Media Release

Landis+Gyr manage energy better

Landis+Gyr Announces FY 2020 Financial Results

Cham, Switzerland – May 5th, 2021 – Landis+Gyr (LAND.SW) today announced unaudited financial results for financial year 2020 (April 1st, 2020–March 31st, 2021). Key highlights included:

- **Landis+Gyr's business in FY 2020 impacted by COVID-19 and weakness in demand in North America and EMEA resulting in revenues of USD 1,357.4 million, a decrease of 20.8% in constant currency Year-over-Year (YoY)**
- **In H2 FY 2020, the revenues were USD 733.9 million, a 12.2% decrease YoY and up 17.7% from H1 FY 2020**
- **Order intake was USD 1,298.7 million, a book-to-bill ratio of 0.96, with continued order delays in the US; committed backlog of USD 2,165.9 million, down 2.6% YoY**
- **Adjusted EBITDA* of USD 139.6 million, a margin of 10.3% compared to USD 237.2 million with a margin of 14.0% in the prior year**
- **Global restructuring and streamlining initiative "Hermes" successfully concluded**
- **A non-cash impairment of the legacy Toshiba goodwill was recognized for USD 396.0 million as previously announced during the Capital Markets Day in January 2021**
- **Net income, excluding goodwill impairment, was USD 3.6 million or USD 0.13 per share, compared to USD 113.7 million or USD 3.90 per share in the prior year; net loss was USD 392.4 million or USD 13.61 per share**
- **Free Cash Flow (excl. M&A) was USD 97.6 million compared to USD 120.4 million in the prior year**
- **Strong balance sheet with net debt reduced to USD 6.9 million and net debt/Adjusted EBITDA of 0.05x**
- **FY 2021 guidance shows 7% to 11% organic growth due to expected COVID-19-recovery in EMEA and material investments in strategic initiatives/business transformation**
- **A distribution of CHF 2.10 per share for FY 2020 will be proposed to the Annual General Meeting on June 24th, 2021**
- **Acquisition of Etrel and True Energy in Q1 FY 2021 to expand the Company's position in the EV infrastructure technology market**

"This past year was truly transformational for Landis+Gyr. In light of the many challenges, which we faced in financial year 2020, I am proud of our teams across the globe. Our employees have demonstrated a high level of resilience and dedication towards our customers and each other, driving leading edge technology, customer intimacy and speed to market. We are a global leader in an essential industry, providing critical infrastructure to utilities around the world, and thus helping our customers, energy consumers and entire communities to manage energy in a more informed and sustainable way.

As the end of this financial year also marks the end of my first year as Landis+Gyr's Chief Executive Officer, I am excited to say that the transformation of our Company is well underway. We have completed our restructuring and streamlining initiative to drive efficiencies and continue to deliver leading innovative technology to our customers through notable investments in R&D, expanding our reach in Smart Water and Smart Gas and solidifying our competitive position in Smart Metering and Grid Edge Intelligence. Additionally, last December, we joined forces with Google Cloud in a multi-year strategic partnership to leverage efficiencies and co-innovate Smart Infrastructure technology to advance our software and services offering to best support our customers in a rapidly changing world of energy. Furthermore, the acquisition of Rhebo elevated our cybersecurity offering and the recent acquisitions of True Energy and Etrel will enable us to drive further growth through EV infrastructure technology," said Werner Lieberherr, Chief Executive Officer of Landis+Gyr." Despite these unprecedented and challenging times, the Company has proven resilient with robust margins and cash generation, and its balance sheet remains very solid. In addition, we are proud of the progress we have made through targeted sustainability and ESG initiatives and we have set ourselves the target to be carbon neutral

* For a reconciliation of non-GAAP measures, see chapter "Supplemental Reconciliations and Definitions (unaudited)" in this media release.

latest by 2030. Paired with a clear strategic vision and significant investments in continued technology leadership, we have all the fundamentals in place to successfully drive our company's transformation in FY 2021," Lieberherr concluded.

COVID-19 and Hermes Update

Landis+Gyr remains focused on meeting its customer requirements as well as ensuring the health and wellbeing of the Group's employees during these extraordinary times. Some of the Company's and its vendors' factories have been subject to lockdowns and with the exception of Joka, India, which was temporarily closed as a precautionary measure, all are currently operational again. Social distancing and all necessary hygiene measures have been implemented in all facilities according to local regulations.

