

Capital Markets Day

Zurich, January 27, 2020

The image shows a low-angle view of a modern building with a glass and metal facade. The Landis+Gyr logo is prominently displayed on the building. The logo consists of the word "Landis" in a bold, sans-serif font, with a small green plus sign at the end. Below "Landis" is the word "Gyr" in a similar font, with a vertical bar extending downwards from the letter 'y'. The building's facade is composed of dark blue panels and thin metal lines. Several bright, circular lights are visible on the right side of the building, creating a sense of depth and modernity. The sky is a clear, light blue, and the overall scene is brightly lit, suggesting a sunny day.

Disclaimer

Forward-looking information

Presentations given during the Landis+Gyr 2020 Capital Markets Day include 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 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.

Market Data

Presentations given during the Landis+Gyr 2020 Capital Markets Day may contain estimates of market data and information derived therefrom that cannot be gathered from publications by market research institutions or any other independent sources. Such information is prepared by Landis+Gyr based on third-party sources and its own experience and internal estimates of market conditions. Although Landis+Gyr believes that its internal market observations are reliable, there can be no assurance that any of these estimates are accurate or correctly reflect its position in the industry, and such estimates have not been verified by any independent sources.

Alternative Performance Measures

Presentations given during the Landis+Gyr 2020 Capital Markets Day may contain information regarding alternative performance measures. Definitions of these measures and reconciliations between such measures and their US GAAP counterparts may be found on pages 36 to 40 of the Landis+Gyr Half Year Report 2019 on our website at www.landisgyr.com/investors.

Agenda

Start	Agenda Item	Lead
08:30h	Industry Dynamics, Strategy & Performance	Richard Mora, CEO
	Americas	Prasanna Venkatesan, EVP Americas
	EMEA	Susanne Seitz, EVP EMEA
10:15h	Coffee Break	
10:45h	Asia-Pacific	Steve Jeston, Head AP
	Finance	Jonathan Elmer, CFO
	Q&A	
12:15h	Lunch / Product Demos	



CEO Introduction

Richard Mora, CEO

Landis+Gyr at a Glance



Swiss HQ with
offices in 30+ countries
worldwide



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



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



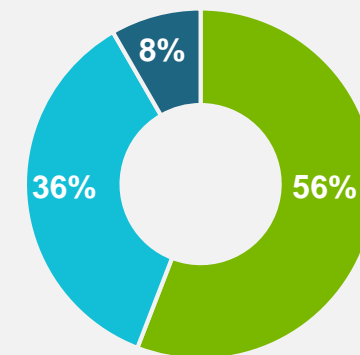
More than **15 million**
meter points under
managed services



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

Group Net Revenues FY 2018

Asia-Pacific
USD 147m



Americas¹
USD 986m

EMEA
USD 632m

¹ incl. Japan

Landis+Gyr Management Presenting Today



Richard Mora
CEO¹

21 years with Landis+Gyr
Over 30 years
multinational experience



Prasanna Venkatesan
EVP Americas¹

13 years with Landis+Gyr
Over 30 years technology
and management
experience



Susanne Seitz
EVP EMEA¹

1 year with Landis+Gyr
20 years international
B2B experience



Steve Jeston
Head Asia-Pacific

24 years with Landis+Gyr
Over 35 years experience
in energy management



Jonathan Elmer
CFO¹

23 years with Landis+Gyr
Over 30 years experience
in financial & general
management



Industry Dynamics, Strategy & Performance

Richard Mora, CEO

Landis+Gyr

Industry Dynamics



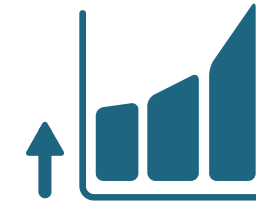
75 billion

By 2025, 75 billion IoT devices are expected to be connected and sharing data worldwide¹



>50%

of total electricity generation by 2040 coming from low-carbon sources²



>250%

Increase in distributed solar PV capacity during the period 2019-24, reaching 530 GW by 2024³

1. Source: Statista

2. Source: IEA (World Energy Outlook 2019).

3. Source: IEA - Renewables 2019

3D Factors Fueling Energy Grid Transformation

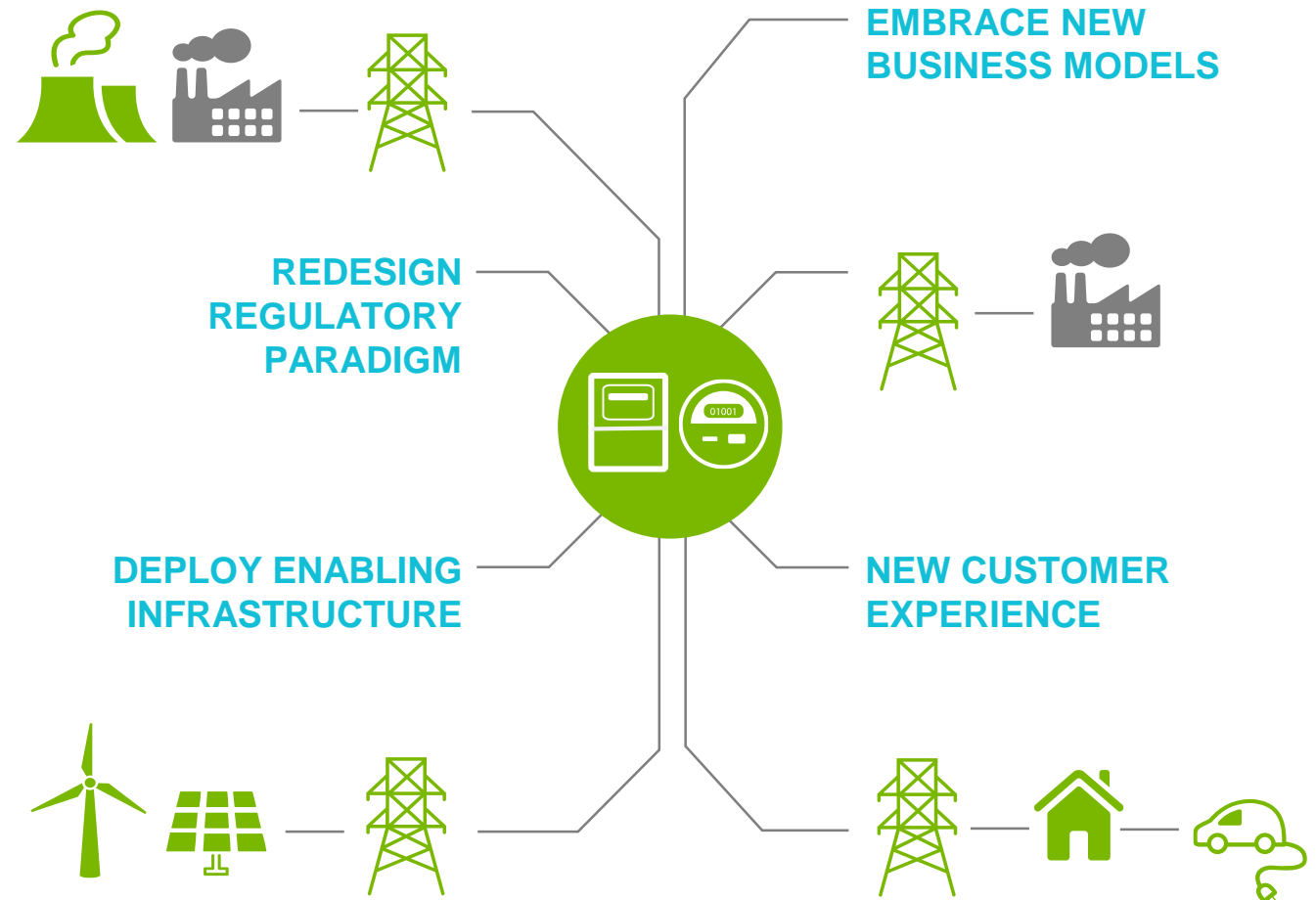
Smart meters, as grid edge sensors, are the foundation of enabling infrastructure for future energy distribution systems

Decarbonization

Decentralization

Digitalization

Transformation



Strong Strategic Positioning

The digital energy revolution is underway, enabled by the increasing endorsement of grid edge intelligence – and Landis+Gyr unleashes the true potential of change to transform the world of energy for the better



#1
in global smart
electricity meters



>100m
connected intelligent
devices installed



3
platforms
for growth

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



1

Smart Metering

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

Early Stage

Mass Deployments

Replacement

With strong local presence poised for capturing emerging smart metering business...

...with leading role in many of the largest national AMI rollouts...

...well positioned to capture growth and transition into grid edge intelligence



Smart Metering



Advanced Metering Infrastructure (AMI)



Grid Edge Ready



Grid Edge Intelligence



Global Smart **ELECTRICITY** Meter Market



Global Smart **GAS** Meter Market



Global **HEAT** Meter Market



Global Leader¹ AMI **MANAGED SERVICES** Market

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

1. Northeast placed Landis+Gyr as market leader in 2018.

Sources: Berg Insight, Frost & Sullivan, Northeast Group, IHS Markit and company information. All market shares based on global units ex. China

The Digital Energy Revolution is Underway, and Grid Edge Intelligence is a Key Enabler

Higher expectations of service delivery, more devices connected to the grid, and a higher awareness of and commitment to environmental protection



Utility Cloud Services



Grid Analytics



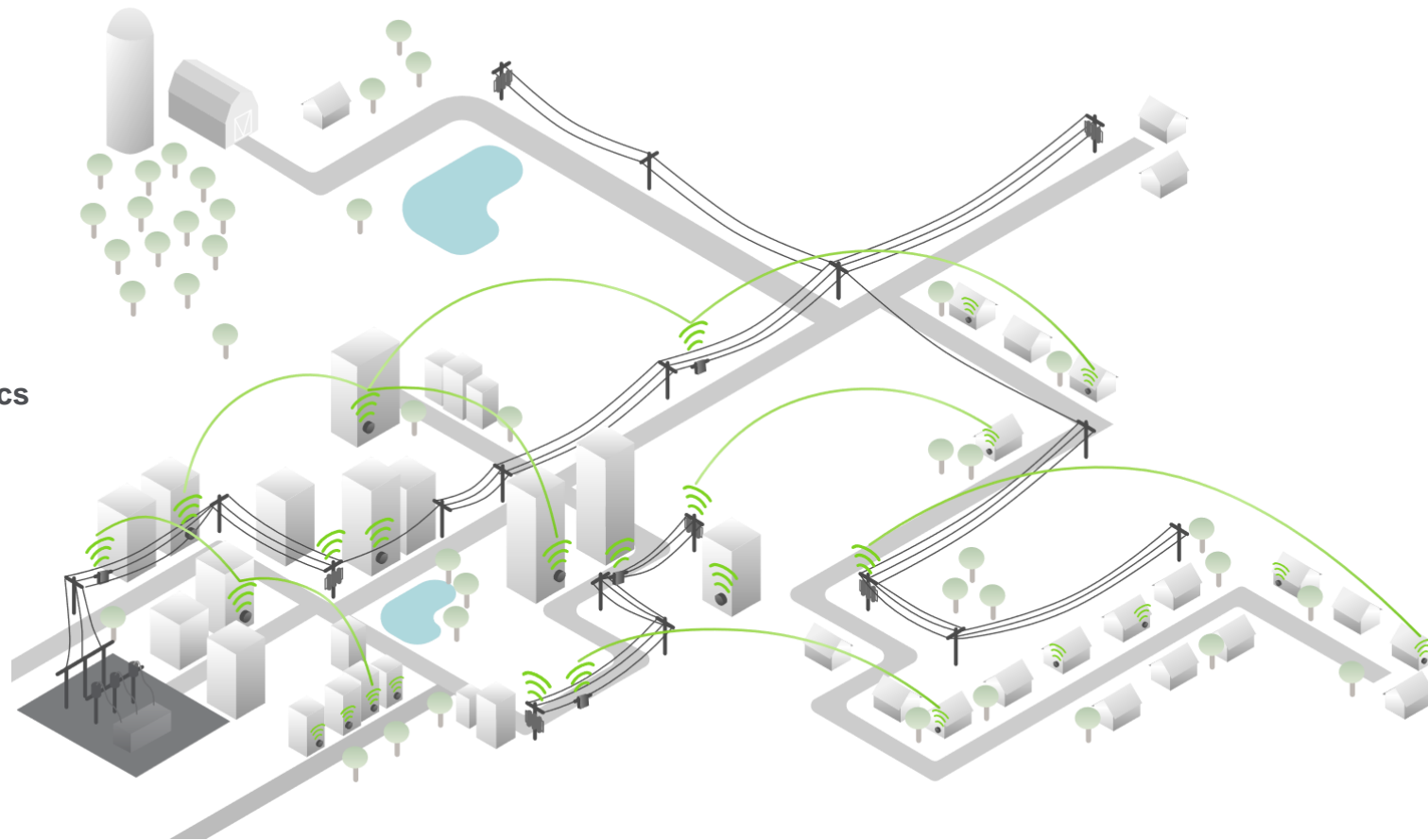
Consumer Analytics



Distribution Automation



Smart Metering and Sensors



Cyber Security



Smart Connectivity



Demand Response



Consumer Insights and Awareness



Advanced Load Management

Grid Edge Intelligence Enabled Digital Energy Revolution

1st Wave Model

- 15 min interval data
- Outage detection and restoration
- Service connect switch



- Demonstrated capabilities with early stage apps (Demand Manager)
- Revenue protection



- Technology development from IPv4 to IPv6
- Push for standardization and communications interoperability



Grid Edge Intelligence Model

- Real-time data
- Over-the-air upgrade
- Enhanced functionality

Grid Edge 
SENSORS

- Real-time data enabled intelligence
- Open development ecosystem
- App environment and secure infrastructure

Enhanced 
Intelligence

Interoperability & 
Interchangeability

- Internet Protocol to the endpoint
- Open standards based technology
- Flexible architecture for next generation communication technologies



Gridstream[®] Connect Apps



Similar to the mobile industry's approach to applications, Landis+Gyr is creating a platform that allows us to build an open ecosystem of apps and developers — these innovative apps will directly benefit the utility and, in the end, their customers

App OS



App Studio



App Marketplace



Smart Infrastructure Offers Additional Avenues for Expansion



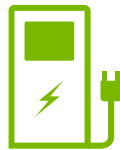
Continue **leveraging connectivity** platforms to further integrate sensors and devices **for use cases beyond** smart metering and grid edge applications, building **smart infrastructure ecosystem** for sustainable energy future



