Supplemental reconciliations and definitions' section on pages 21 to 27 of the Landis+Gyr Financial Report 2019 on the website at www.landisgyr.com/investors.

Landis+Gyr at a Glance



Swiss HQ with
offices in 30+ countries
worldwide



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



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



Largest installed base
300+ million
devices globally



Over 100 million
connected intelligent
devices deployed

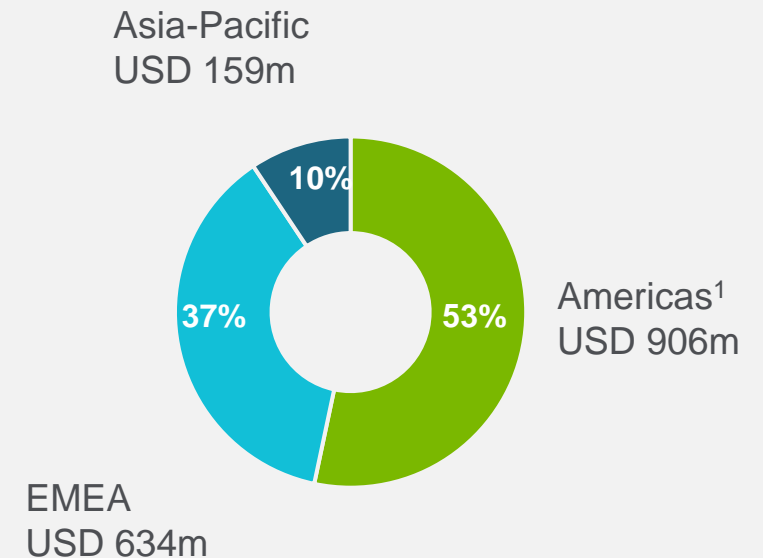


More than **15 million**
meter points under
managed services



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

Net Revenues Split (FY 2019)



¹ incl. Japan

Global Leadership Team



Werner Lieberherr*
Chief Executive
Officer

Susanne Seitz*
EMEA



Jeff Seabloom
Technology

Elodie Cingari *
Chief Financial
Officer



Holger Klafs
General Counsel

Prasanna Venkatesan*
Americas



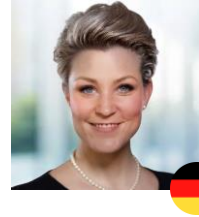
Sean Cromie
SCM &
Operations

Howard Gibson
HR
ad interim



Hans Sonder
Information
Technology

Steve Jeston
Asia Pacific



Eva Borowski
IR & Corporate
Communications

Bodo Zeug
Strategy



* Group Executive Management

Global leadership team highly committed to deliver strategic & operational results

Capitalizing on Industry Dynamics with 3 Platforms for Growth

1

Continued Global Leadership in
SMART METERING

2

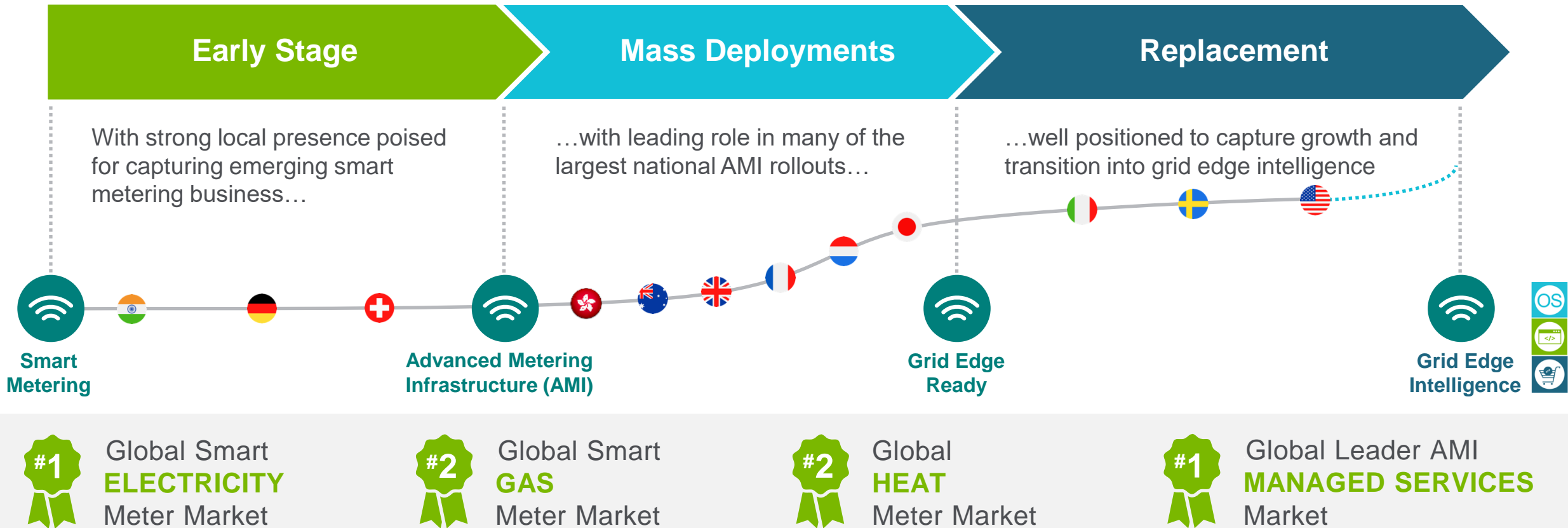
Enabling New Business Models Through
GRID EDGE INTELLIGENCE