Landis+Gyr has not experienced any major project cancellations and software and service contracts continue unchanged. The Company is working closely with all customers and partners to ensure continued operational excellence, and while some customers had suspended or slowed down meter installations, deployment rates continue to increase as countries impacted recover. Regulators have granted project approval to several utilities in the US, confirming the recognized value of Smart Metering and Grid Edge Intelligence technology. However, as a result of previous delays as well as the general impact of COVID-19, the Company's revenue fell significantly in FY 2020 and thus elevated the urgency of rightsizing the organization, improving the Company's cost structure with a continued focus on lowering operating and capital expenditure while maintaining technological leadership.

Project Hermes, the global initiative which aimed at restructuring and streamlining the organization to increase efficiencies and optimize its cost structure, was announced on August 5th, 2020 and has concluded according to plan at the end of FY 2020. As a result, the number of employees was reduced by 12.1%, representing 697 employees across all levels and regions of the Company.

Acquisitions in EV infrastructure technology

As previously announced, Landis+Gyr has signed agreements to acquire 75% of the share capital of Etrel d.o.o. from Slovenia for a mid-double-digit million purchase price and 100% of the share capital of True Energy A/S from Denmark for a single-digit million purchase price. Etrel provides interactive smart residential charging stations for home and public applications, complemented by an advanced software suite, that enables utilities to manage load and demand response for optimized grid stability. The current management will continue to hold 25% in Etrel. The transaction is expected to close in June 2021 with closing being subject to receiving the required customary governmental approvals and other customary closing conditions. Pursuant to the respective agreement, Landis+Gyr has the option to acquire the remaining 25% of the shares in Etrel in May 2024. True Energy offers scalable solutions for smart charging and demand response, covering a large part of the value chain, including a smart phone app for smart charging, demand response to help utilities balance the grid as well as load aggregation and participation in flexibility programs with grid operators to sell flexibility enabling frequency stabilization. The two acquisitions enable Landis+Gyr to enter the electric vehicle (EV) charging and infrastructure market and to build new business and revenue streams, leveraging its leading expertise in Smart Metering and Grid Edge Intelligence technology and building on pilot and proof of concept projects in the UK and France.

Order Intake, Committed Backlog and Net Revenue

Order intake for FY 2020 was USD 1,298.7 million, representing a book-to-bill ratio of 0.96 and a decrease of 6.2% in constant currency compared to prior year. This was driven by COVID-19 and continued order delays in the US. Committed backlog was down 2.6% at USD 2,165.9 million from USD 2,223.9 million in the prior year. The Americas and EMEA reported decreases in committed backlog compared to the prior year, while Asia Pacific rose 8.4%.

In H2 FY 2020, the revenues were USD 733.9 million, a 12.2% decrease YoY and up 17.7% from H1 FY 2020. In FY 2020, net revenue fell 20.8% in constant currency to USD 1,357.4 million from USD 1,699.0 million in FY 2019.

Net revenue per segment was as follows (in USD million, except where indicated):

Segment	FY 2020 Net revenue	FY 2019 Net revenue	Percentage change	Percentage change in constant currencies
Americas	700.0	906.3	(22.8%)	(21.9%)
EMEA	494.4	633.5	(22.0%)	(24.6%)
Asia Pacific	163.0	159.2	2.4%	0.5%
Group	**1,357.4**	**1,699.0**	**(20.1%)**	**(20.8%)**

The Americas region delivered net revenue down 21.9% in constant currency YoY. The reduction is primarily driven by US customers' slowed deployments due to COVID-19 effects and delayed regulatory decisions. Committed backlog in the Americas region was USD 1,427.0 million, 3.6% lower YoY.

Temporary installation suspensions due to COVID-19, particularly in the important UK market, drove net revenue in the EMEA region down 24.6% in constant currency. EMEA's committed order backlog was 2.0% lower at USD 636.7 million at the end of FY 2020.

Asia Pacific revenues were up 0.5% in constant currency as growth in Southeast Asia (incl. Hong Kong) offset declines in India and Australia/New Zealand. Committed backlog was USD 102.2 million, up 8.4% YoY.

Adjusted and Reported EBITDA*

The Adjusted EBITDA by segment was as follows (in USD million, except where indicated):

Segment	FY 2020 Adjusted EBITDA	FY 2020 Percentage of net revenue	FY 2019 Adjusted EBITDA	FY 2019 Percentage of net revenue
Americas	105.7	15.1%	163.1	18.0%
EMEA	2.2	0.4%	40.1	6.3%
Asia Pacific	11.3	6.9%	9.9	6.2%
Corporate unallocated	20.4		24.1	
Group	**139.6**	**10.3%**	**237.2**	**14.0%**

FY 2020 Adjusted EBITDA was USD 139.6 million (down 41.1% YoY) and the Adjusted EBITDA margin decreased to 10.3% from 14.0% in FY 2019. Adjusted EBITDA declined due to lower gross profit given the reduced volumes in the Americas and EMEA with a partial offset from lower operating expenses.

