Financial Year 2019 Earnings Presentation

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

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Alternative Performance Measures
This presentation may contain information regarding alternative performance measures. 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 36 to 42 of the Landis+Gyr Half Year Report 2019 on our website at www.landisgyr.com/investors.

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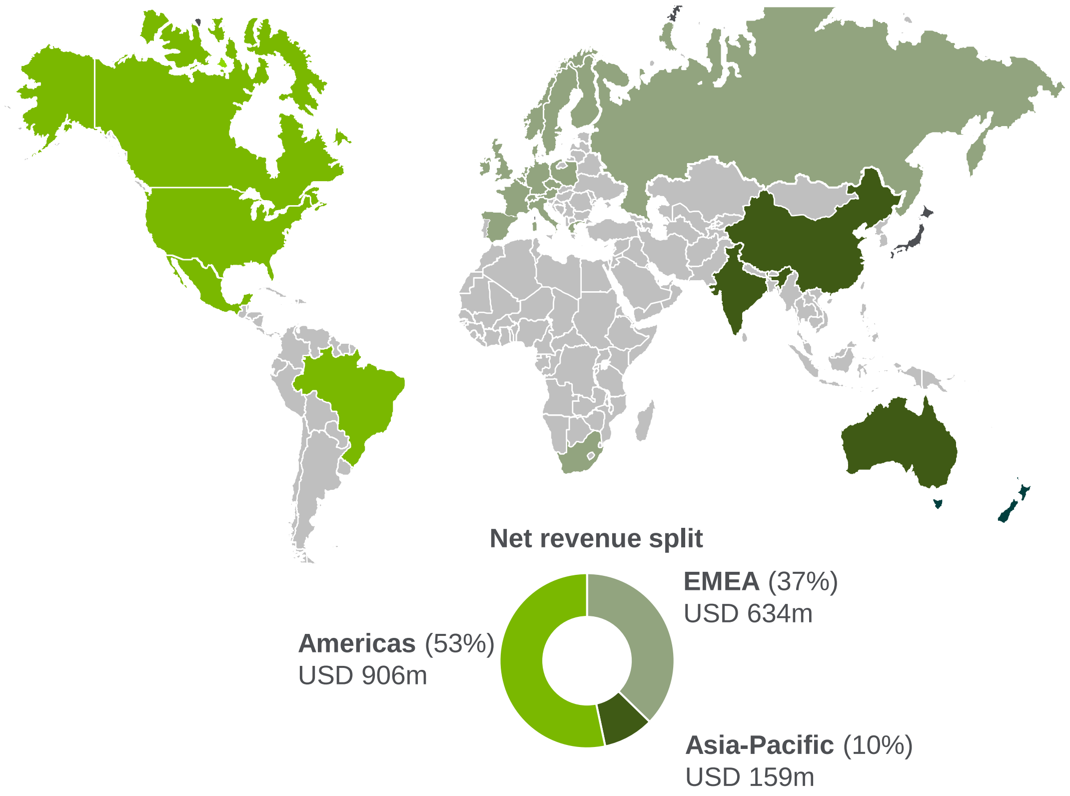
Business performance – FY 2019



Group performance in FY 2019

- Order intake **USD 1,371 million**; book-to-bill ratio of 0.81(FY 2018:1.18) primarily due to lumpy contract awards and US regulatory delays
- Committed backlog of **USD 2,224 million** (down 14.6%)
- Net Revenue reached **USD 1,699 million**, down 2.0% in constant currency, impacted by both COVID-19 and weakness in North American demand
- Americas was impacted by regulatory delays in H2 (down 7.7% in constant currency) while EMEA and APAC experienced sales growth in constant currency of 3.9% and 12.7%
- Adjusted EBITDA flat at **USD 237.2* million**, a margin of 14.0%
- Free Cash Flow (excl. M&A) was **USD 120.4 million** (down 2.5%)
- Net debt / Adjusted EBITDA of **0.1x** and strong cash position
- In light of COVID-19 driven uncertainty and as a precautionary measure, the Board of Directors has deferred the decision on the dividend and intends to revisit the situation in conjunction with the release of the results of the first half year ending September 2020