3

Leveraging IoT Expertise for Growth in
SMART INFRASTRUCTURE



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



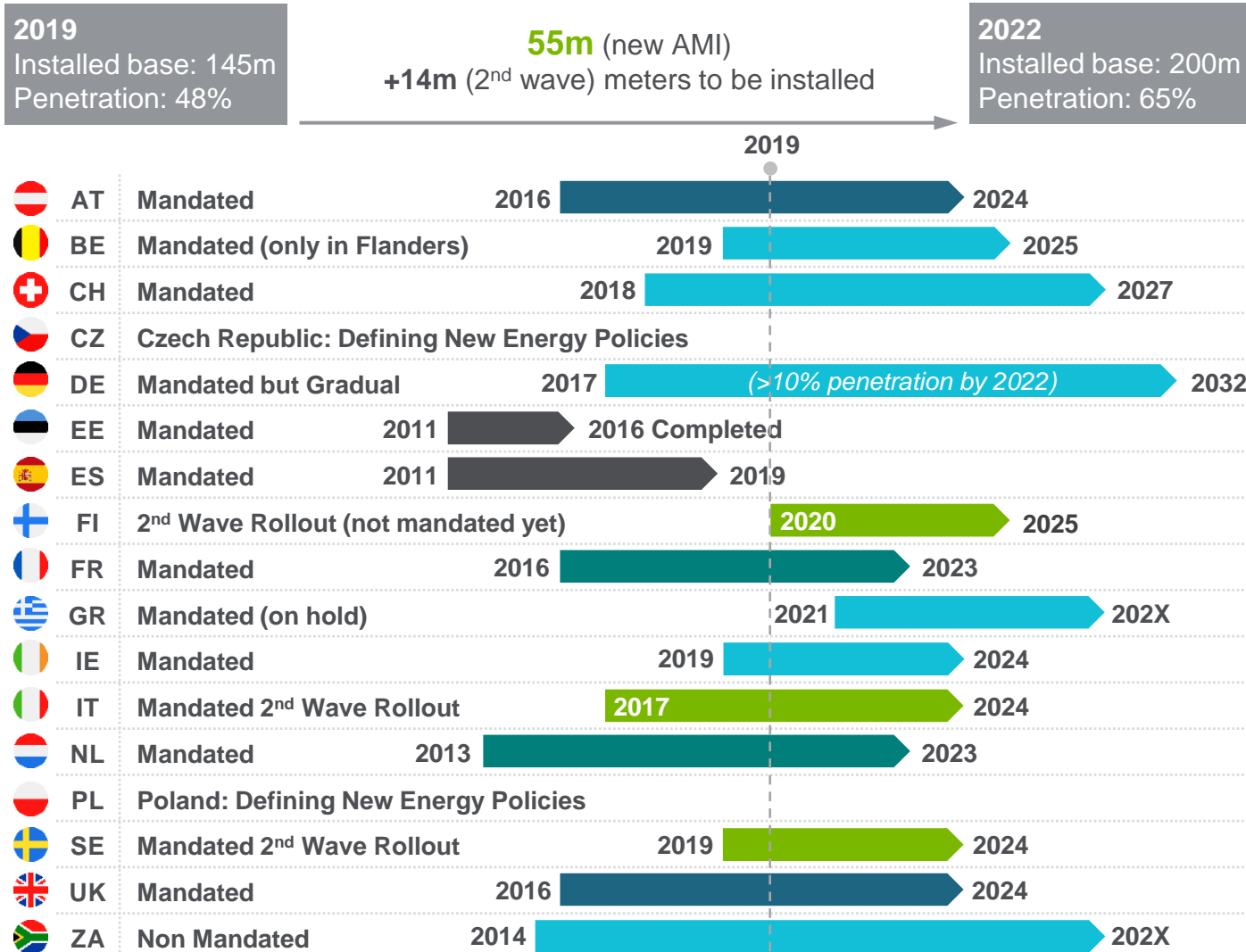
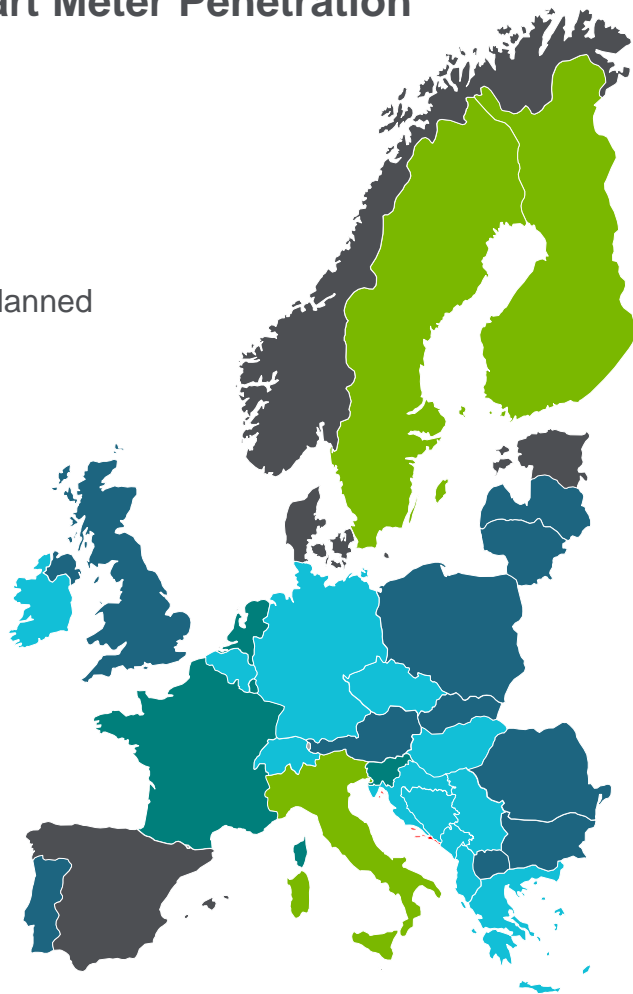
We are in a growing market, however, the growth can be lumpy due to the size and timing of some of these projects