Adjusted Operating Expenses reduced in FY 2020 by USD 37.7 million to USD 309.5 million, including temporary COVID-19 related benefits from furlough, government schemes and decreased travel & entertainment, down 10.9% YoY. R&D investments of USD 141.8 million remained high, representing 10.4% of revenues.

In FY 2020, Operating Income (loss) was USD (365.1) million, including goodwill impairment of USD 396 million, a decrease compared to the USD 139.0 million achieved in FY 2019. Reported EBITDA was USD 113.7 million versus USD 225.3 million in FY 2019.

The adjustments to bridge between reported EBITDA in the Group's financial statements and Adjusted EBITDA are as follows (in USD million):

	FY 2020	FY 2019
Reported EBITDA	**113.7**	**225.3**
Adjustments		
Restructuring charges	15.3	6.7
Warranty normalization adjustments	(13.2)	13.1
Timing difference on FX derivatives	23.8	(7.9)
Adjusted EBITDA	**139.6**	**237.2**

In FY 2020, the adjustments were in three categories. First, with respect to Restructuring Charges, the USD 15.3 million related to initiatives taken across the organization, mainly in respect of project Hermes, the Company's global restructuring and streamlining initiative. Secondly, the Warranty Normalization Adjustments of USD (13.2) million represents the amount of warranty provisions made relative to the average actual warranty utilization for the last three years. Thirdly, the Timing Difference on FX Derivatives adjustment was USD 23.8 million in FY 2020 and relates to mark to market differences on hedges, primarily as a result of GBP exchange rate movements.

Net Income/(Loss) and EPS

As announced on January 27th, 2021, the company booked a non-cash impairment of the legacy Toshiba goodwill attributed to its Americas business in the amount of USD 396 million in FY 2020. Therefore, the reported net loss for FY 2020 was USD 392.4 million or USD (13.61) per share. When excluding the goodwill impairment, the company recorded a net income of USD 3.6 million or USD 0.13 per share, a decrease of 96.6% compared to the previous period.

Cash Flow and Net Debt

Cash provided by operating activities was USD 123.9 million in FY 2020 compared to USD 148.9 million in the prior year. Free Cash Flow (excl. M&A) was USD 97.6 million, a decrease of USD 22.8 million compared to prior year. Main drivers within Free Cash Flow were a USD 20 million payment related to the WADOR (Washington Department of Revenue) tax case, project Hermes related cash outs of USD 15.3 million, improvements in operating working capital management of USD 51.7 million and significantly lower warranty cash-outs of USD 17.3 million compared to prior year. In FY 2020, capital expenditure amounted to USD 26.6 million, a decline of 7.0% versus FY 2019 and consistent with the Company's asset-light business model.

As of March 31, 2021, the ratio of net debt to Adjusted EBITDA was 0.05 times, with net debt of USD 6.9 million, after the payment of USD 63.3 million in dividends in November 2020.

Distributions to Shareholders

In line with the updated dividend policy, the Board of Directors will propose a distribution of CHF 2.10 per share to the Annual General Meeting on June 24th, 2021. The proposal equals a payout of approximately USD 64 million and equivalent to a payout of Free Cash Flow (excl. M&A) of approx. 66%.
If approved, the distribution will be paid out entirely from capital contribution reserves and is exempt from Swiss withholding tax.

The share buyback program 2019–2022 remains suspended.

Outlook for FY 2021

Landis+Gyr expects organic net revenue growth in FY 2021 of between 7% and 11% predominantly driven by EMEA with inorganic growth coming on top.

As announced at the Capital Markets Day 2021, Landis+Gyr will make significant investments to foster future growth of the Company. These expenses of approximately 2% of net revenues will result in temporary higher expenses (incl. R&D) to support strategic initiatives, such as the partnership with Google, Smart Water and Smart Gas, and the digital transformation of the Company. Further operating expenses are expected to increase due to the reversal of COVID-19 related benefits, such as furlough, government schemes and travel & entertainment.

Adjusted EBITDA margin is expected to be between 9.0% and 10.5% of net revenues. Free Cash Flow (excluding M&A) is expected to be between USD 80 million and USD 100 million.

Industry-wide supply chain constraints, in particular global shortages of electronic components and plastic resins as well as increased freight rates, pose challenges for cost and on-time delivery performance, especially in H1 FY 2021. Landis+Gyr teams are committed to support customers and mitigate part of potential impacts through effective supply chain management.