Smart Streetlighting
solutions



Smart Water
resource usage
solutions



EV Load Management and Charging Optimization
solutions



Other IoT Application
solutions & services

Relentless Focus on Operational Execution



152m

USD spend (adjusted)
on R&D in
FY 2018



19

Current R&D sites,
down from 23 in
FY 2017



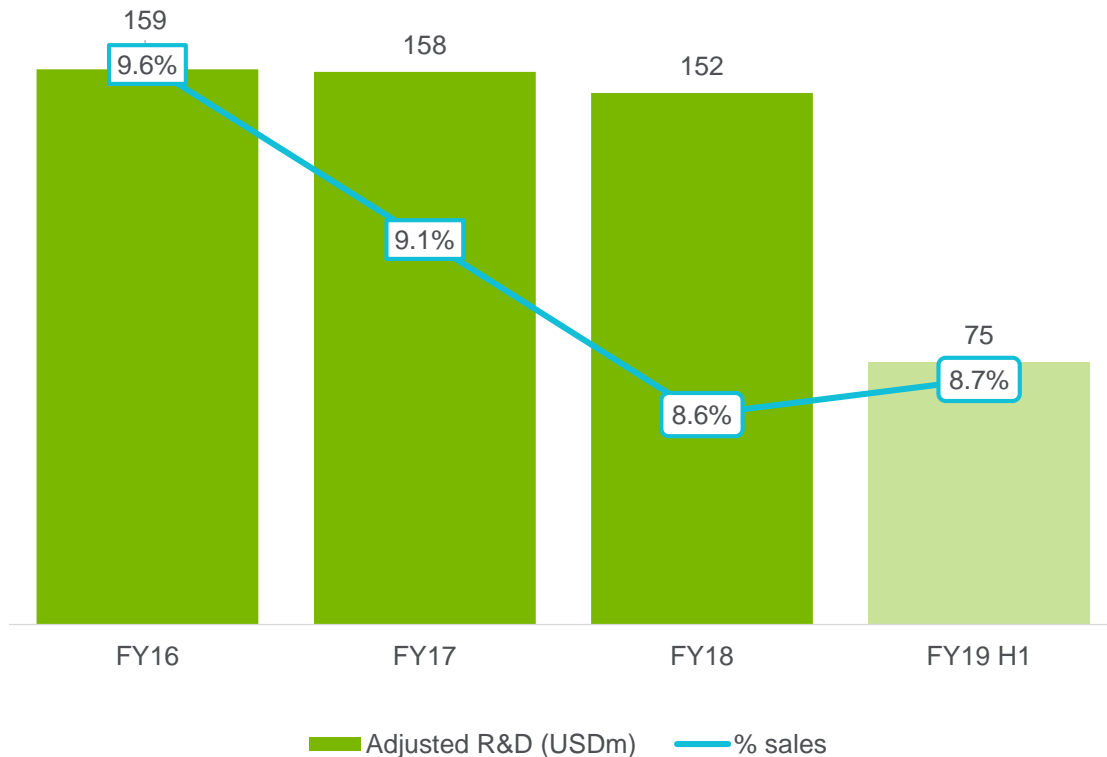
20m

USD run rate savings
expected from Project
Lightfoot in FY 2019

Innovation Pipeline Benefits from Productivity Gains

Getting the most out of every dollar spent

Adjusted R&D / sales ratio



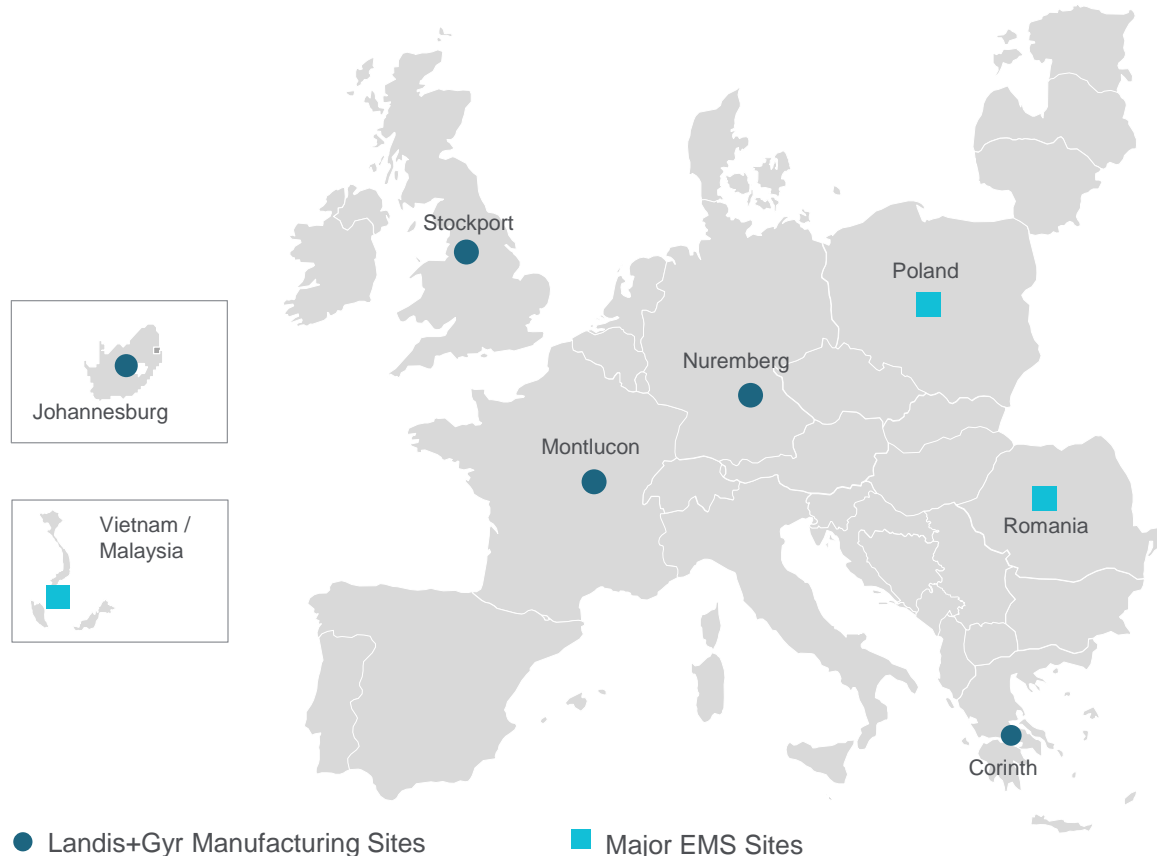
R&D capacity has been growing at a lower cost base driven by productivity gains from:

- Investment in Platforms
 - Modularization of software and firmware infrastructure
 - Technology reusability has increased, and lead times have been reduced
- R&D Site Consolidation
 - Current R&D footprint spans across 19 sites, down from 23 in FY 2017
 - Continued progress in building teams in low cost countries

Lightfoot to Deliver Annualized Savings of USD 25m in FY 2020 in EMEA

Shifting to an asset light supply chain:

- Introduction of a dual source/site using existing EMS sites
- Optimize/ramp-down/close selected manufacturing facilities



Project Status

- Manufacturing activities in Zug (CH) have been closed
- Northfields (UK) factory closed with 100% of UK electricity meter volumes outsourced
- Montlucon (FR) reduced to Linky production only
- Stockport (UK) factory workforce has been reduced by almost half and 75% of our UK gas meter volumes have been outsourced

Savings

- USD 20m expected to be delivered in FY 2019, with an additional USD 5m savings to be delivered in FY 2020

Corporate Social Responsibility Priorities

Nine material topics from the ESG¹ materiality analysis

Environmental	Social	Governance
<ul style="list-style-type: none">• Energy efficiency & climate protection• Resource efficiency• Strategic responsible sourcing	<ul style="list-style-type: none">• Employee motivation• Occupational health and safety• Fair labor practices• Community engagement	<ul style="list-style-type: none">• Data security and privacy• Business integrity

Helping our customers, energy consumers and ultimately society to manage energy better and reduce their CO₂ emissions substantially for a sustainable future



Landis+Gyr enabled **7 million tons** of direct **CO₂ emission reduction** in 2018 through the installed Smart Meter base



Equal to 7x the CO₂ Emissions of the City of Zurich in 2018

Environmental Impacts of Smart Metering

Number of functions and use cases proven to significantly contribute to overall reduction of CO₂



Insights

in energy consumption increase awareness and help **reducing the consumption**



Remote

reads and supply switch management significantly **reduce truck rolls**



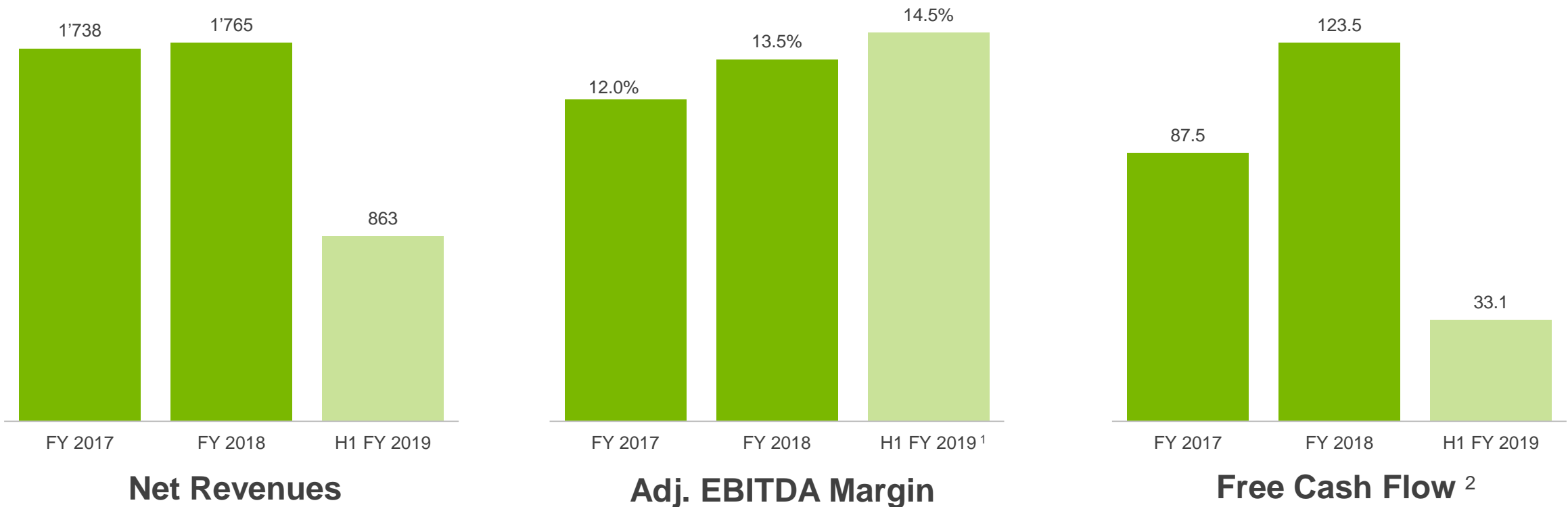
Proactive **alarming of faults** and outages leading to faster service restoration **positively impacting CO₂ emissions**



Smart Metering supported **peak load shifting** leading to **enhanced efficiency**

Improving Financial Performance

Results speak to our ongoing efforts – strengthening the company’s market position and improving profitability – with all key performance metrics growing year on year.

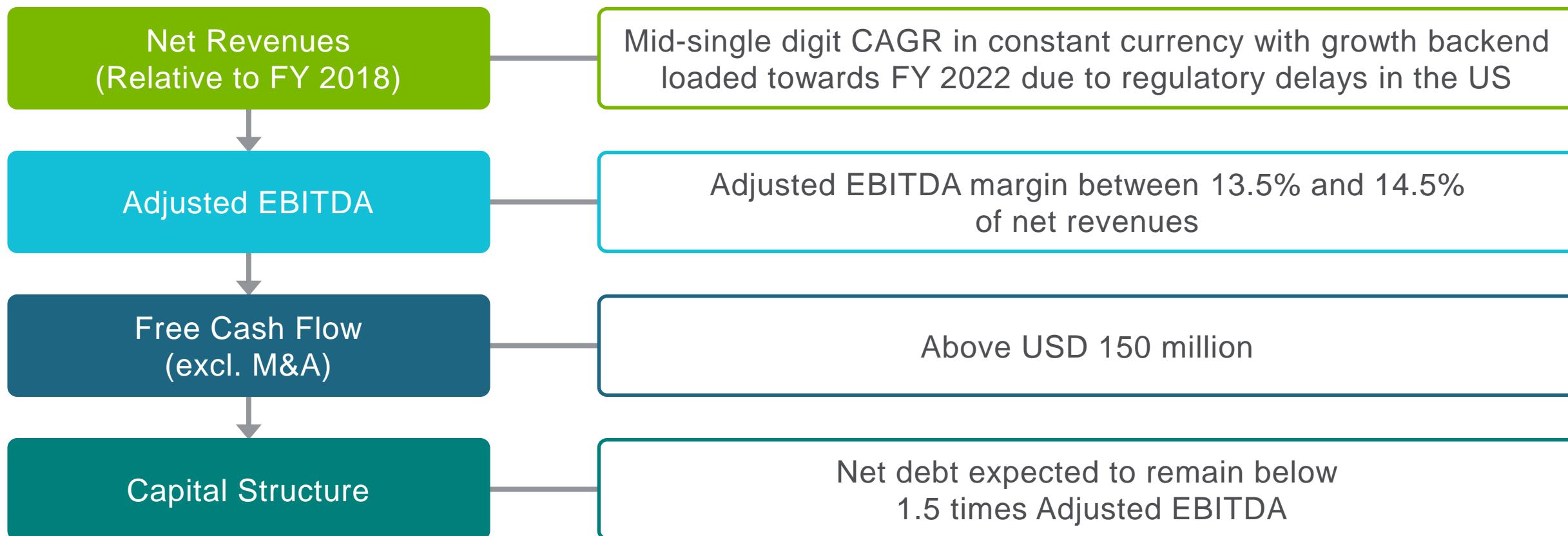


1. Following the adoption by the Company of ASU 2017-07 relating to defined benefit pension scheme costs, Adj, EBITDA has been revised down by USD 3.8 million in FY 2017 as all pension income and expenses other than service costs are now reported under “Other income (expense)”; net income is unchanged.

FY 2019 H1 including USD 5.6 million one-off related to Brazilian VAT ruling (13.8% excluding the VAT court case ruling).

2. Excluding M&A

Mid-term (FY 2022) Guidance



Mid-term guidance unchanged



Americas

Prasanna Venkatesan, EVP Americas

Americas Highlights



Leading advanced metering partner for utilities in the Americas



65+ million connected **intelligent devices**



Customer operations center processing meter reads for >10% of the US meter population



14 operation centers, 2 manufacturing facilities, and a regional HQ across the region

TEPCO

World's largest utility IoT network with **24+ million endpoints deployed**

Regional Highlights

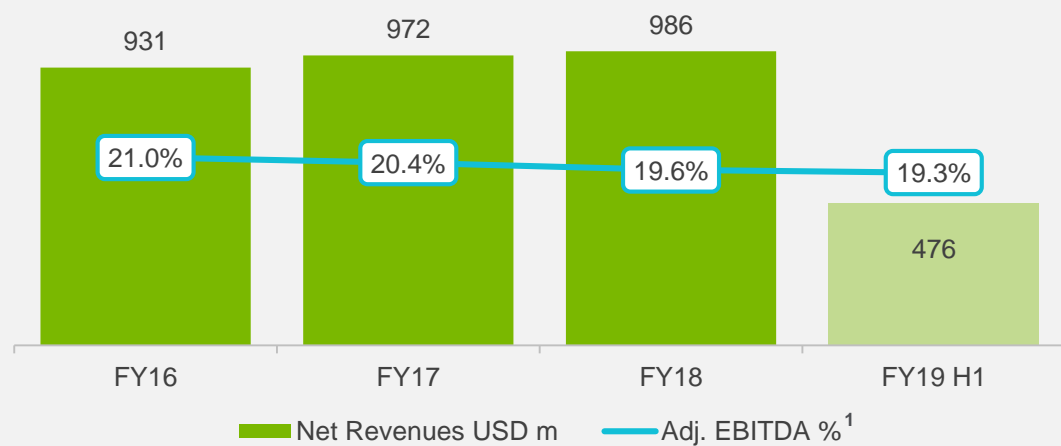
- Continued growth as the leading utility partner, leveraging Gridstream® Connect, including flexible communications and application enablement
- Major 2019 wins include:
 - Hawaiian Electric Company (HECO)
 - Ameren Missouri
 - Colorado Springs – showcasing continued leadership in multi-commodity utilities
- Leading the industry in support of renewables, improved grid resiliency, and consumer benefits. Examples include TEP, HECO, WEC, LIPA, and Oncor
- Achievements recognized by the industry:
 - Frost & Sullivan Global Company of the Year Award
 - Wi-SUN FAN 1.0 certification

Strong Financial Performance

Performance

- Sales to external customers in the Americas region rose to a new record high of USD 986 million in FY 2018
- Stable FY 2019 H1 performance
- Adjusted EBITDA margin remains resilient
- USD 1'635 million backlog at the end of FY 2019 H1

Revenues and Profitability



Committed Backlog

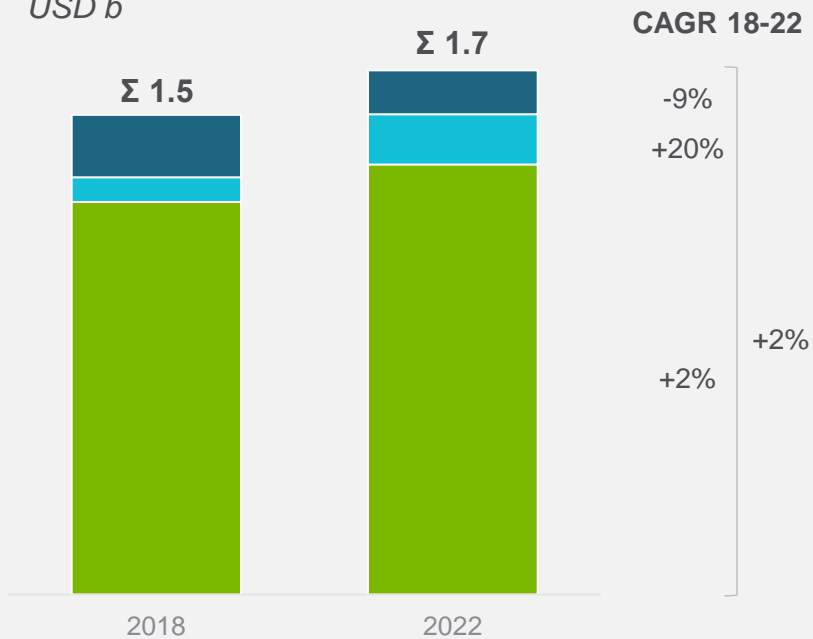


1. Following the adoption by the Company of ASU 2017-07 relating to defined benefit pension scheme costs, Adj. EBITDA has been revised up by USD 0.1m and down by USD 0.7m in FY 2016 and FY 2017 respectively as all pension income and expenses other than service costs are now reported under "Other income (expense)". FY 2019 H1 including USD 5.6 million one-off related to Brazilian VAT ruling.