Smart Meter Penetration and Upcoming 2nd Wave Rollouts

Electricity Smart Meter Penetration

(end of year 2019)

- >80%
- 50–80%
- 10–50%
- 0–10%
- 2nd wave rollout planned



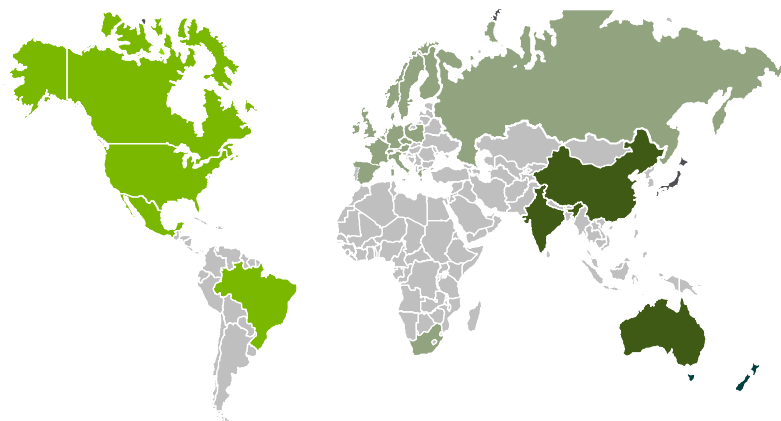
Landis+Gyr enabled **8 million tons** of direct **CO₂ emission reduction** in 2019 through the installed Smart Meter base