Cash generation and low net debt positions Company well for COVID-19 crisis

* incl. one-off gain of USD 5.6 million resulting from a Brazilian VAT court case; excluding this Adjusted EBITDA margin was 13.6%

COVID-19 situation update (1/2)

- **Employee and Customer Health:**
  - Committed to meeting both customer requirements as well as ensuring the health and wellbeing of our employees through use of home working and social distancing measures
- **AMI Deployments (current snapshot, subject to change):**
  - **Overall:** Projects continue but some customers have suspended or reduced meter installations, no major project cancellations have occurred, and Software and Services contracts remain on track
  - **Americas**: Almost all North American customers continue to roll-out ongoing deployments; new deployment starts and project accelerations at risk of delay
  - **EMEA**: UK energy retailers suspended all non-essential installations; Enedis (France) implemented temporary stop of Linky installations; NL also suspending installations; Nordic and Swiss installations continue
  - **APAC**: India locked down, impact on shipments. Hong Kong and Australia deployments continue
  - **FY 2019 direct impacts:** Net revenue lower by approximately 1% with consequent flow through to Adjusted EBITDA

Projects continue but suspension of installations causes uncertain revenue outlook

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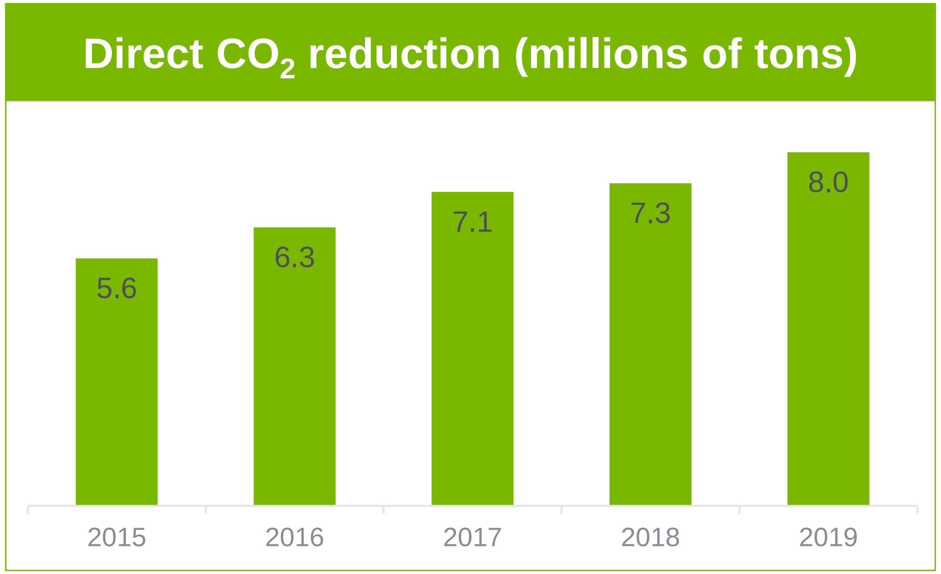
COVID-19 situation update (2/2)

- **Landis+Gyr Manufacturing (current snapshot, subject to change):**
  - Well established business continuity procedures in place
  - All Landis+Gyr factories are operational in compliance with local governmental policies for staff wellbeing and protection except in India where the lock down has led to a temporary closure
- **Supply chain (current snapshot, subject to change):**
  - No current significant impact to our supply chain with some minor shortages only; however, risks remain as this is an evolving situation which changes day by day
- **Cash/liquidity situation:**
  - Cash on hand USD 319 million at financial year end; Existing credit facilities fully drawn down as a precautionary measure
  - Strict cost control measures undertaken throughout the organization, while maintaining key portfolio investments