Market Forecast

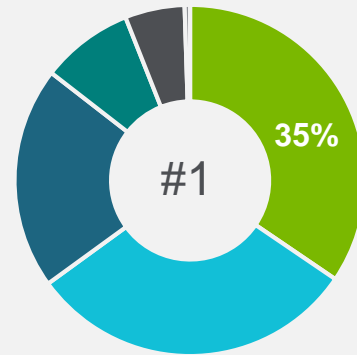
Market Evolution

Estimated market segments ¹
USD b

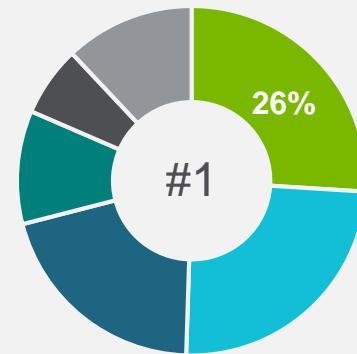


- Japan Smart Electricity Communications
- LAM Smart Electricity Meters
- NAM Smart Electricity Meters

Market Position



North America
Smart electricity
meters market
share, 2018, units ²



Latin America
Smart electricity
meters market
share, 2018, units ²

■ Landis+Gyr

NAM Smart Electricity:

AMI market driven by current large-scale deployments and upcoming refresh cycle

LAM Smart Electricity:

Delays experienced in this market; growth will be driven by Brazil

Japan Smart Electricity:

1st wave AMI rollout near completion; start of replacement cycle expected for 2023

US Electric Utility Market Structure

Investor-Owned Utility (IOU)¹

- **Large install base:** typically 500k – 3m endpoints
- **~190** utilities in US covering **73%** of endpoints
- Driven by **return on investment** dependent on regulatory framework and quality of service to its “rate payers”
- Regulated by State-appointed Public Utilities Commission

Public Power (PP)¹

Rural Electric Cooperative (REC)

- **Smaller install base:** typically 10k - 150k endpoints
- **~875** utilities in US covering **13%** of endpoints
- Driven by **prudent investment** to enable quality service to its “members”
- Governed by member-based board

Municipality, Gov’t (MUNI)

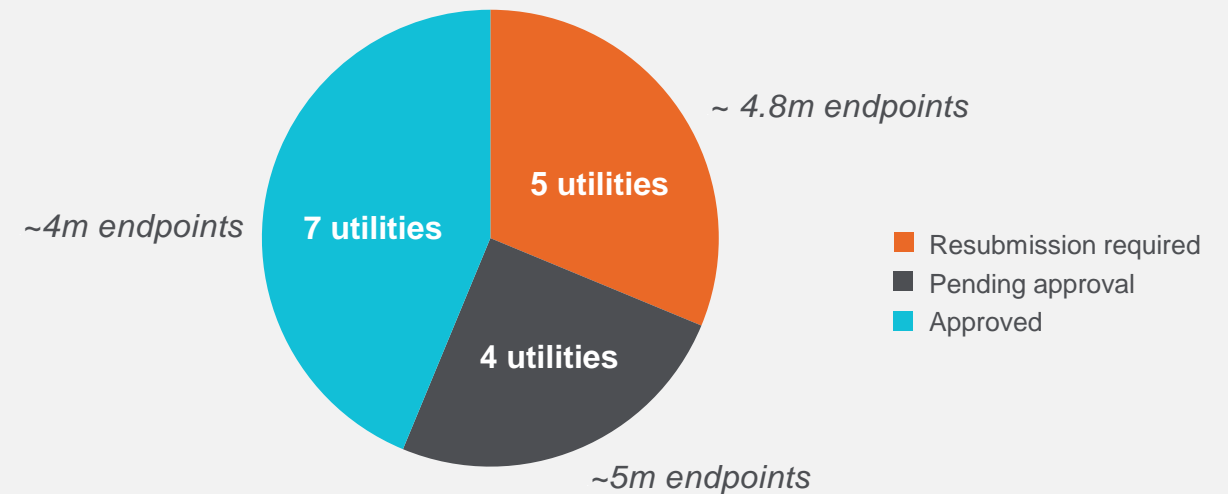
- **Wide range of install base:** typically 5k - 1m+ endpoints
- **~2’000** utilities in US covering **14%** of endpoints
- Driven by **quality service** to its “constituents”
- Federal, State, or City-based governing body

Regulatory Process and Delays

Regulatory trends^{1,2,3}

- Wide agreement AMI and smart meters are foundational for achieving desired benefits
- Technology advancement is creating a tighter link between AMI, meters, and utility grid modernization
- Protracted regulatory reviews and resubmission requirements are delaying new AMI deployments
- Resubmissions are due to: lack of benefits for consumers, energy efficiency, environmental & further benefits of an AMI system

Proposed utility AMI projects by status (Q1 2018 – Q1 2019)⁴



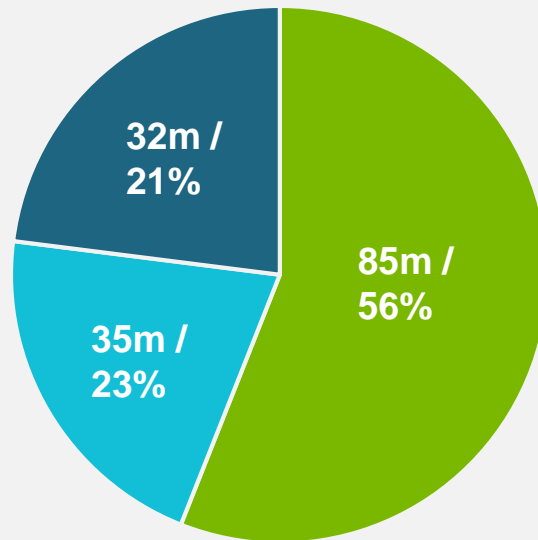
Landis+Gyr actions and implications

- Assist utilities with fact-based information for regulatory submission
- We see headwinds that could lower revenues in FY 2020
- Manage the cost base during the delays

US Electric Utility Market Status

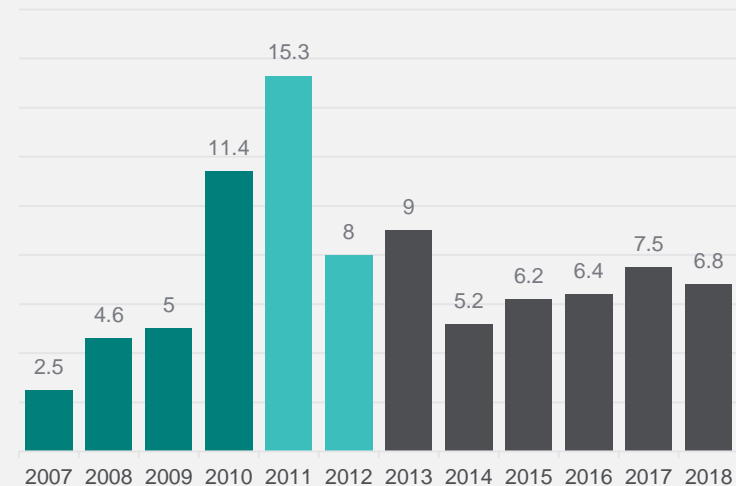
US AMI Deployment

Meter Contract Status (as of end of 2018)



- AMI deployed
- AMI under contract
- AMI not yet deployed

Yearly AMI Meter Deployments

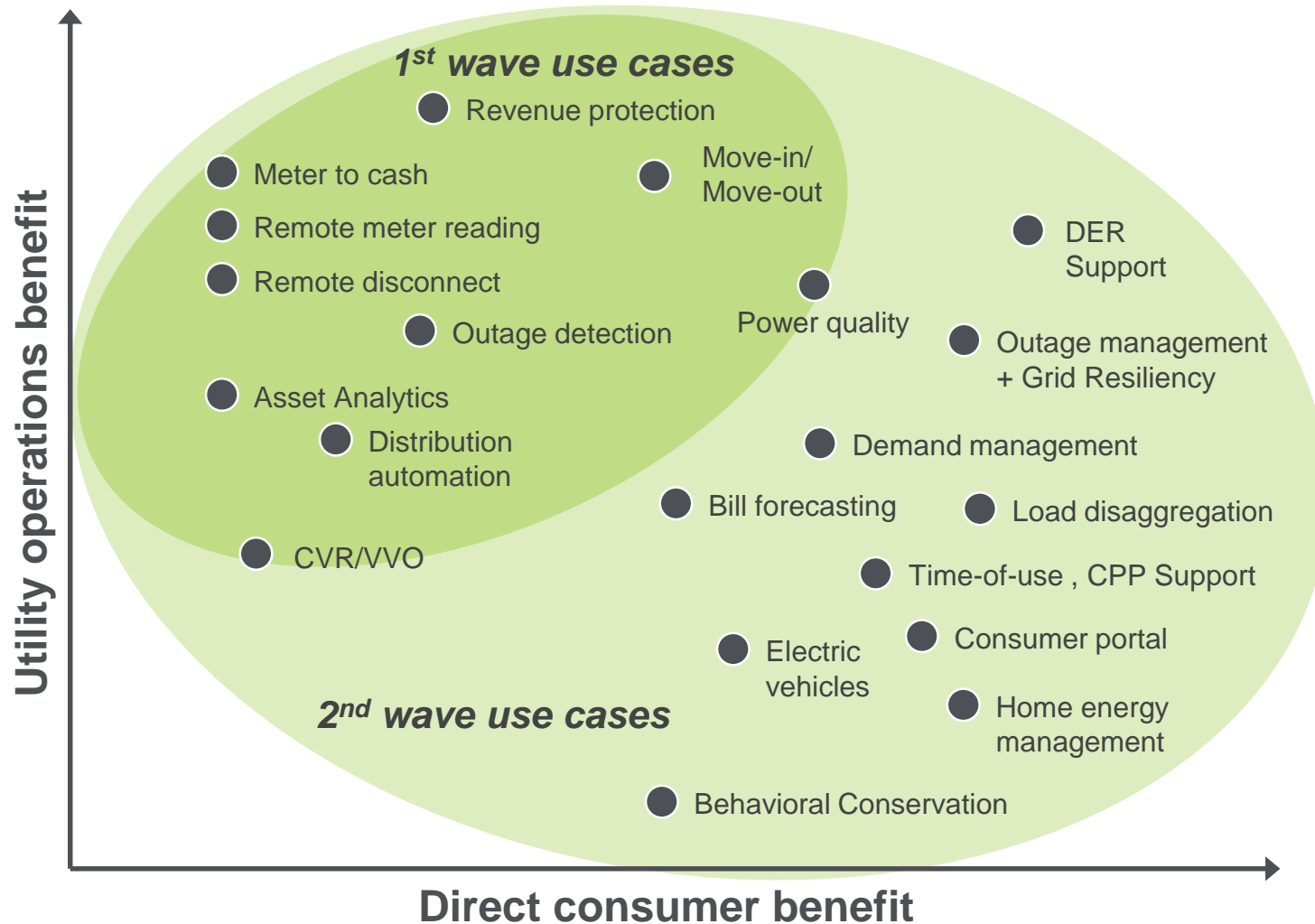


Today, out of the 85m AMI meters deployed, over **23m** are 10 years old or more

Next 2 years will double 2nd wave potential: until 2022 over **46m** are 10 years old or more

- Resilient North American AMI market
- 2nd wave rollout is driven by age of installed endpoint and the technology available at that time
- Early movers starting 2nd wave rollouts, including grid edge functionality and smart infrastructure
- Early AMI adopters have systems which do not have the technology to address current and emerging uses

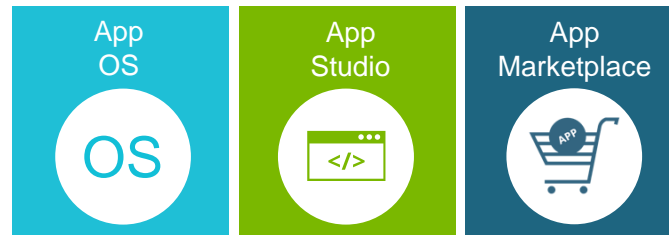
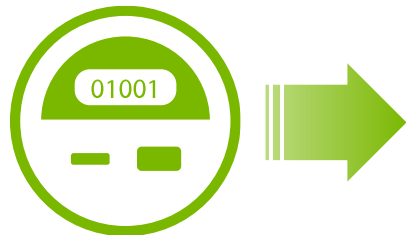
Evolving Market Demands New Technology



- Utility market dynamics are rapidly changing, **increasing the demands on AMI solutions** to provide expanded consumer benefits, enablement of Distributed Energy Resources, and much greater grid resiliency
- Regulators and other utility stakeholders are aligning future business and rate cases to provide new functionality and are **increasing the investment potential for AMI**
- **Intelligence at the grid edge will be a fundamental platform** for transforming the grid and be a critical element of the 2nd wave of smart meters

Grid Edge Intelligence is a Platform for Growth

IoT provides an opportunity for revenue and margin expansion for Landis+Gyr



Grid Edge Sensors

- Advanced IoT devices such as the next generation of meters **increases the value of the endpoint**
- Provides an opportunity for technology refresh in existing customer base
- Opens new opportunities to **expand into additional markets**

Grid Edge Intelligence Platform

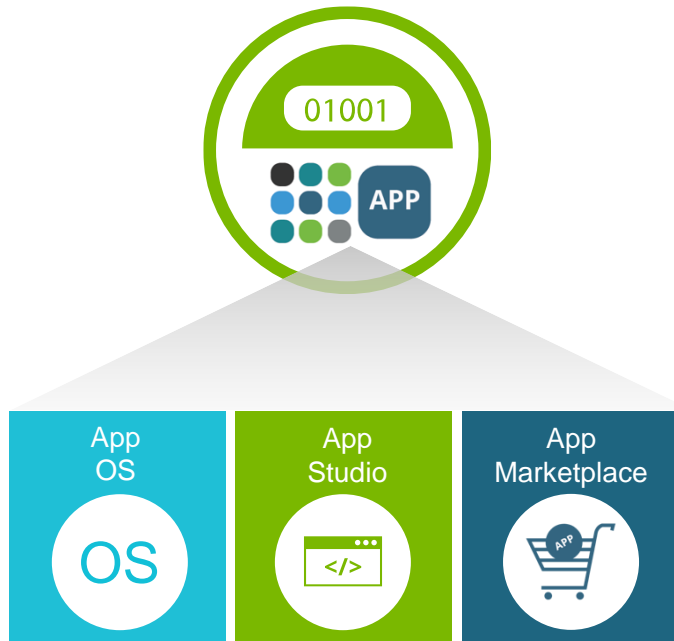
- Grid edge intelligence provides a mechanism to include **additional software and services** in support of new opportunity utility challenges
- IoT platform opens the opportunity to introduce new types of devices beyond traditional metering
- Creates **new revenue stream** from third party ecosystem

Value-Add Applications

- Landis+Gyr provided applications create an additional revenue stream and opportunity to differentiate endpoints
- Utility-built applications open the door for a new set of services to be provided