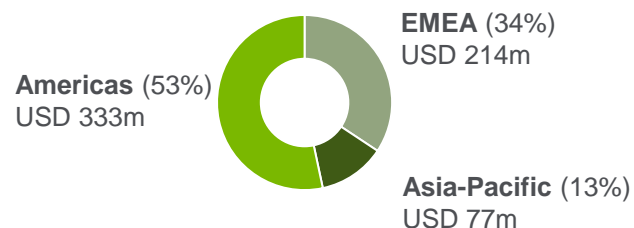
Equal to 8x the CO₂ Emissions of the City of Zurich

H1 FY 2020 Financial Results

Business Performance – H1 FY 2020



Net revenue split



Business Performance in H1 FY 2020

- Order Intake **USD 456.9 million** decreased from USD 818.9 million Year-over-Year (YoY); book-to-bill ratio of 0.73 (H1 FY 2019: 0.95) primarily due to regulatory project approval delays and COVID-19 impact
- Committed Backlog of **USD 2,080.7 million** compared to USD 2,514.1 million in H1 FY 2019 (down 17.2%)
- Net Revenue reached **USD 623.5 million** vs. USD 862.8 million YoY, down 27.1% in constant currency, impacted by COVID-19 related installation suspensions and slowdowns
- Adjusted EBITDA of **USD 50.1 million** resulting in a **margin of 8.0%** declined from USD 124.9 million or 14.5% YoY
- Free Cash Flow (excl. M&A) of **USD 45.3 million** vs. USD 33.1 million in H1 FY2019
- Net cash of **USD 12.1 million** vs. net debt of USD 99.4 million in H1 FY 2019
- Distribution from capital reserves of **CHF 2.00** per share for FY 2019

Solid balance sheet & improved cash generation despite challenging business environment

Delivering on Commitments

1. *Prudently manage for cash during COVID-19 crisis; however R&D investments remain unchanged*
 - Delivered Free Cash Flow excluding M&A of USD 45.3 million, while maintaining sizeable R&D investments
2. *Convert opportunities pipeline into topline growth*
 - Won customer projects; however delays in the US due to regulatory project approvals continue, accentuated by COVID-19
3. *Foster redesigned global R&D setup within the organization to increase “customer intimacy” and “speed to market”*
 - Completed transfer of portfolio development responsibilities into regions
 - Established Global Technology Office to ensure global consistency and economies of scale
 - Enhancing technology roadmaps with emphasis on digital transformation
4. *Drive efficiencies to optimize product cost and organizational structure*
 - Established renewed leadership team
 - Implemented global restructuring & streamlining initiative with 12% headcount reduction
 - Kicked off initiatives to sustainably reduce product costs for competitive positioning
5. *Ensure continued customer satisfaction and readiness for the build up after the crisis*
 - Elevated customer experience through strategic partnerships such as Vodafone

Strategic priorities will be presented at the CMD on January 27th, 2021

Global Restructuring & Streamlining Initiative

- Project Hermes - global initiative to rightsize the organization & streamline processes to be completed by end of FY 2020
- Targeting a reduction of approximately 12% or ~700 employees across all levels of the organization, expected to result in annual run-rate savings of approximately USD 30 million from FY 2021 onwards
- Lower revenues require a reduction in Cost of Goods Sold to partially mitigate reduced operational leverage
- Total restructuring charges of USD 19 million expected to be fully cashed out by end of FY 2020

USD in millions	H1 FY 2020	H2 FY 2020	FY 2021 (annual run-rate savings)
Cost of Goods Sold savings	-	~ 5	~ 14
Operating Expenses savings	-	~ 5	~ 16
Total		~ 10	~ 30
Restructuring charges (P&L)	14.0	~ 5	-
Cash out	0.7	~ 18	-

Rightsizing positions Landis+Gyr for the current economic & competitive environment