Supply chain currently under control, strong balance sheet

Serving an essential industry and helping society reduce CO_2

Landis+Gyr enabled **8 million tons** of direct **CO_2 emission reduction** in 2019 through the installed Smart Meter base



Equal to 8x the CO_2 Emissions of the City of Zurich

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Americas segment – Key developments in FY 2019

North America

- Two large projects rolled off coupled with delays in regulatory approvals of customer projects resulting in lower net revenues in FY 2019
- Regulatory processes continue, though some speed has been lost due to COVID-19
- Annualized cost saving measures of USD 19 million implemented prior to COVID-19 crisis
- Revised estimated failure rates with respect to the legacy component issue caused increase in warranty provisions, net of related insurance proceeds, of USD 28 million (below the potential additional exposure noted in H1 FY 2019)
- Expanding partnerships for grid-edge intelligence apps ecosystem (UtiliData, Sense, others)
- Very active contract pipeline in North America

South America / LATAM

- Continued impact on market demand and order flow from weak local economic conditions/FX
- Cost reduction steps taken

Japan / Tepco

- About 25 million of 29 million contracted end-points deployed; current installation still proceeding (Olympics delay may impact pace)
- Unsurpassed network scale and functionality achieved
- Next generation refresh planned for 2023

Revenue decline in North American market due to project roll-offs & regulatory delays

EMEA segment – Key developments in FY 2019

Key markets

- **UK:**
  - Largest market impacted by COVID-19 in EMEA; rollouts suspended country wide
  - Approx. 21 million smart meters under contract with a number of retailers, of which approx.10 million have been deployed.
  - Contracts for about 16 million meters still to be awarded
  - UK roll-out c. 30% completed with c. 35 million more meters to go; roll-out prolonged to 2024
  - Brexit impact remains uncertain; expected destocking has not yet materialized
- **Nordics:**
  - >1m meters contracted in Sweden
  - 2nd generation rollouts about to start in Finland

Key markets

- **France:**
  - Roll-out to continue as planned once COVID-19 suspension lifted
  - >23m meters already installed, supply base reduced to 3 vendors. Landis+Gyr awarded additional Linky volumes

Key operational achievements

Improvement in profitability driven by:

- Full effect from completed introduction of product cost downs
- Project Lightfoot delivered in excess of USD 20 million of annual savings in FY 2019 compared to FY 2016

FY 2019 saw the delivery of improved margins

Asia Pacific segment – Key developments in FY 2019

Key markets

- **Australia**
  - Higher market certainty after implementation of regulatory framework (Power of Choice) driving demand
- **SEA**
  - Executing on CLP Power and awarded Hong Kong Electric contract in Hong Kong
- **India**
  - Conversion of order backlog of Tata project
  - Multiple opportunities emerging; well positioned to capitalize on those
  - Delivery and manufacturing affected by COVID-19 lock down

Operational achievements

- FY 2019 net revenue up 12.7% in constant currency with Australia and Hong Kong as main drivers
- Cost control actions implemented in FY 2018 bearing fruit