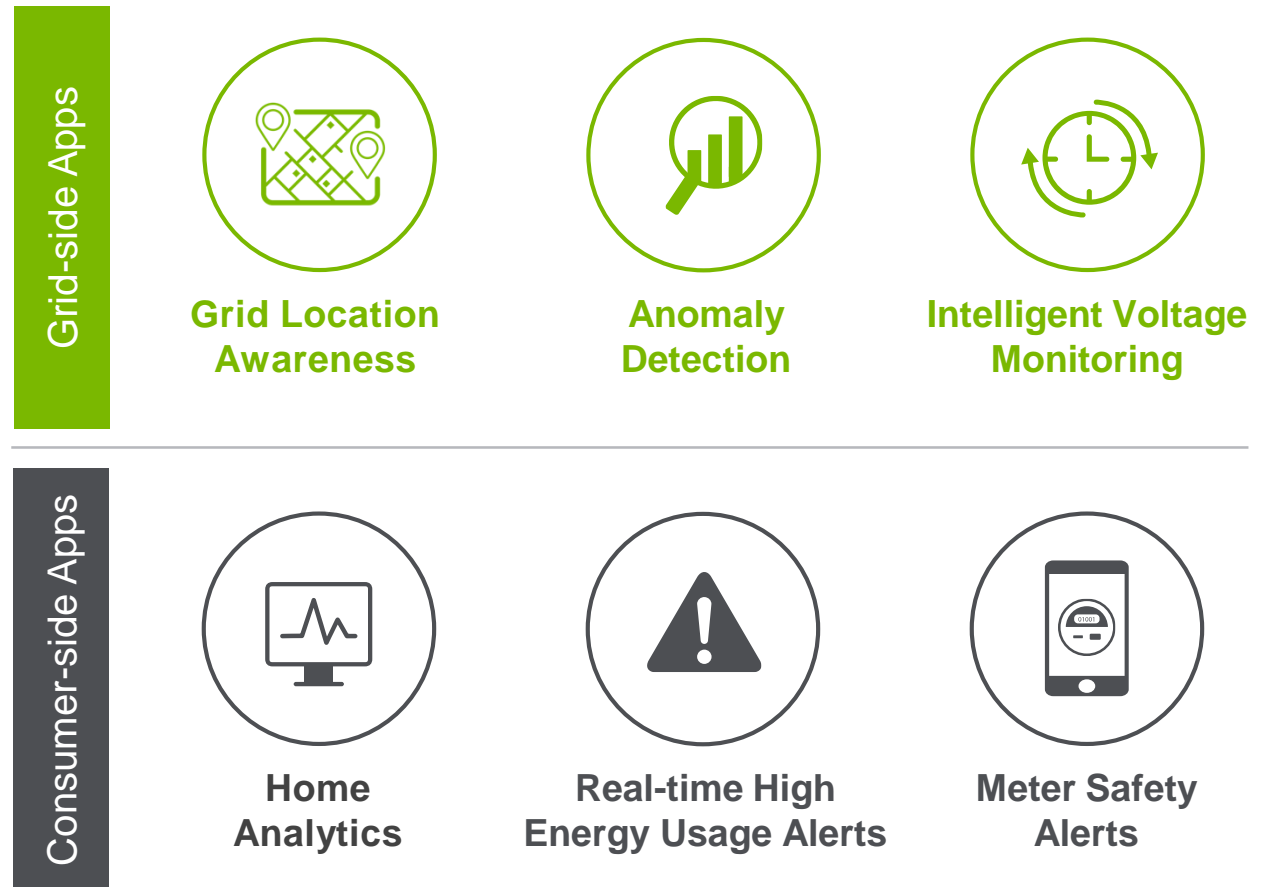
Expanding Utility Value through Grid Edge Intelligence

Landis+Gyr Edge IoT Platform



«Create, manage, *monetize*»

Pre-installed Apps add value on day 1



Introducing the Revelo™ Electricity Metering Offering A Grid Game Changer for Utility IoT Solutions

Uniquely powering edge intelligence with grid metering capability, providing Landis+Gyr with an **unrivalled market differentiator**

Embedded generation interconnect technology to support **Distributed Energy Resources integration at the edge**



Core grid & consumer-side edge **applications** provide unique benefits to utilities and consumers and new revenue opportunities for Landis+Gyr

A **common platform** will streamline development and manufacturing processes and allow for a quick response to rapidly changing market needs

FOCUS®



Elite



S4x



Focus Point: North American Market

~38m

Smart meters
deployed by
Landis+Gyr in NAM

800+

Utilities served
by Landis+Gyr

>21m

Meters hosted
in Landis+Gyr
Cloud offering

>2bn

Meter readings
processed per day
in our Customer
Operations Center

70m+

Licensed endpoints
with MDMS across
the globe

Market Dynamic / Customer Challenges

- 1st wave AMI roll-outs are reaching maturity, while 2nd wave is just starting; remaining utilities and 2nd wave utilities will require new use cases and broader benefits
- North American market leader in smart metering software and services with contracted relationships extending up to 40 years

Our Solution Offering / Priorities

- Continue to win high share of AMI deals with grid edge intelligence, expansion to IoT services, and our innovative, next generation technology roadmap
- Growth in edge intelligence, data, and complex devices drive utility demand for Landis+Gyr's established expertise in utility-focused software and services

Focus Point: Japan

>80m

Electricity meter refresh
over 10 years

2023

Start of government-driven
replacement cycle of all
meters over a 10-year period

>1bn

Daily reads –
unsurpassed network scale
and functionality achieved

TEPCO

World's largest utility IoT
network with 24+ million
endpoints deployed

Market Dynamic / Customer Challenges

- Japan is in the midst of an energy transition as a result of the recent deregulation of the electricity and gas market
- Next generation smart meter refresh planned for 2023

Our Solution Offering / Priorities

- Continue Landis+Gyr's strong relationship with TEPCO and capitalize on the next AMI wave
- Development of relationships with Japanese meter companies to grow our business

Americas Positioning for Success



Proven Success in the Americas

- Track-record of success with the largest, longest-running deployments
- Recognized as #1 provider for Utility IoT
- 2019 wins support continued leadership across existing and new customers



Unparalleled Reputation in Cloud Services

- Established base of 300+ customers, many with multi-year relationships
- Expertise in complex data services and utility business needs to grow foothold
- Foundational software expertise for edge application development



New Value with Grid Edge Intelligence

- Defining the technology vision for the market roadmap, poised to take advantage of market refresh
- Building an app ecosystem of partnerships
- Monetization of platform



Strategic Advantage in Japan

- Deep-rooted market position in Japan with 24m+ endpoints connected
- Largest global utility IoT platform
- Strategic positioning with utility, partners, and technology for next wave



EMEA

Susanne Seitz, EVP EMEA

Landis+Gyr

EMEA Highlights



Sales offices in **18 countries** across the EMEA region



1'300+ utilities served as trusted partner



Installed base in Europe of **35+ million** connected **intelligent devices**



160 end-to-end smart metering solutions in the field



1.6+ million meter points under **Managed Services**

Regional Highlights

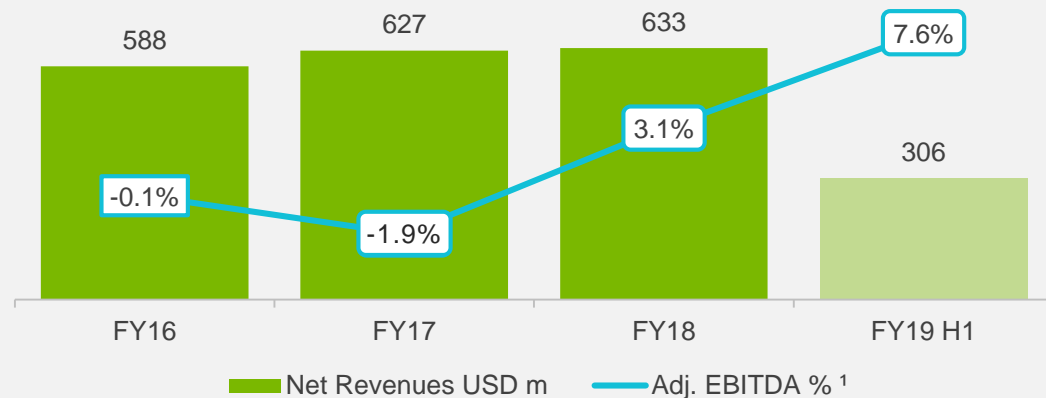
- Consolidated our position in UK and France large rollouts
- Launch of Gridstream® Connect – our Utility IoT Platform
- 1 million metering points for Gridstream Connect solution to E.ON Sweden
- First Software as a Service (SaaS) contract outside Nordics
- Strong revenues growth mainly driven by UK
- Return to profitability – continued journey to improved performance and profitability

Continued Turnaround Yielding Strong Top Line and Profitability Improvements

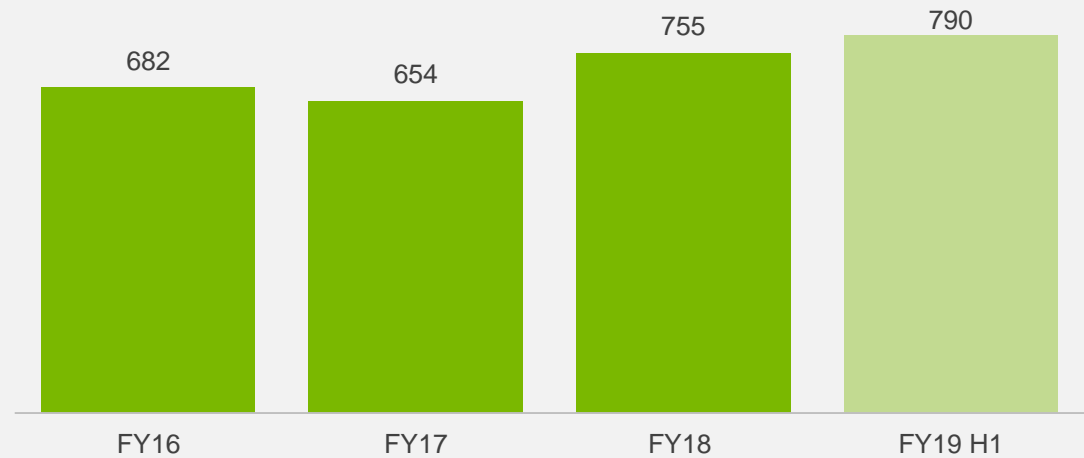
Performance

- Revenue growth driven by UK; expected Brexit destocking did not materialize
- Full effect from completed introduction of product cost downs
- Project Phoenix completed in FY 2018
- Project Lightfoot expected to deliver USD 20m of annual savings in FY 2019 with an add. USD 5m savings to be delivered in FY 2020
- Committed backlog up on the back of contract wins in the Nordics and the UK

Revenues and Profitability



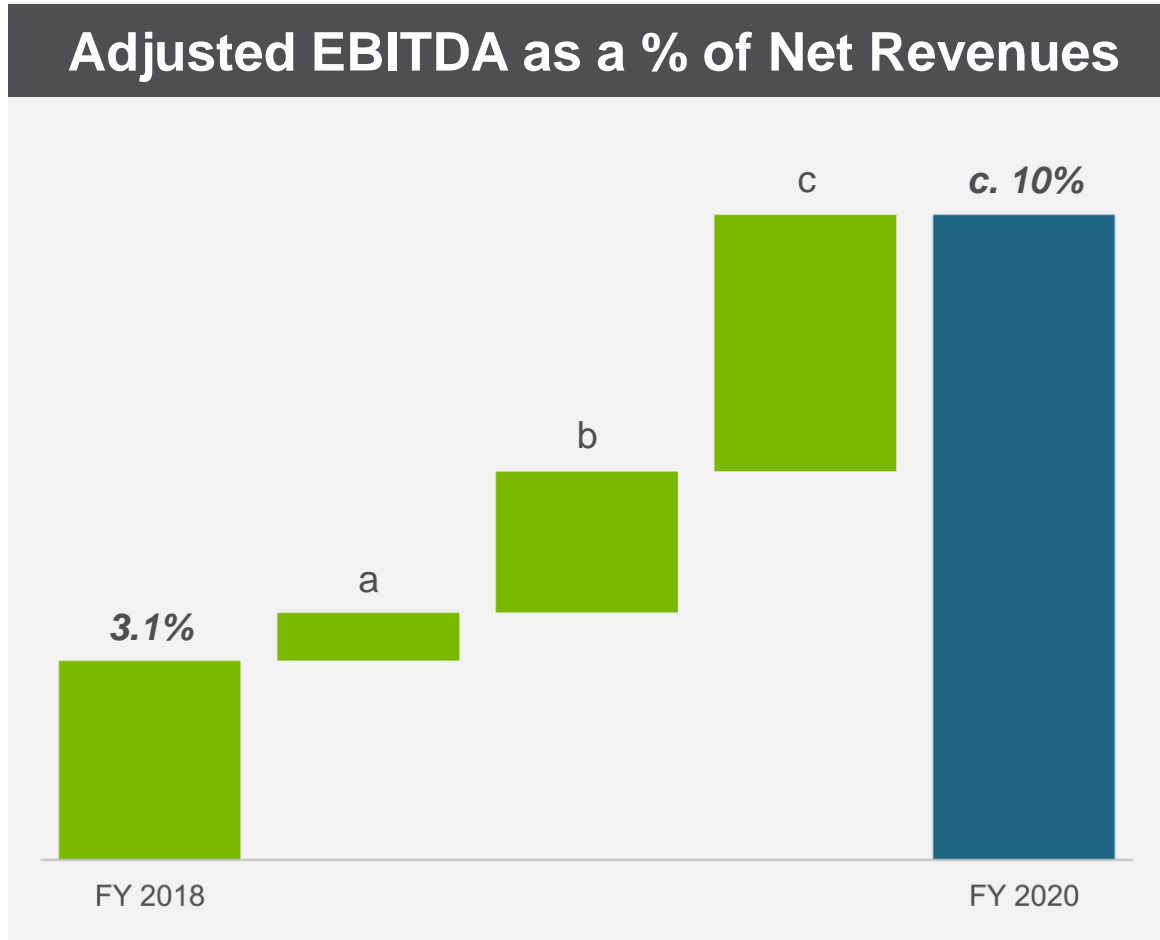
Committed Backlog



1. Following the adoption by the Company of ASU 2017-07 relating to defined benefit pension scheme costs, Adj. EBITDA has been revised down by USD 1.5m and by USD 3.1m in FY 2016 and FY 2017 respectively as all pension income and expenses other than service costs are now reported under "Other income (expense)"

EMEA's Adjusted EBITDA Margin on Track to Hit 10% in FY 2020

Adjusted EBITDA as a % of Net Revenues



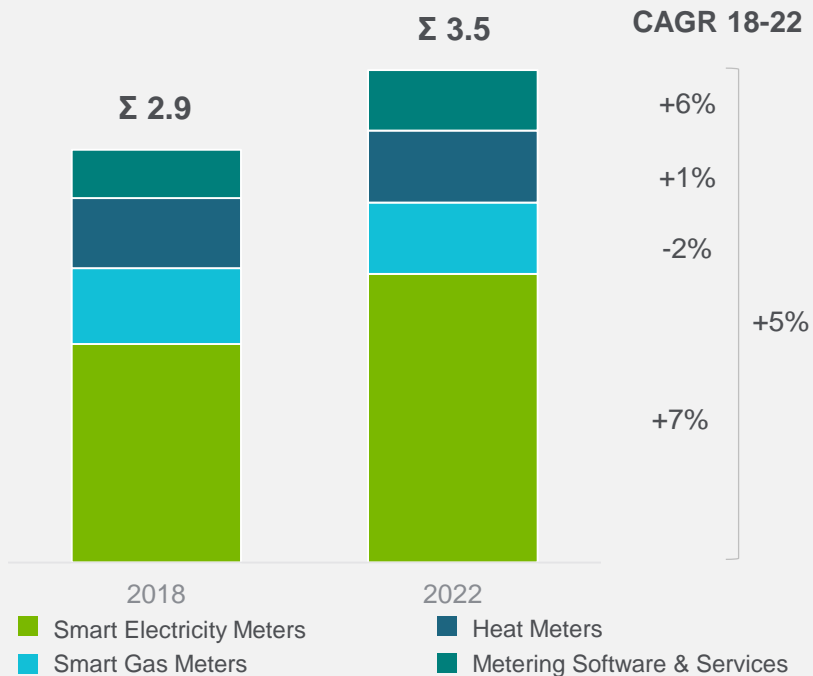
Measures

- a. Improved Margin Quality: +0.5% to +1.0%**
Product cost downs have been completed on high volume AMI products
- b. Lightfoot Savings: +2.0% to +2.5%**
Ahead of plan to deliver USD 25 million savings in FY 2020
- c. Operating Leverage: +3.5% to +4.5%**
Higher net revenue volumes lead to economies of scale. Further efficiency gains on operating expenses.