Americas – Key Developments in H1 FY 2020

North America

- Active sales pipeline with notable wins such as Indianapolis Power & Light (an AES company), Sacramento Municipal Utility District (SMUD) and Piedmont EMC
- Revenue challenges resulting from:
 - Slow down of various project installations due to COVID-19
 - Regulatory project approval processes further delayed due to COVID-19
 - Recent project roll-offs not replaced by new business as well as slower tendering activities
- R&D investments remain a high priority, focusing on Revelo™ grid edge intelligence sensors and expansion of the Gridstream® Connect IoT platform

South America / LATAM

- Continued leadership as top AMI multi-purpose platform and services provider
- Pressures from intense competition and uncertainty related to funding, policy and economic stability
- Establishment of sustained cost saving initiatives

Japan / TEPCO

- Deployed ~26 million out of 29 million grid sensors toward the completion of the largest utility IoT platform in the world
- Global IoT leadership proven through unrivaled scalability as demonstrated by exceeding stringent service level agreement (SLA) requirements
- Next generation refresh planned for 2024

Technology leadership positions the Americas for recovery

EMEA – Key Developments in H1 FY 2020

UK

- Largest market impacted by COVID-19
- Roll-outs were temporarily suspended country wide
- UK roll-out completion rate of 40% with ~30 million more meters to deploy; roll-out prolonged to 2025
- L+G ~23 million smart meters under contract of which ~12 million have been delivered
- An additional ~15 million meters remain to be awarded
- Brexit impact remains uncertain, contingency plans remain in place

Portfolio Launches

- E360 LTE next generation residential meter
- T450 next generation heat meter launch

France

- >27 million meters already installed, with L+G being one of three remaining suppliers
- L+G awarded additional Linky volumes for both residential and also commercial / industrial meters

Nordics

- >1 million meters contracted in Sweden and Denmark; won N1 and Vores Elnet in Denmark and C4 in Sweden
- Strengthening leading position in Managed Services by extending several customer contracts in Finland
- E360 becoming the most popular next generation energy meter, backed up with our NB-IoT communication solution
- 2nd wave rollout expected to provide additional opportunities of ~10 million meters

Installations in the UK back to ~60% of pre-COVID-19 levels & France back to ~100%

Asia Pacific – Key Developments in H1 FY 2020

Australia & New Zealand (ANZ)

- Regulatory environment continued to drive uptake of smart meters for new and replacement meters
- Continued growth in rooftop solar also stimulated demand for smart metering
- Established terms with Intellihub for introduction of next generation smart meter to ANZ market with current supply agreement extended to July 2026
- Won first small but strategically important order for smart water meters in Australia

Hong Kong

- Continued to execute on smart metering projects with over 320k meters delivered in the first half
- Established Hong Kong Electric on-premise smart metering platform deployment