Growth momentum and improved profitability

Consolidated results – FY 2019

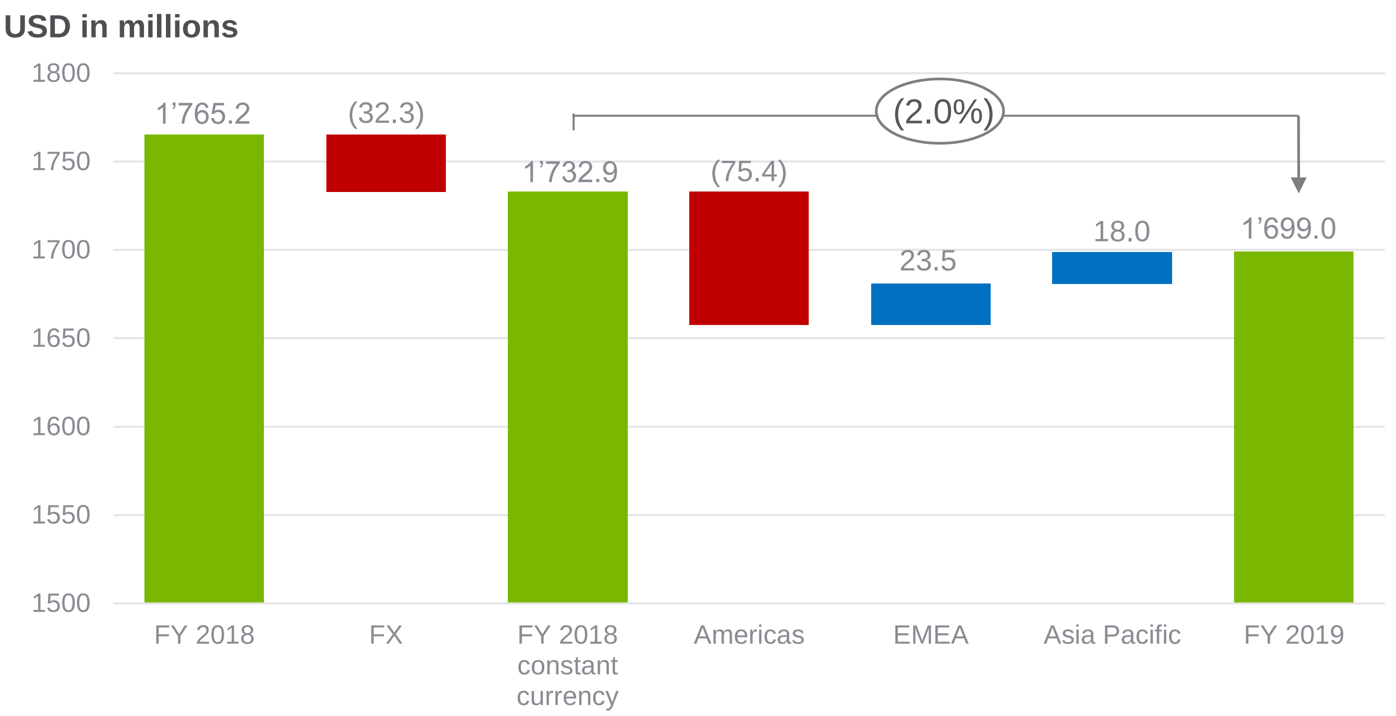
USD in millions (except per share amounts)	FY 2019	FY 2018	Change
Order Intake	1,371.4	2,079.0	(34.0%)
Change in constant currency			(32.9%)
Committed Backlog	2,223.9	2,603.1	(14.6%)
Net Revenue	1,699.0	1,765.2	(3.8%)
Change in constant currency			(2.0%)
Reported EBITDA	225.3	251.1	(10.2%)
Adjusted EBITDA	237.2*	237.9	(0.3%)
Adjusted EBITDA %	*14.0%**	*13.5%*	*50bps*
Operating Income	139.0	158.3	(12.2%)
Net Income attributable to shareholders	113.7	122.2	(7.0%)
Earnings per share – diluted (in USD)	3.90	4.15	(6.0%)
Free Cash Flow (excluding M&A)	120.4	123.5	(2.5%)
Cash provided by operating activities	148.9	162.9	(8.6%)
Net debt	32.6	17.2	89.5%