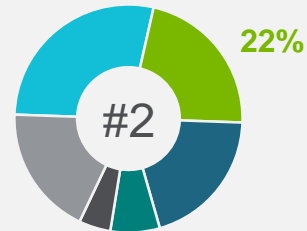
Market Forecast

Market Evolution

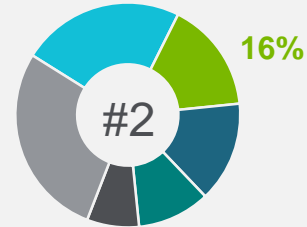
Estimated market segments ¹
USD b



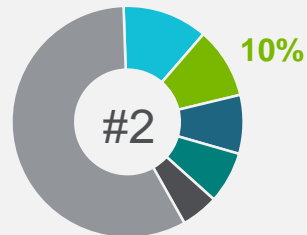
Market Position



EMEA smart electricity meters market share, 2018, units²



EMEA smart gas meters market share, 2018, units²



EMEA heat meters market share, 2018, units²

Landis+Gyr

Managed services vendor landscape³

Leaders: Landis+Gyr kamstrup Sagemcom

Contenders: Capgemini Honeywell
ELTEL IBM ZIV

Smart Electricity:

Regulation supports smart meter installations

Smart Gas:

Rollouts ongoing in large Western European countries

Heat:

Stable market supported by EU directive, gradual transition to ultrasonic technology

Software and Services:

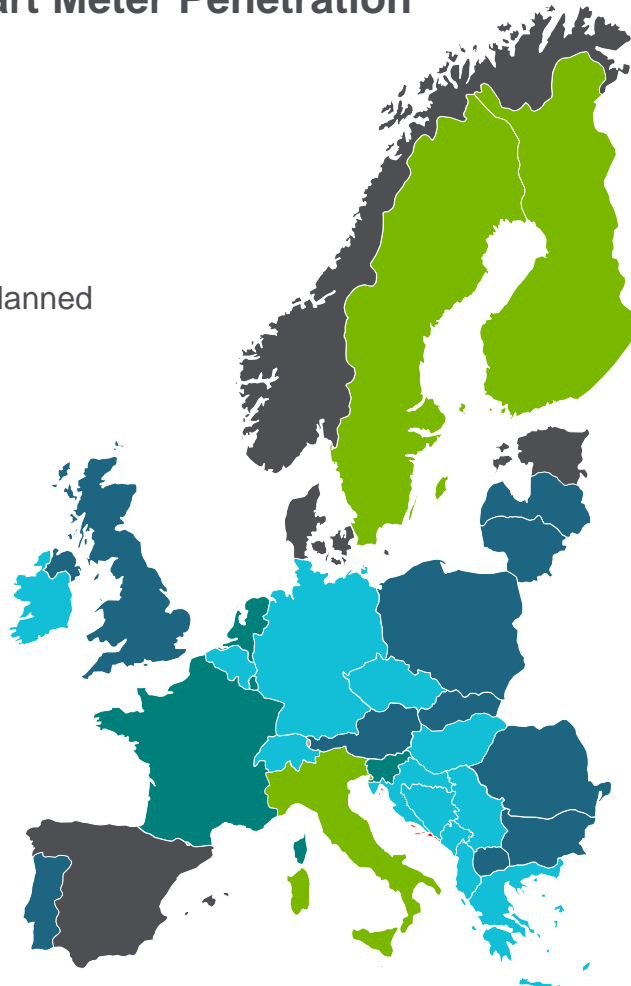
New requirements to utilize more meters and utility data which is expected to drive the market

1. Company estimates including inputs from IHS Markit (2019), Frost & Sullivan (2019) and Northeast Group (2018)
2. Market share based on IHS Markit (2019) and Frost & Sullivan (2019)
3. Northeast Group (2018), company analysis

Growth Driven by Continuing Smart Meter Penetration and Upcoming 2nd Wave Rollouts

Electricity Smart Meter Penetration (end of year 2019)

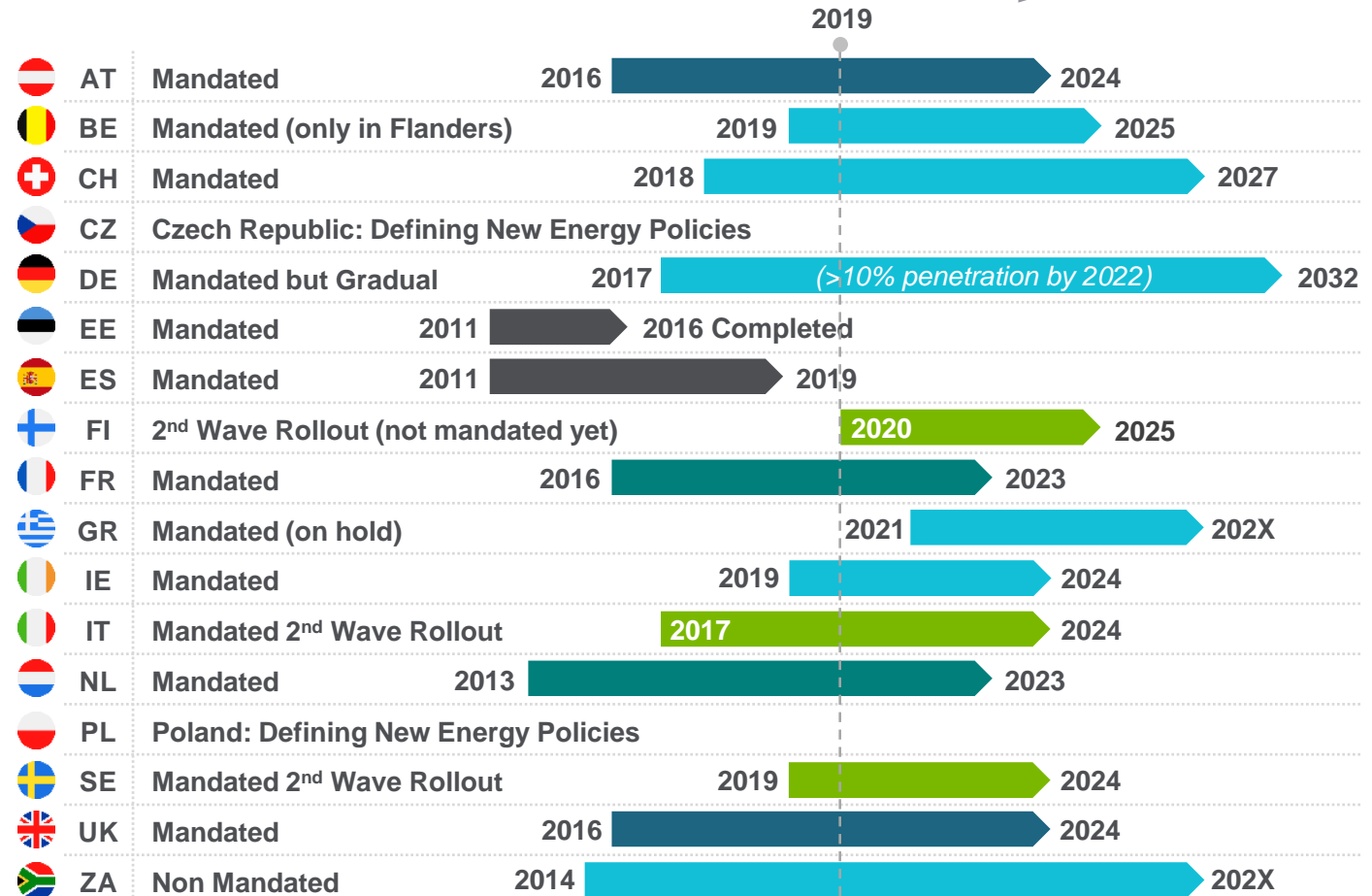
- >80%
- 50–80%
- 10–50%
- 0–10%
- 2nd wave rollout planned



2019
Installed base: 145m
Penetration: 48%

55m (new AMI)
+14m (2nd wave) meters to be installed

2022
Installed base: 200m
Penetration: 65%



Focus Point UK: Leveraging a Large-scale Rollout

53m

Smart electricity and gas meters to be deployed during the full rollout

15.6m

Smart meters deployed¹

21m

SMETS meters supplied or under contract for Landis+Gyr

9m

Meters already supplied by Landis+Gyr

Market Development

- Moving to a decentralized power grid
- Establish accurate on-time billing data (instead of estimation)
- Better facilitate pre-payment models
- Rollout prolonged to 2024

Our Solution Offering / Priorities

- Further expansion of our smart meter base
- Building on current smart meter offering
 - Development of alternative communication technology
 - Grid edge intelligence use cases
- Services to optimize customers' operational efficiency

Focus Point France: Linky Rollout in Full Swing, New Use Cases Emerging

35m

Residential meters
to be deployed

30k

Linky meters installed
per day

25%

Supplied by
Landis+Gyr

6 → 3

Reduction of
suppliers

Market Development

- Modernization of the network for the Energy Transition
- More than 23 million already installed, 90% completed by 2021
- Capitalize on the Linky technology
- Leverage AMI infrastructure to enable new offerings

Our Solution Offering / Priorities

- Residential AMI deployment Linky is the 1st step of network digitalization.
- The next steps are:
 - Commercial and Industrial AMI with new meter
 - Low voltage monitoring at the sub-station level
 - Electrical mobility

Focus Point Nordics: 2nd Wave Deployments

5.4m

Smart meters to
be replaced in Sweden
by 2024

>1m

Metering points
contracted for Landis+Gyr
in Sweden

3.5m

Metering points
in Finland

Data
Hub

For each
Nordic country

Market Development

- Sweden replaces 1st generation smart meters with latest technology
- 2nd generation rollouts in Finland are about to start
- Strong demand for Managed Services across the Nordic region
- DSO's focus on utilizing the data for improved grid efficiency and customer service excellence

Our Solution Offering / Priorities

- Introduction of Gridstream Connect IoT platform with NB-IoT communication technologies and latest meter portfolio for grid edge intelligence
- Extending our Managed Services offering

Focus Point Switzerland, Germany, Central and Eastern Europe: Early Phase Opportunities

4.8m

Meters installed base

Switzerland

Market Leader

- New regulation in place requiring 80% of meters being smart by 2027
- Market is preparing
- Priority: maintain market leading position and expand into service business

45m

Meters installed base

Germany

Delayed energy transition and mass rollout

- Grow smart metering and capture large shares in smart meter deployments
- Pilot services model for small and mid-sized utilities (Infrastructure as a Service)

50m

Meters installed base

Central and Eastern Europe

Difference in drivers for AMI between EU and non-EU countries

- Priority EU countries: win large share of rollout e.g. in Poland and Czech Republic
- Opportunity in other countries to offer solutions to reduce technical and non-technical losses and to secure grid reliability

EMEA Positioning for Success



Customers and Markets

- Capture **large share of the upcoming smart meter deployments**
- Address small and medium DSOs with our **end-to-end solutions**
- **Leverage our installed base** of 35 million connected intelligent devices and **existing customer relationships**



Offering

- Strengthen our positioning at the **grid edge**, 'beyond metering', with our next generation offerings
- **Grow services** through geographic expansion and value-add services



Operational Excellence

- Ensure professional delivery of **customer projects**
- Build success on **highly engaged employees** and the right **competency and skill set**



Coffee Break



Asia-Pacific

Steve Jeston, Head AP



Landis+Gyr

Asia-Pacific Highlights



Serving
major markets
across the region



Strong customer relationships/service
drives continued
long term success



4+ million
connected intelligent devices in the field



Leading Supplier in smart metering¹
with deployments in Australia,
Hong Kong and India

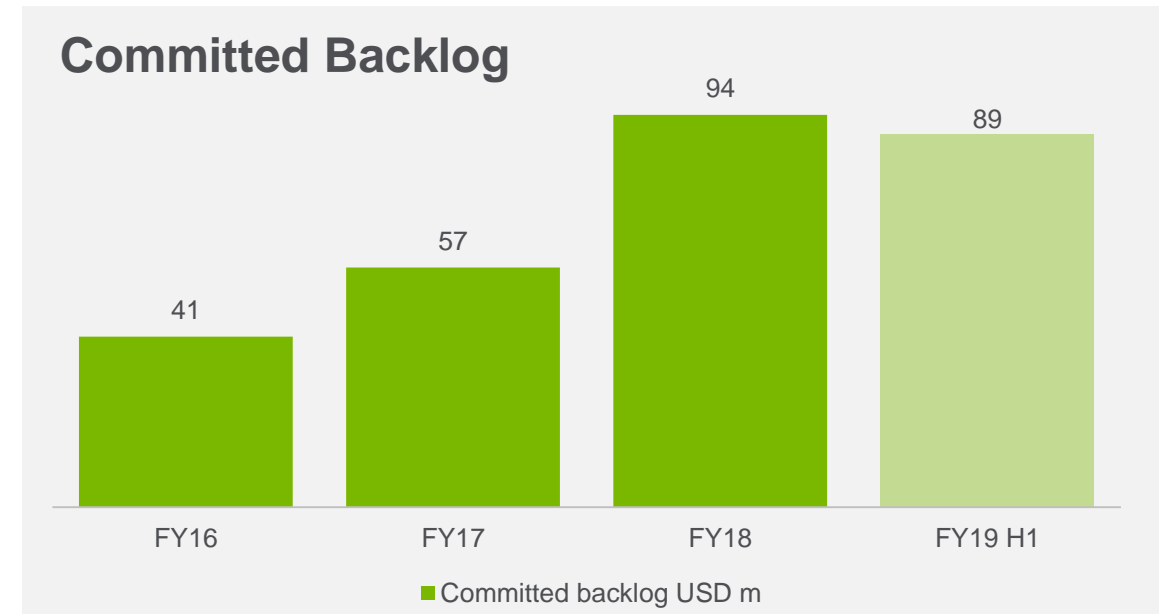
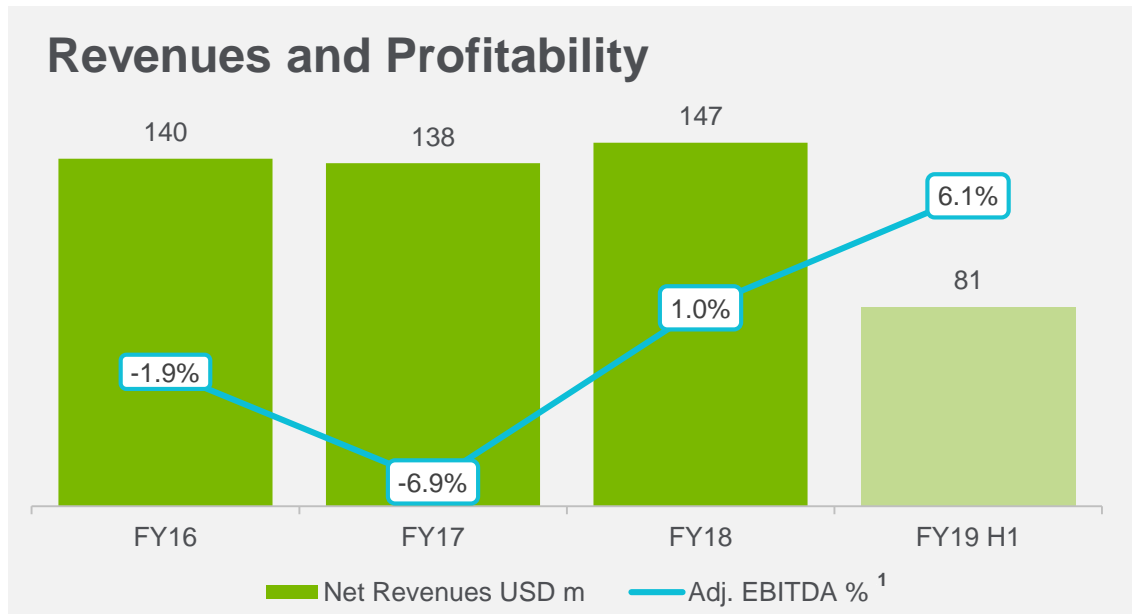
Business Highlights