India & Bangladesh

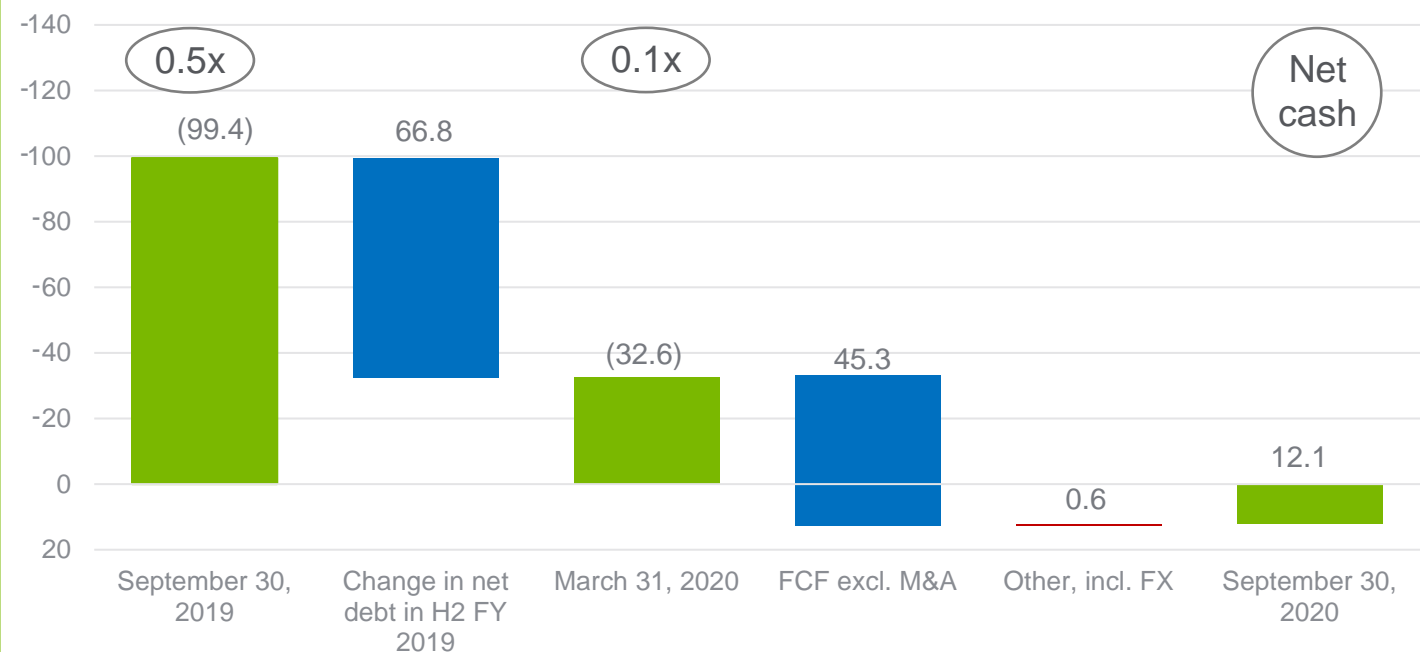
- India - Significant business impact due to COVID-19, however multiple smart meter opportunities emerging under strong central government support
- Bangladesh - Won smart pre-pay metering contract using same technology deployed at Tata Power in New Delhi
- Launched next generation Radio Frequency (RF) module utilizing multi-chip technology

Maintained market position & operational performance despite challenging environment

Net Cash / (Debt) – H1 FY 2020

Net Cash / (Debt) Bridge

USD in millions



Comments

- Cash on hand at September 30th, 2020 was USD 369 million
- Additional revolving credit facilities of CHF 200 million established during H1 FY 2020; these facilities are undrawn
- Net cash of USD 12.1 million
- No FY 2019 dividend payment made in H1 FY 2020
- Share buyback program remains suspended

○ Net debt / trailing twelve month Adjusted EBITDA

Net cash of USD 12.1 million with USD 369 million cash on hand & CHF 200 million in undrawn facilities

Update FY 2020

Update for FY 2020

COVID-19 and the general business environment in all key markets for Landis+Gyr make any outlook highly uncertain. Subject to that uncertainty:

- FY 2020 revenue is expected to be in the range of USD 1.3 billion - USD 1.4 billion
- Margins are expected to be higher in H2 than H1 FY 2020 given improved operational leverage

Dividend for FY 2019

- Board of Directors will propose a distribution from capital reserves of CHF 2.00 per share, exempt from Swiss withholding tax, for FY 2019 to be paid at the end of November 2020, subject to EGM approval on November 24th, 2020
- Equivalent to ~50% payout of FY 2019 Free Cash Flow (excl. M&A), reflecting a prudent approach

PAID

Expected upward revenue trend in H2 FY 2020, but COVID-19 continues to cause many uncertainties

Key Take-Aways

- Positive cash generation in harsh COVID-19 environment
- Strong balance sheet with USD 369 million cash on hand and CHF 200 million in undrawn credit facilities
- Renewed global leadership team highly committed to deliver strategic & operational results
- Redesigned technology function & continued investments in R&D drive speed to market & customer intimacy
- Implementation of restructuring & streamlining initiative progressing according to plan
- Actively pursuing environmental and social activities for strong sustainability impact
- Made a distribution from capital reserves of CHF 2.00 for FY 2019 in November 2020
- Capital Markets Day on January 27th, 2021, will provide additional information about strategic direction, including journey into grid edge intelligence and digitalization, as well as a possible update on mid-term guidance and dividend policy

Landis+Gyr provides critical infrastructure, empowering utilities & consumers to manage energy better



Q&A

Dates & Contacts



Important Dates

Capital Markets Day:

January 27th, 2021

Release of FY 2020 Results:

May 5th, 2021

**Publication of Annual Report 2020
and Invitation to AGM 2021:**

May 28th, 2021

Annual General Meeting 2021:

June 24th, 2021



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