* Including USD 5.6 million one-off related to Brazilian VAT ruling

Solid cash conversion and low net debt

Net Revenue year-over-year bridge – FY 2019

Net Revenue year-over-year bridge



Americas

- Impact of two major projects rolling off and regulatory delays in FY 2019

EMEA

- UK continued to drive performance in EMEA

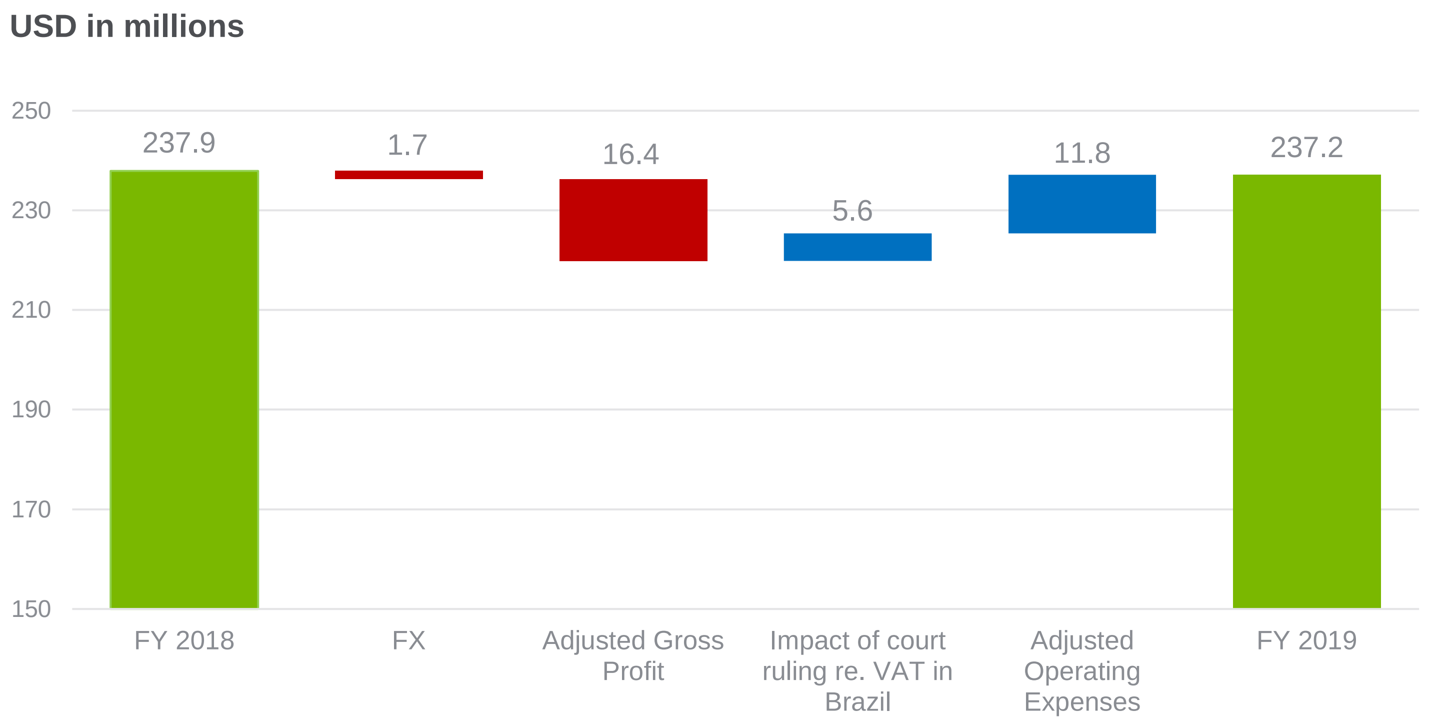
Asia Pacific

- Australia and Hong Kong driving growth

Growth in EMEA and AP offset by revenue decline in Americas

Adjusted EBITDA year-over-year bridge – FY 2019

Adjusted EBITDA year-over-year bridge



Comment

- Gross profit decline due to lower revenue in the Americas, partially offset by improvements in margins from both EMEA and APAC
- One-off impact of court ruling relating to overpaid VAT in Brazil
- Lower Adjusted Operating Expenses (down 3.2% in constant currency, excl. Brazilian VAT benefit) offset most of the Adjusted Gross Profit decline