- Strengthened our position as leading supplier in smart metering
- Strong improvements in profitability due to lower cost base
- Smart metering contracts in targeted growth areas: Australia, Hong Kong and India
 - Awarded CLP contract extension covering AMI system and Meters (Hong Kong)
 - TATA canopy now connected +160k AMI meters (India)
 - Growth in AMI meters, via local JV partner intelliHUB (ANZ)

Improving Financial Performance

Performance

- Australia: Higher market certainty after implementation of regulatory framework (Power of Choice) driving demand
- SEA: Executing on CLP Power contract in Hong Kong
- India: Improved margin, coming from stronger sales, and focus on customer selection
- FY 2019 H1 net revenue up 32.0% in constant currency with Australia, Hong Kong and India as main drivers
- Restructuring and offshoring actions implemented in FY 2018 contributing to adjusted EBITDA

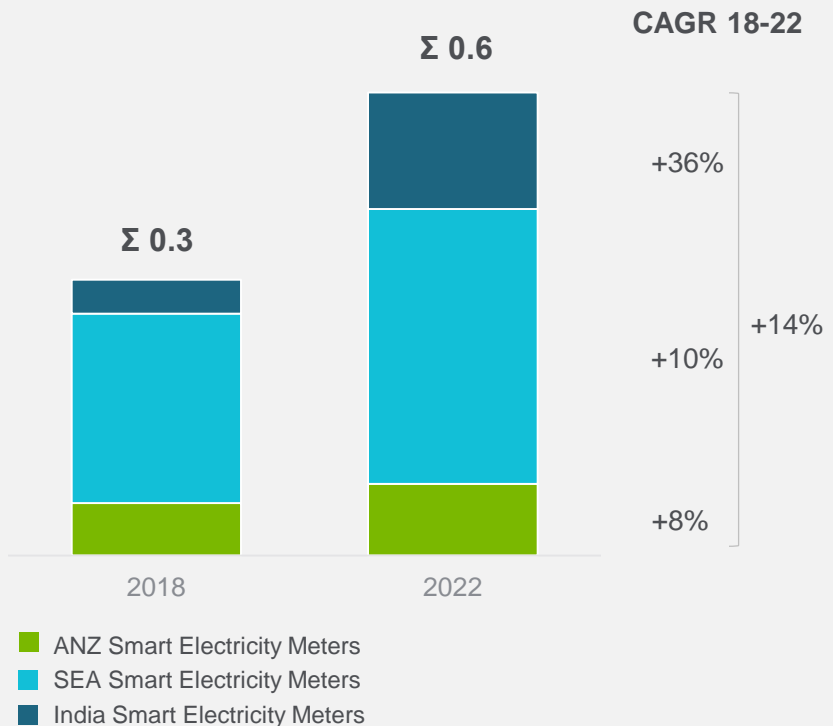


1. Following the adoption by the Company of ASU 2017-07 relating to defined benefit pension scheme costs, Adj. EBITDA has been revised up by USD 0.1m in FY 2017 as all pension income and expenses other than service costs are now reported under "Other income (expense)"

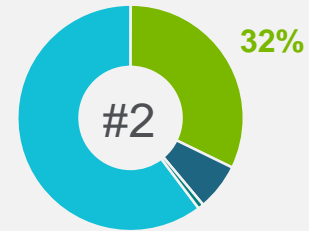
Dynamic Market Outlook

Market Evolution

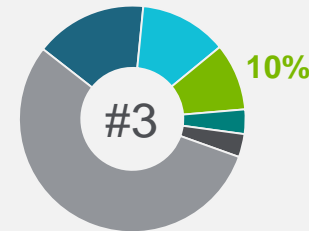
Estimated market segments¹
USD b



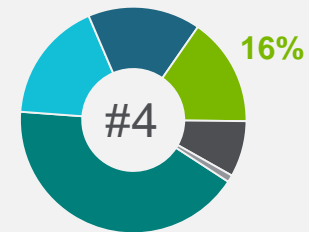
Market Position



ANZ smart electricity meters market share, 2018, units²



SEA smart electricity meters market share, 2018, units²



India smart electricity meters market share, 2018, units²

Landis+Gyr

ANZ Smart Electricity:

Constant growth with application of Power of Choice, refresh cycle expected in New Zealand

South East Asia Smart Electricity:

We concentrate on selected countries showing concrete sign of AMI deployment

India Smart Electricity:

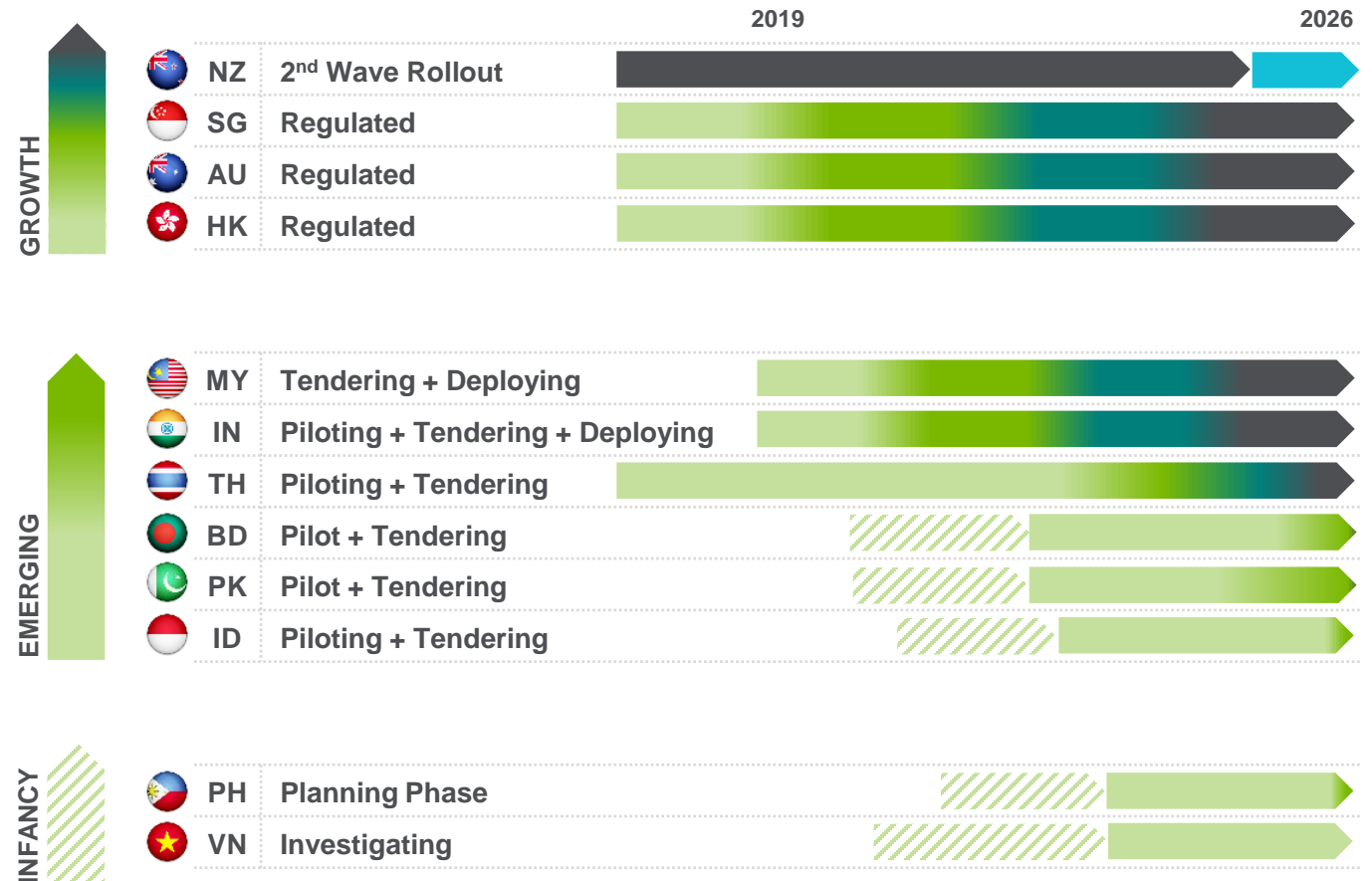
Shifting to a more selective targeted customer focus, in turn drives improved bottom line financial performance.

Growth Driven by Upcoming AMI Deployments

AMI Meter Penetration



AMI Market Deployment Stage



Focus Point: Australia and New Zealand

27%

Smart meter penetration in ANZ (~3m smart meters deployed to date)

21%

Of homes have **roof top solar** (>2m homes)

30%

Australia share of **global residential battery demand** in 2019 (70k)

1m

Forecast **household battery** installations by 2025

Market Dynamic and Customer Challenges

- Electrical network stability under increasing pressure from significant renewable energy sources being installed
- AEMC/AEMO¹ creating regulation to drive greater renewable distributed generation in the market
- Utilities evaluating network monitoring and control
- Power of Choice market gaining momentum with replacement requirements
- Refresh cycle expected in New Zealand from 2024

Our Solution Offering / Priorities

- Gridstream[®] Connect enables smart network monitoring and control
- Driving greater distributed intelligence at the household through grid edge offerings
- Driving ownership costs down through flexible solution offerings such as integrated hardware designs, Software-as-a-Service (SaaS), managed service offering via our JV partner intelliHUB

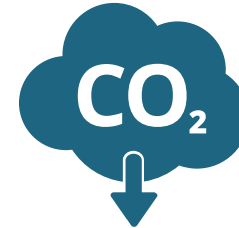
Grid Edge Proof of Concept “Sun Smart”



Solar-power **microgrid trial** in Warranyjarri Broome Western Australia



Use of Landis+Gyr's technology



Solution delivered a reduction of CO₂ and excess renewable energy for charging batteries



Expected yearly savings per consumer compared to traditional network (~USD 1'750)

Customer Challenge

- Horizon Power network has significant cost to serve remote locations in North Western Australia
- Goals of the project:
 - Reduce cost to serve while also reducing CO₂ emission
 - Improve local network reliability and availability
 - Improved customer experience and engagement

Our Solution Offering / Priorities

- Landis+Gyr's technology provided connectivity, measurement, control of decentralized devices (home solar, batteries)
- Enablement of 3rd party home energy management system application



Focus Point: India

USD
86.1bn

Estimated cost to Indian economy due to inefficiencies / distortions¹ across energy sector

19%

Estimated distribution losses

5th

Ranking for installed capacity of renewable energy globally

+175k

Additional Gridstream AMI meters connected under RF canopy

Market Dynamic and Customer Challenges

- Massive saving available through improved efficiencies
- Largest global renewable generation program target of 175 GW by 2022 (90 GW installed as of 2018)
- Ministry of Power publicly announced AMI target of 240m AMI meters by 2022

Our Solution Offering / Priorities

- Gridstream® Connect enables more than AMI: smart grid canopy for distribution automation and advanced network applications including prepayment
- Leveraging our experience of domestic solar in Australia into Indian market
- Leveraging our innovation program to achieve low cost products specific to the Indian requirements

Focus Point: South East Asia

215m

Electricity meters installed
base across the region

+80%

Expected energy demand
growth from 2015 to 2040

>1m

Additional smart endpoints
contracted in Hong Kong

>6m

Number of AMI units that
were open for tender in 2019

Market Dynamic and Customer Challenges

- Fragmented markets, transitioning to AMI at different pace
- Many utilities working through the complexity of moving to AMI systems and developing their business case
- Desire for interoperability
- Various communication technologies

Our Solution Offering / Priorities

- Unique ability to draw on global technology platforms to provide localized solutions
- Share our extensive AMI execution knowledge and experience
- Standards based, interoperable solutions
- Network of strong local partnerships

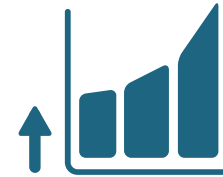
Asia-Pacific Positioning for Success



Grow on the back of emerging AMI opportunities across the region through close customer relationships and strong partner network



Continue to build out competitive market offering for targeted opportunities. **Expand market offering** as demand for grid edge applications grow



Margins will continue to improve through a combination of value adding services and continued focus on our portfolio cost out programs

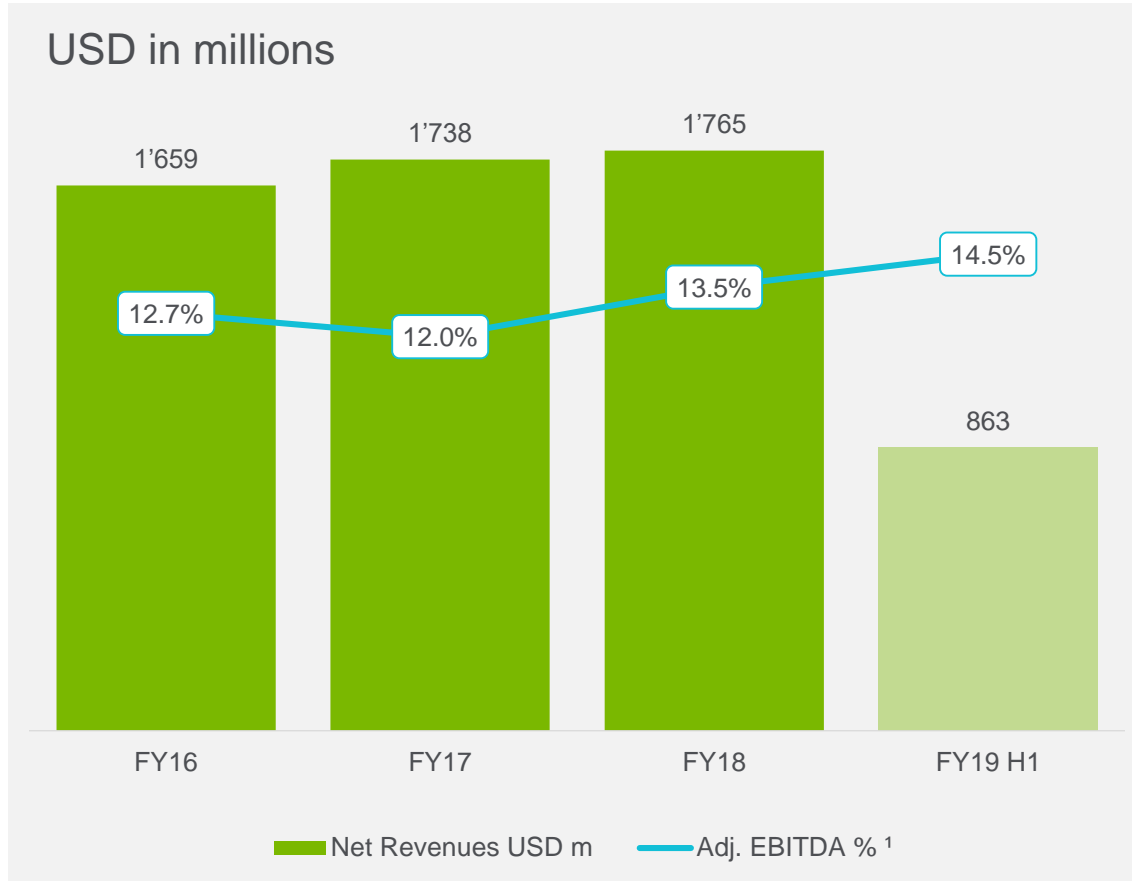


Finance

Jonathan Elmer, CFO

Group Performance:

Revenue Growth and Operational Improvements Drive Margins Higher



1. Following the adoption by the Company of ASU 2017-07 relating to defined benefit pension scheme costs, Adj. EBITDA has been revised down by USD 1.4m and by USD 3.8 million in FY 2016 and FY 2017 respectively as all pension income and expenses other than service costs are now reported under "Other income (expense)"; net income is unchanged.
FY 2019 H1 including USD 5.6 million one-off related to Brazilian VAT ruling.