Lower gross profit offset by lower operating expenses and Brazilian VAT benefit

Adjustments to EBITDA – FY 2019

	FY 2019	FY 2018	Change
Reported EBITDA	**225.3**	**251.1**	**(10.3%)**
Adjustments			
Restructuring Charges	6.7	4.8	39.6%
Exceptional Warranty Expenses	-	1.1	n/a
Warranty Normalization Adjustments	13.1	(16.1)	n/a
Timing Differences on FX Derivatives	(7.9)	(3.0)	163.3%
Adjusted EBITDA	**237.2**	**237.9**	**(0.3%)**

Adjustments FY 2019

- Restructuring mainly related to Americas (USD 4.4 million)
- Warranty Normalization Adjustments of USD 13.1 million represents the amount of provisions made relative to the average annualized actual warranty utilization for the last 3 years; FY 2019 reported EBITDA includes an increase to the North American legacy component warranty provision, net of related insurance proceeds, of USD 28.2 million
- Timing Differences on FX Derivatives: USD (7.9 million) relates to mark to market gains on hedges, mainly in respect of GBP hedges put in place for up to 24 months ahead

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Cash Flow – FY 2019

USD in millions	FY 2019	FY 2018	Change
Net income	113.2	122.6	(7.7%)
Depreciation and amortization	86.4	92.8	(7.0%)
Net loss (income) from Equity Investments	5.8	4.3	36.2%
Non-cash gain on disposal of intelliHUB	-	(14.6)	n/a
Change in OWC, net	(21.3)	1.4	n/a
Warranty and warranty settlement cash outs	(45.2)	(45.4)	(0.3%)
Other	10.0	1.8	455.6%
Net cash provided by operating activities	**148.9**	**162.9**	**(8.6%)**
(incl. Tax payment of)	*(31.4)*	*(32.6)*	*(3.7%)*
Net cash used in investing activities	(28.5)	(60.6)	(52.9%)
(incl. Capex of)	*(28.6)*	*(40.5)*	*(29.4%)*
(incl. Equity contributions re M&A)	-	*(21.1)*	*n/a*
Free Cash Flow	**120.4**	**102.4**	**17.6%**
Free Cash Flow (excluding M&A)	**120.4**	**123.5**	**(2.5%)**

Comments

- OWC increased mainly due to higher inventory in the Americas and phasing effects
- Warranty and warranty settlement cash outs of USD 45.2 million, including final payments for EMEA based litigation settlement of USD 20.2 million
- Capex 29.4% lower than prior year due to asset light business model
- Equity contributions in FY 2018 included intelliHUB JV in Australia (USD 18.9 million)

Solid cash conversion despite legacy warranty matters

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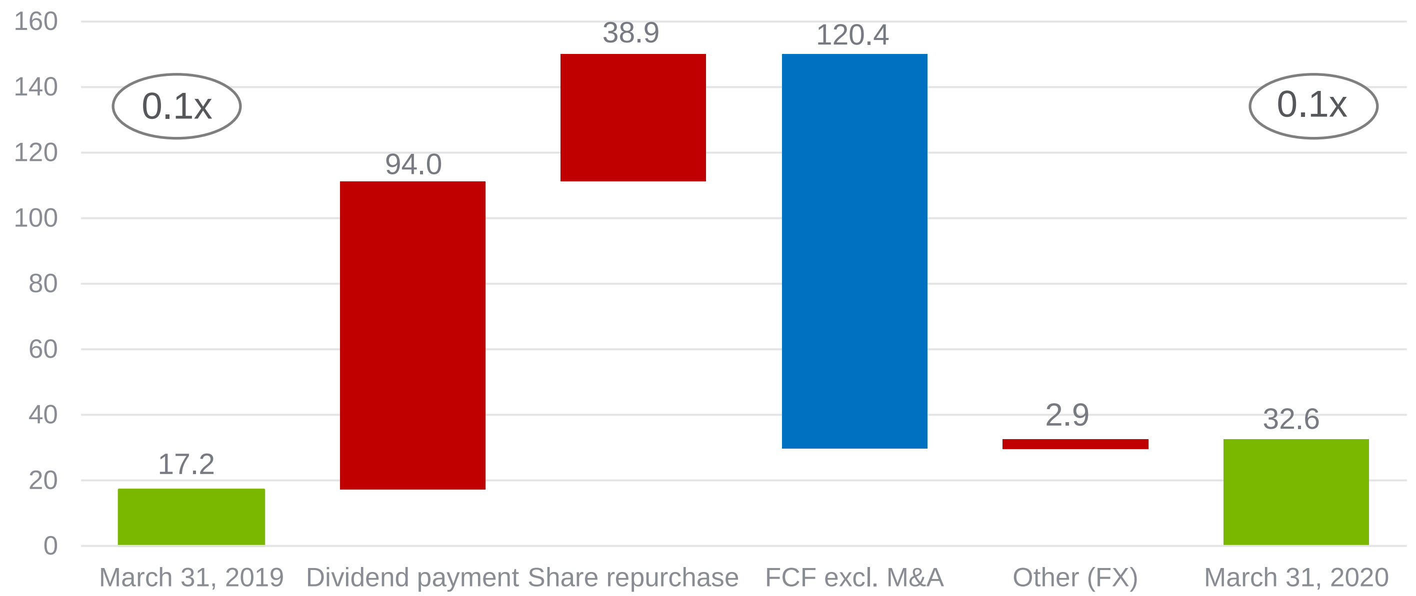
Net debt