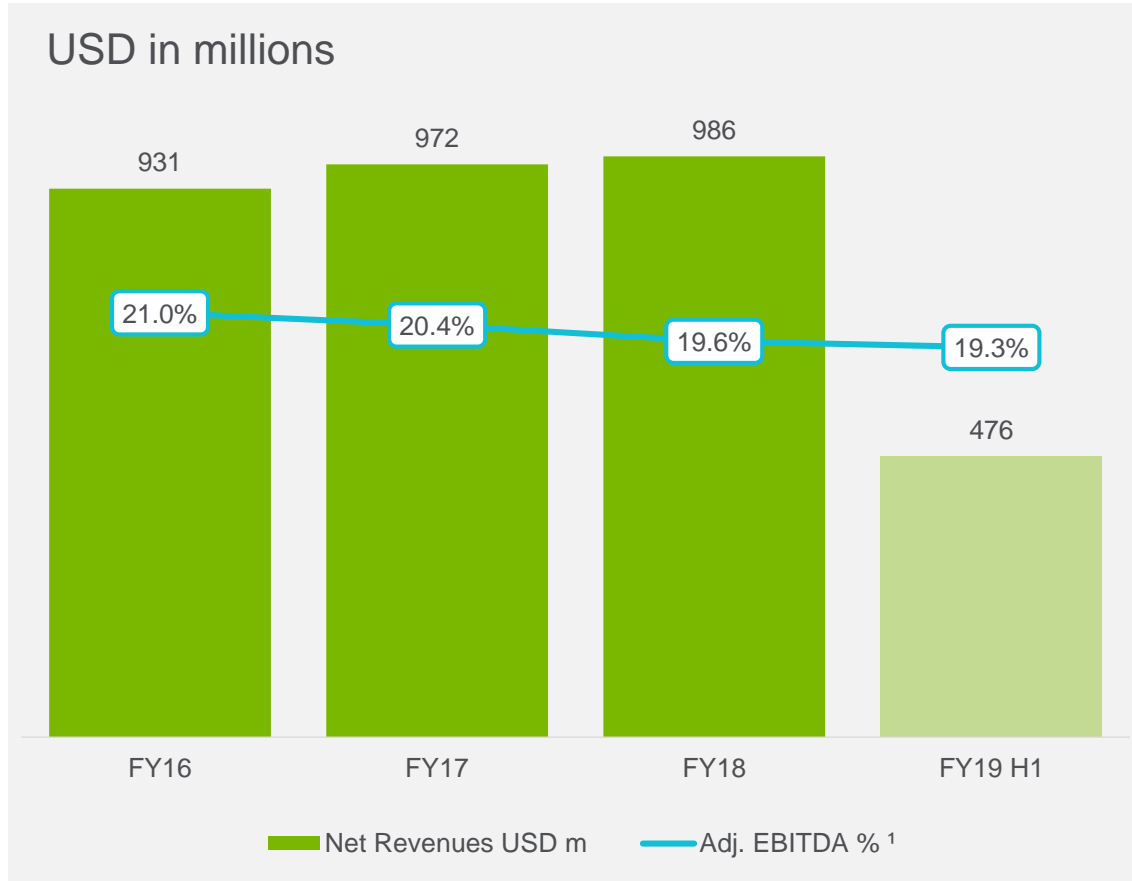
FY 2019 H1: Net Revenues Development

- **Group:** +3.4% growth y-o-y in constant currency
- **Americas:** Impacted by roll-off of two major projects
- **EMEA:** UK continues to drive performance
- **AP:** Australia, Hong Kong and India driving growth

FY 2019 H1: Adjusted EBITDA %

- Adjusted EBITDA margin improved by 130bps, excluding one-off VAT impact in Brazil of USD 5.6m
- EMEA and AP recovery drives profitability improvement

Americas Performance: Resilient EBITDA Margins Despite Some Top-line Headwinds



1. Following the adoption by the Company of ASU 2017-07 relating to defined benefit pension scheme costs, Adj. EBITDA has been revised up by USD 0.1m and down by USD 0.7m in FY 2016 and FY 2017 respectively as all pension income and expenses other than service costs are now reported under "Other income (expense)".

FY 2019 H1 including USD 5.6 million one-off related to Brazilian VAT ruling.

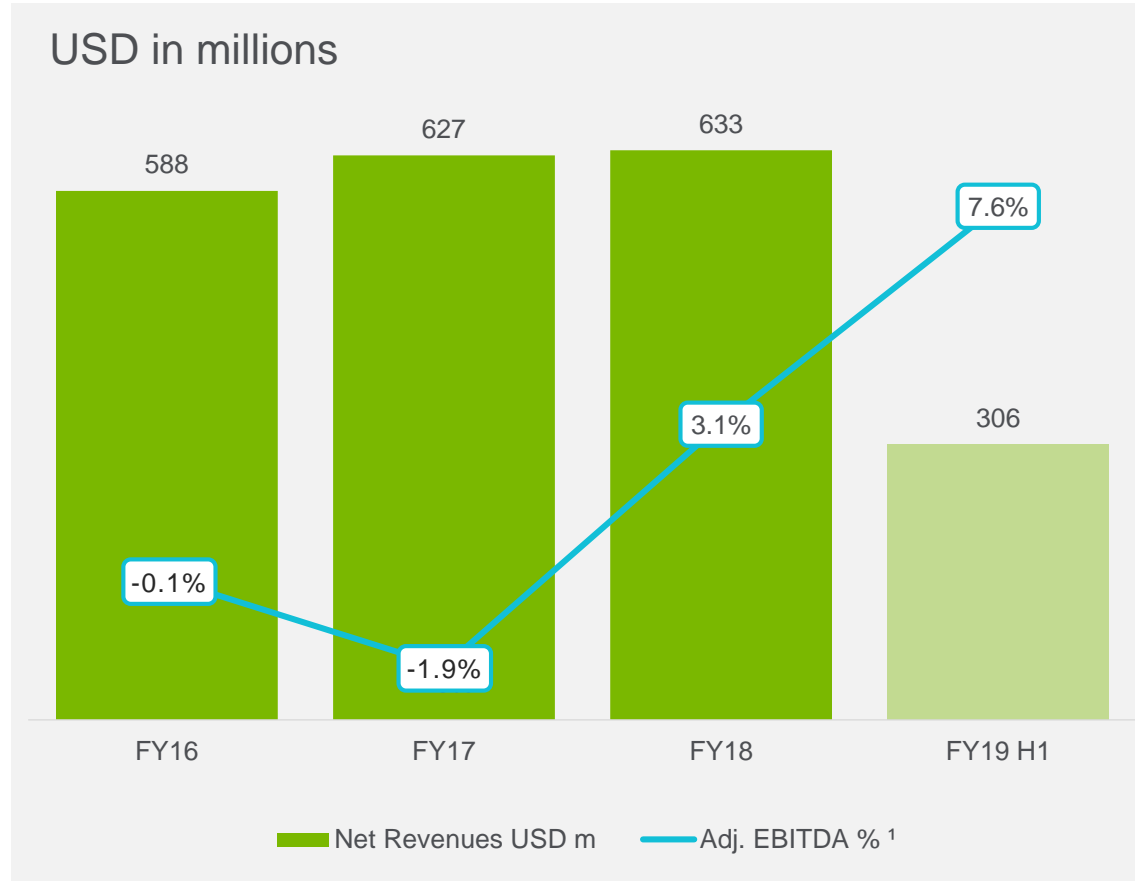
FY 2019 H1: Net Revenues Development

- H1 sales are lower by -4.1% in constant currency compared to previous year primarily due to the roll-off of two major contracts in North America
- Japan net revenue of USD 12.9 million, down USD 1.4 million

FY 2019 H1: Adjusted EBITDA %

- USD 5.6 million one-off gain related to court ruling in VAT case in Brazil (included in Adjusted Operating Expenses)
- Adjusted EBITDA % remains resilient at 19.3% (18.2% excluding the VAT case in Brazil)

EMEA Performance: Turnaround Under Way as Revenues and Margins Grow



1. Following the adoption by the Company of ASU 2017-07 relating to defined benefit pension scheme costs, Adj. EBITDA has been revised down by USD 1.5m and by USD 3.1m in FY 2016 and FY 2017 respectively as all pension income and expenses other than service costs are now reported under "Other income (expense)"

FY 2019 H1: Net Revenues Development

- +10.5% growth year-on-year in constant currency
- H1 revenue growth driven by UK; expected Brexit destocking did not materialize

FY 2019 H1: Adjusted EBITDA %

- Turnaround yielding strong top line and profitability improvements
- H1 margin improvements continue with Project Lightfoot ahead of plan to deliver USD 25 million savings in FY 2020; approx. USD 20 million annual savings to be realized in FY 2019
- Project Phoenix was successfully completed in FY 2018

Brexit Uncertainties



UK remains the largest market in EMEA and 2nd largest market globally for Landis+Gyr

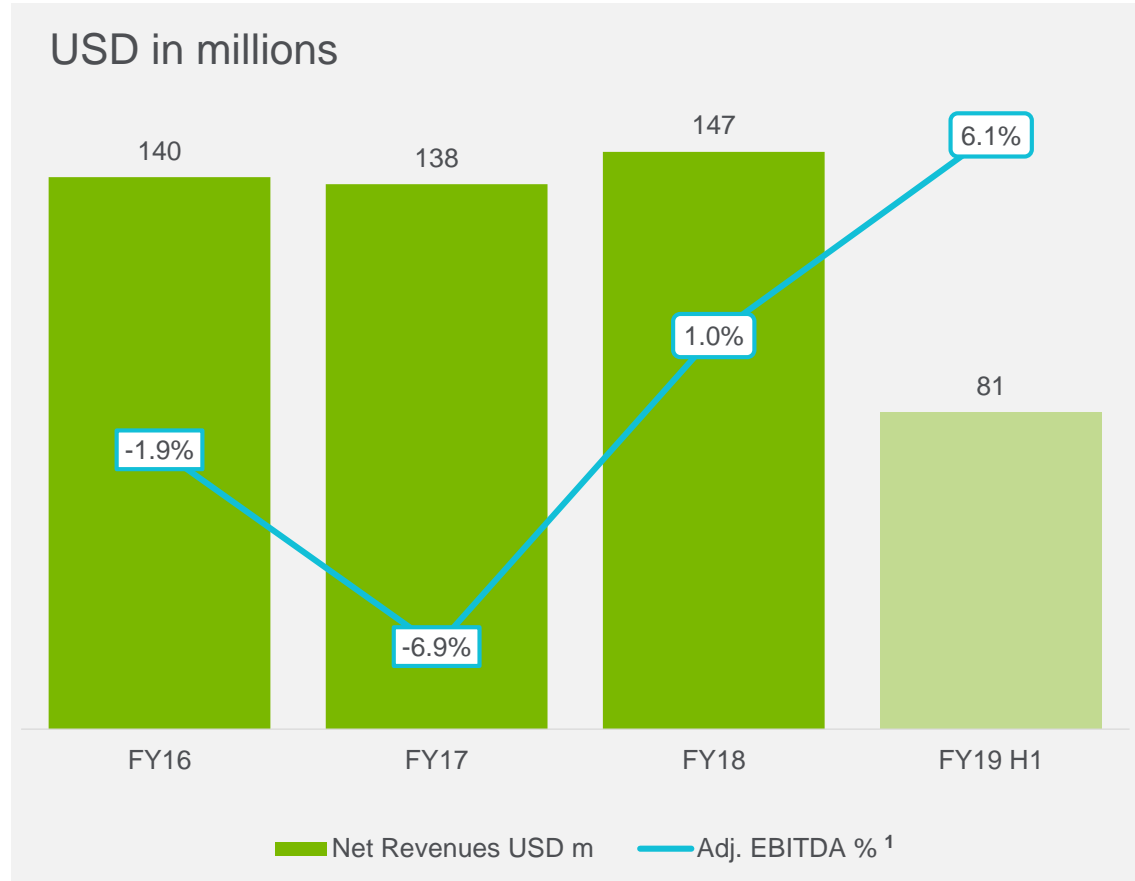
Potential Implications of Brexit

- WTO terms would result in import duties of 1.1% on electricity and 2.1% on gas meters
- New import procedures and possible customs congestion
- Exchange rate fluctuations may impact margins
- UK may become a more uncertain market

Mitigation measures

- Landis+Gyr UK has registered for transitional simplified procedures (TSP) to mitigate impact of a no deal Brexit on importing goods produced in EU countries
- Main outsourced providers are based in EU countries and are aligned with our import procedures under TSP
- FX hedging mitigates currency exposures

Asia-Pacific Performance: Strong Margin Improvement as Top-line Grows on Lower Cost Base



1. Following the adoption by the Company of ASU 2017-07 relating to defined benefit pension scheme costs, Adj. EBITDA has been revised up by USD 0.1m in FY 2017 as all pension income and expenses other than service costs are now reported under "Other income (expense)"

FY 2019 H1: Net Revenues Development

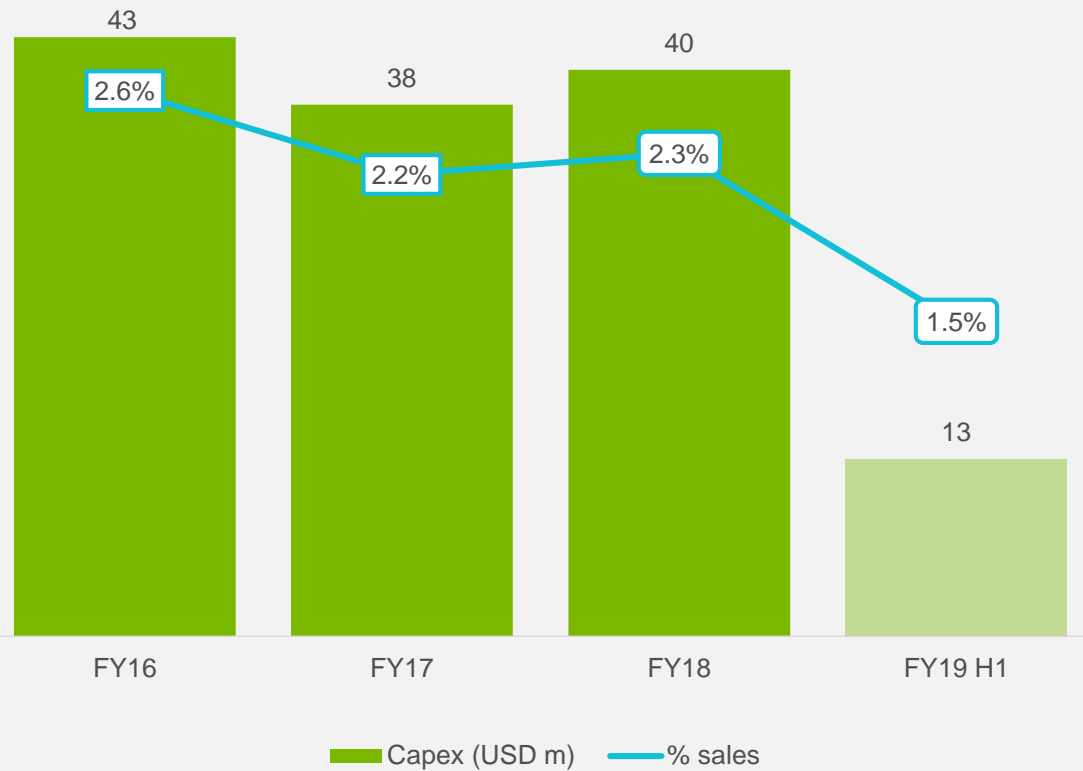
- +32% growth year-on-year in constant currency
- H1 revenue growth driven by higher revenue in Australia, in SEA (CLP Power contract) and India (Tata contract)