Net debt bridge

USD in millions



Comments

- Cash on hand at year end was USD 319.4 million
- Net debt at USD 32.6 million. Stable net debt / Adjusted EBITDA ratio of 0.1x
- FY 2018 dividend payment of USD 94.0 million made in July 2019
- Repurchased 497,208 shares for USD 38.9 million both inside and outside the buyback program in FY 2019; program approximately 43% completed when suspended on March 27, 2020

Net debt / Adjusted EBITDA

Solid balance sheet position with low net debt

Americas segment – FY 2019

USD in millions	FY 2019	FY 2018	Change
Order intake	652.3	1,079.7	(39.6%)
Committed backlog	1,480.3	1,754.9	(15.6%)
Net revenue to external customers	906.3	986.0	(8.1%)
Change in constant currency			(7.7%)
Adjusted Gross Profit	344.7	392.8	(12.2%)
Adjusted Gross Profit %	*38.0%*	*39.8%*	*(180bps)*
Adjusted Operating Expenses	(146.0)	(162.7)	(10.2%)
Adjusted EBITDA before Group Charges	**198.7**	**230.1**	**(13.6%)**
Group Charges	(35.6)	(36.4)	(2.4%)
Adjusted EBITDA	**163.1**	**193.7**	**(15.8%)**
Adjusted EBITDA %	*18.0%*	*19.6%*	*(160bps)*

Comments

- North America: order intake, backlog and net revenue headwinds due to regulatory delays. Net revenue also impacted by two major projects rolling off.
- Japan: net revenue run-rate continued in FY 2019
- Adjusted Gross Profit margin weakness primarily due to top line pressure
- Solid operating cost control, expenses down USD 11.0 million, net of Brazil VAT impact*
- Lower sales and impact on Adjusted Gross Profit led to lower Adjusted EBITDA (17.4% margin excluding Brazil VAT impact)

Revenue headwinds partially offset by cost control

- one-off gain of USD 5.6 million resulting from a Brazilian VAT court case

EMEA segment – FY 2019

USD in millions	FY 2019	FY 2018	Change
Order intake	556.1	811.9	(31.5%)
Committed backlog	649.4	754.6	(13.9%)
Net revenue to external customers	633.5	632.5	0.2%
Change in constant currency			3.9%
Adjusted Gross Profit	200.5	186.9	7.3%
Adjusted Gross Profit %	*31.6%*	*29.5%*	*210bps*
Adjusted Operating Expenses	(136.4)	(143.0)	(4.6%)
Adjusted EBITDA before Group Charges	**64.1**	**43.9**	**46.1%**
Group Charges	(24.0)	(24.1)	(0.4%)
Adjusted EBITDA	**40.1**	**19.7**	**103.6%**
Adjusted EBITDA %	*6.3%*	*3.1%*	*320bps*