FY 2019 H1: Adjusted EBITDA %

- Lower operating expense as a result of restructuring and intelliHUB carve-out

Asset Light Business Model Increases Operational Flexibility

Capex / sales ratio



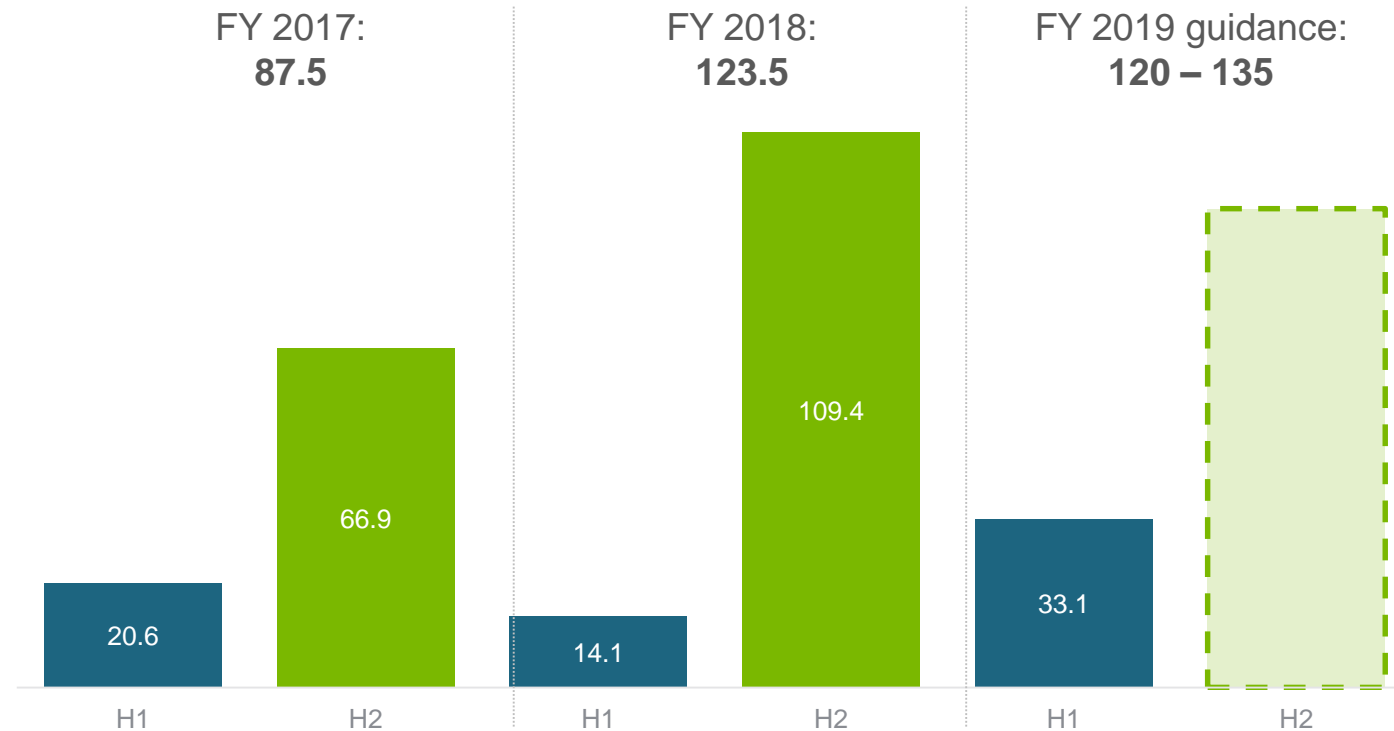
Transition to outsourced providers continues to progress:

- Manufacturing restructuring largely completed in EMEA (Project Lightfoot)
- Outsourcing improves operational flexibility
- Benefit of leveraging supply chain capabilities reduces risk

Cash Flow Seasonality – Free Cash Flows Excluding M&A

Historical Free Cash Flow (excl. M&A)

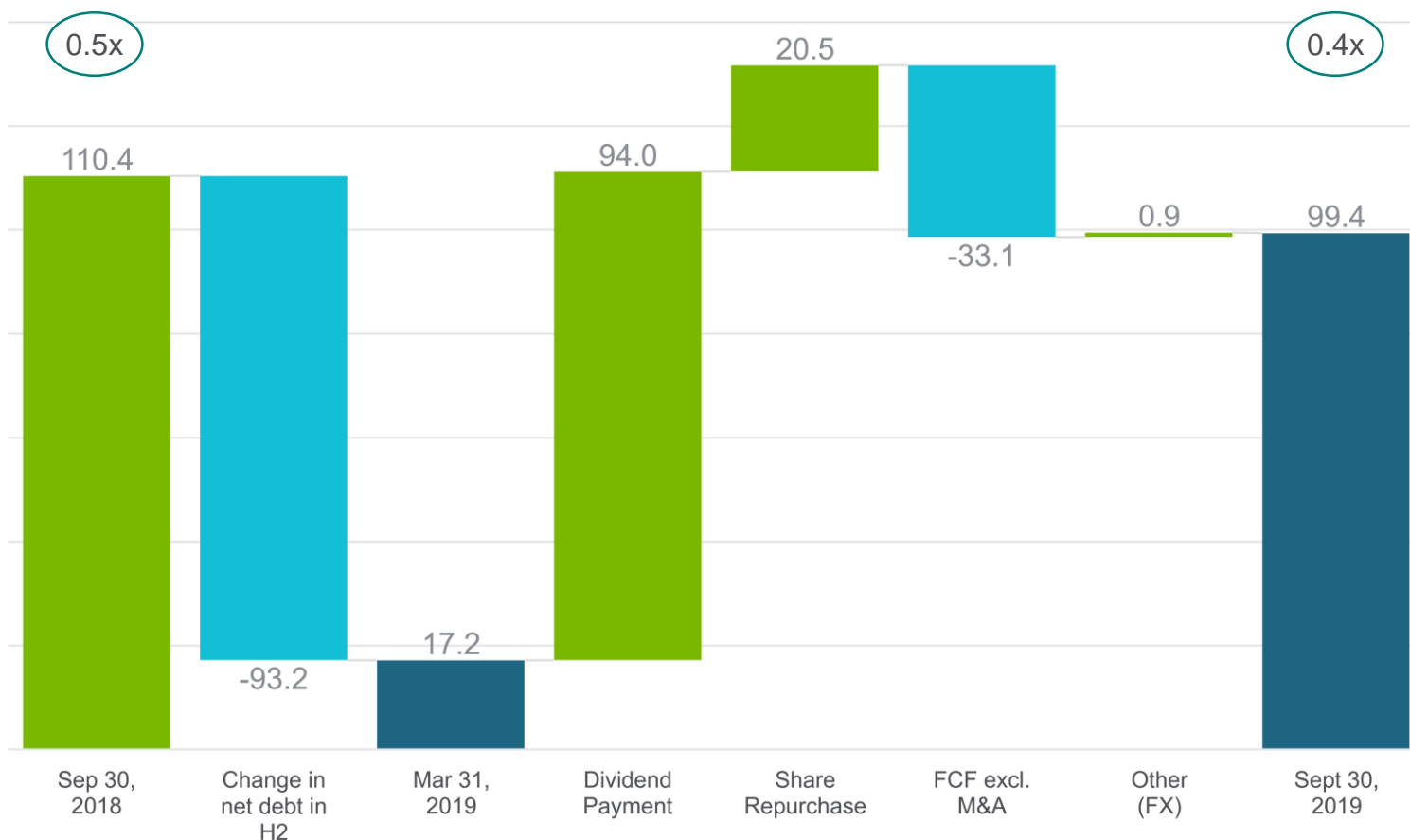
USD in millions



- H2 has historically been much stronger in terms of Free Cash Flow (excl. M&A) generation
- Warranty settlement cash outs in FY 2017 and FY 2018 skewed to H1; these cash outs will be more balanced in FY 2019
- Employee incentive pay-outs are skewed to H1
- OWC improvement expected in FY 2019 H2

Low Net Debt Contributes to a Solid Balance Sheet Position

USD in millions



○ Net Debt / trailing twelve month Adjusted EBITDA

- Net debt down 10.0% to USD 99.4 million
- Slightly lower net debt / trailing twelve month Adjusted EBITDA ratio of 0.4x
- Dividend payment of USD 94.0 million made in July 2019
- Repurchased 277,166 shares for USD 20.5 million both inside and outside the buyback program in H1 FY 2019
- 2019 - 2022 share buyback program approximately 35% completed

Capital Allocation Continues to Focus on Shareholder Value



Invest in organic growth to support and develop core business



In FY 2018

Adj. R&D spend: USD 152m
CAPEX: USD 40m



A sustainable dividend of approximately 75% of Free Cash Flow (excl. M&A)



In July 2019

Dividend paid
CHF 94m



Potentially invest in M&A targets that align to strategy



Likely to be

Technology / Service play



Return capital to shareholders



Share buyback

Approx. 35% of CHF 100m program completed

Guidance for FY 2019

~1-4%

Net revenues growth
of approximately 1- 4% in
constant currency

unchanged

USD
240 - 255
million

Group Adjusted EBITDA
to be between
USD 240 million
and USD 255 million

unchanged

USD
120 - 135
million

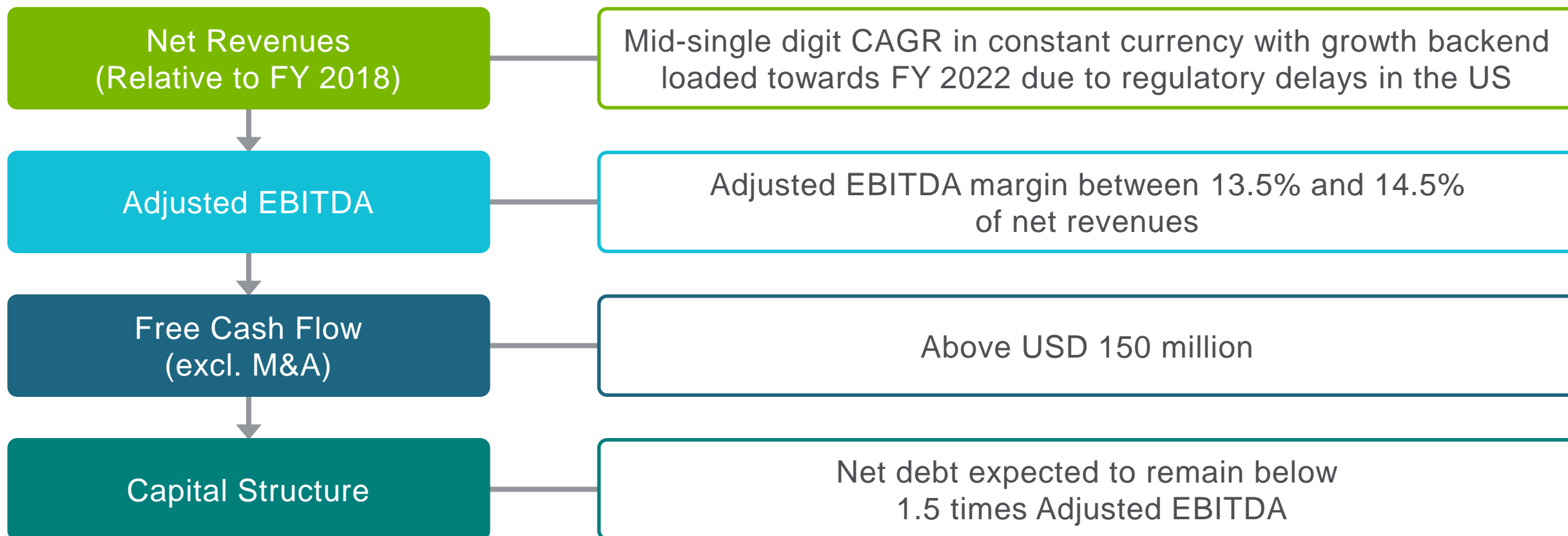
Free Cash Flow
(excl. M&A) to be
between USD 120 million
and USD 135 million

unchanged

Net revenues, Adjusted EBITDA and Free Cash Flow (excl. M&A) likely to be around the lower end of the ranges as revenue headwinds, primarily in the US, expected to materialize

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

Mid-term (FY 2022) Guidance

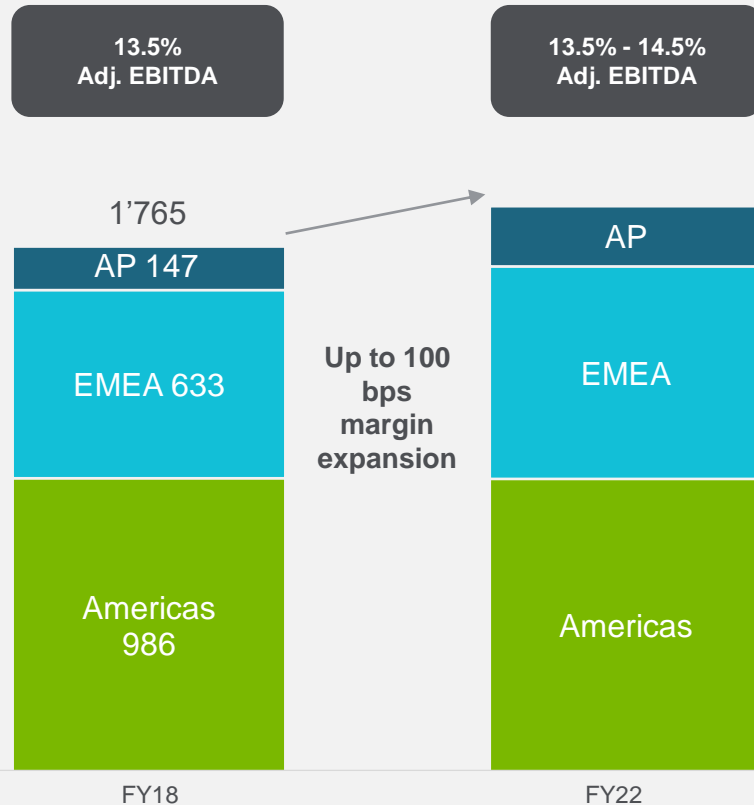


A sustainable dividend of approximately 75% of Free Cash Flow (excl. M&A)

Positive Mid-term Outlook Projections...but with Near Term Challenges in the Americas

Mid single digit compounded annual Net Revenues growth

USD in millions



Group

- Net Revenues: Mid-single digit CAGR in constant currency with growth backend loaded towards FY 2022 due to regulatory delays in the US
- Adjusted EBITDA margins expected to increase to between 13.5% and 14.5% of Net Revenues as margins expand in EMEA and AP
- Free Cash Flow (excl M&A) above USD 150 million

Americas

- Core North American smart metering revenues expected to grow based on large contract awards in the pipeline
- Regulatory delays could cause lower revenues in FY 2020
- Adjusted EBITDA margins could decline in FY 2020 on lower revenues but expected to recover thereafter

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 by FY 2020

Asia-Pacific

- Revenue and margin expansion expected to continue driven by focused growth in key markets (ANZ, India and SEA)



Capital Markets Day – Wrap Up

Richard Mora, CEO

Underlying Equity Growth Story



Landis+Gyr is a **leader in an essential industry** driving improved environmental outcomes globally



Committed to delivering **continuous improvement in our sustainability** programs



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



We will continue to **invest in our leading edge technologies**, remaining at the forefront of the innovation curve



We have **improving margins, strong free cash flow, a solid balance sheet** and an **attractive dividend policy**

Market developments have validated our platform strategy around smart metering, grid edge intelligence and smart infrastructure

Glossary

AMI	Advanced metering infrastructure	IPv6/v4	Internet protocol version 6/4
CAGR	Compound Annual Growth Rate	JV	Joint venture
CMD	Capital Markets Day	KPI	Key performance indicator
CO₂	Carbon dioxide	MDMS	Meter data management system
CPP	Critical peak pricing	NB-IoT	Narrowband IoT
CSR	Corporate social responsibility	OTA	Over the air
CVR/VVO	Conservation voltage reduction and voltage/VAR optimization	OWC	Operating working capital
DER	Distributed energy resources	PP	Public Power
DSO	Distribution system operator	PUC	Public utility commission
EIA	Energy Information Administration (US)	PV	Photovoltaic
EMS	Electronic manufacturing services	REC	Rural electric cooperative
EV	Electric vehicles	RF	Radiofrequency
FAN	Field area network	SaaS	Software as a service
FX	Foreign Exchange	SCADA	Supervisory control and data acquisition
ICG	Industrial, commercial and grid	SMETS	Smart metering equipment technical specifications
IEA	International Energy Agency	TOU	Time-of-use
IoT	Internet of things	TSP	Transitional simplified procedures
IOU	Investor-owned utility	WTO	World trade organization

Reference: IHS Markit technology research (Informa Tech) - Smart Utility Meter Intelligence Service, 2019. Market share based on unit shipments. Results are not an endorsement of Landis+Gyr AG. Any reliance on these results is at the third-party's own risk

Dates and Contacts



Important Dates

Release of FY 2019 Results:
May 6, 2020

**Publication of
Annual Report 2019:**
May 28, 2020

Annual General Meeting:
June 30, 2020
Casino Theater, Zug

Release of H1 FY 2020 Results:
October 28, 2020



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CMD Documents