Comments

- Backlog declines in UK, France and NL are partially offset by wins in Sweden
- Solid net revenue growth (3.9% in constant currency) despite COVID-19 impacts late in H2
- Product cost downs and Project Lightfoot drive 210 bps y/y improvement in gross profit
- Cost/efficiency measures undertaken in previous periods reflected in lower operating expenses

Margin and revenue improvements achieved in EMEA

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Asia Pacific segment – FY 2019

USD in millions	FY 2019	FY 2018	Change
Order intake	163.0	187.4	(13.0%)
Committed backlog	94.3	93.6	0.7%
Net revenue to external customers	159.2	146.7	8.5%
Change in constant currency			12.7%
Adjusted Gross Profit	36.7	30.0	22.3%
Adjusted Gross Profit %	*23.1%*	*20.4%*	*270bps*
Adjusted Operating Expenses	(22.1)	(24.2)	(9.0%)
Adjusted EBITDA before Group Charges	**14.6**	**5.7**	**154.8%**
Group Charges	(4.7)	(4.2)	11.2%
Adjusted EBITDA	**9.9**	**1.5**	**560.0%**
Adjusted EBITDA %	*6.2%*	*1.0%*	*520bps*

Comments

- Revenue growth driven by higher revenue in Australia and in SEA (CLP Power/Hong Kong Electric contracts)
- Adjusted Gross profit margin improvement of 270bps driven by cost actions across the region combined with net revenue growth
- Lower operating expense resulting from restructuring measures in FY 2018 and intelliHUB carve-out

Revenue growth coupled with cost control leads to higher Adjusted EBITDA

Key priorities from the new CEO

1. Prudently manage for cash during COVID-19 crisis; however R&D investments remain unchanged
2. Convert opportunities pipeline into topline growth
3. Foster redesigned global R&D setup within the organization to increase “customer intimacy” and “speed to market”
4. Drive efficiencies to optimize product cost and organizational structure
5. Ensure continued customer satisfaction and readiness for the build up after the crisis

Secure safety of Landis+Gyr staff/support customers during period of crisis

FY 2020

- Unable to estimate the FY 2020 net revenue impact from COVID-19 crisis
  - Most North American customers currently continue to deploy meters
  - Several key customers in EMEA have suspended or reduced installations
- No major project cancellations have occurred, Software and Services contracts remain on track
- In light of COVID-19 driven uncertainty and as a precautionary measure, the Board of Directors has deferred the decision on the dividend and intends to revisit the situation in conjunction with the release of the results of the first half year ending September 2020
- Share buyback program suspended on March 27, 2020
- Low net debt and USD 319 million cash at bank on March 31, 2020 ensures a strong position to manage through the COVID-19 crisis

No guidance to be provided for FY 2020 at this time due to uncertainty from COVID-19 impact

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Q&A

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Key take-aways

- Strong balance sheet and cash position are positive attributes and differentiators - net debt remains low at 0.1x Adjusted EBITDA
- COVID-19 will impact how we manage the company in the near term - focus on managing cash at the forefront of decision making
- Staying close to and continuing to serve our customers in these unprecedented times
- Significant operational progress has been made toward mid-term targets in EMEA and Asia Pacific during FY 2019 – Americas with expected net revenue decline
- Positive industry fundamentals intact as deployments expected to ramp up following governmental economic restart decisions, strong contract pipeline as regulatory delays get resolved
- Landis+Gyr is a global leader in an essential industry providing critical infrastructure to utilities around the world, while making a positive contribution to sustainability

Dates and Contacts

Important Dates

Publication of Annual Report 2019 and Invitation to AGM 2020:
May 28, 2020

Annual General Meeting:
June 30, 2020
Virtual meeting

Release of H1 FY 2020 Results:
October 28, 2020

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