Mid-term targets through FY 2023 are confirmed.

The FY 2020 earnings presentation, which forms part of this press release, is available on the Company's website at www.landisgyr.com/investors/results-center/.

Investor Webcast and Telephone Conference
The management of Landis+Gyr will host an investor/analyst call to discuss the Company's results.

Date and time:	May 5th, 2021, at 10:00 am CET
Speakers:	Werner Lieberherr (Chief Executive Officer) Elodie Cingari (Chief Financial Officer)
Audio webcast:	www.landisgyr.com/investors/results-center/
Telephone:	Europe: +41 (0) 58 310 5000 UK: +44 (0) 207 107 0613 US: +1 (1) 631 570 5613

Please dial in 10–15 minutes before the start of the presentation and ask for "Landis+Gyr's financial year results 2020".

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Key Dates

Publication of Annual Report 2020 and Invitation to AGM 2021	May 28th, 2021
Annual General Meeting 2021 (virtual)	June 24th, 2021
Ex-Dividend Date	June 28th, 2021
Dividend Record Date	June 29th, 2021
Dividend Payment Date	June 30th, 2021
Publication of Half Year Report 2021 and Sustainability Report 2020/21	October 28th, 2021
Release of Results for Financial Year 2021	May 11th, 2022

About Landis+Gyr
Landis+Gyr is a leading global provider of integrated energy management solutions for the utility sector. Offering one of the broadest portfolios, we deliver innovative and flexible solutions to help utilities solve their complex challenges in Smart Metering, Grid Edge Intelligence and Smart Infrastructure. With sales of USD 1.4 billion in FY 2020, Landis+Gyr employs more than 5,000 people in over 30 countries across five continents, with the sole mission of helping the world manage energy better.

Disclaimer
This release and information referred to herein contains (a) preliminary, unaudited numbers that may be subject to change and (b) information regarding alternative performance measures or non USGAAP 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 this release may be found on pages 34 to 37 of the Landis+Gyr Half Year Financial Report Fiscal Year 2020 on our website at www.landisgyr.com/investors.

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

There are numerous risks, uncertainties and other factors, many of which are beyond Landis+Gyr's control, that could cause the Company's actual results to differ materially from the forward-looking information and statements made in this presentation and which could affect the Company's ability to achieve its stated targets. The important factors that could cause such differences include, among others: the duration, severity and geographic spread of the COVID-19 pandemic, government actions to address or mitigate the impact of the COVID-19 pandemic, and the potential negative impacts of COVID-19 on the global economy, the Company's operations and those of its customers and suppliers; global shortage of supplied components as well as increased freight rates, 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 other such 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.

Extracts from the Financial Report 2020

Consolidated Statements of Operations (unaudited)

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands, except per share data	**2021**	2020
Net revenue	**1,357,448**	**1,698,999**
Cost of revenue	966,780	1,166,174
Gross profit	**390,668**	**532,825**
Operating expenses		
Research and development	148,717	157,705
Sales and marketing	69,603	88,158
General and administrative	107,230	113,468
Amortization of intangible assets	34,247	34,503
Impairment of intangible assets	396,000	–
Operating income (loss)	**(365,129)**	**138,991**
Other income (expense)		
Interest income	504	5,217
Interest expense	(7,515)	(6,784)
Non-operational pension (cost) credit	2,781	3,624
Gain on sale of investments	2,260	–
Income (loss) on foreign exchange, net	(1,502)	(2,626)
Income (loss) before income tax expense	**(368,601)**	**138,422**
Income tax expense	(19,422)	(19,469)
Net income (loss) before noncontrolling interests and equity method investments	**(388,023)**	**118,953**
Net loss from equity investments	(4,636)	(5,788)
Net income (loss) before noncontrolling interests	**(392,659)**	**113,165**
Net loss attributable to noncontrolling interests, net of tax	(267)	(583)
Net income (loss) attributable to Landis+Gyr Group AG Shareholders	**(392,392)**	**113,748**
Earnings per share:		
Basic	(13.61)	3.90
Diluted	(13.61)	3.90
Weighted-average number of shares used in computing earnings per share:		
Basic	28,824,039	29,169,434
Diluted	28,824,039	29,201,789

Consolidated Balance Sheets (unaudited)

USD in thousands, except share data	March 31, 2021	March 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	140,549	319,379
Accounts receivable, net of allowance for doubtful accounts of USD 6.7 million and USD 9.7 million	282,132	335,761
Inventories, net	110,550	147,456
Prepaid expenses and other current assets	65,642	59,695
Total current assets	**598,873**	**862,291**
Property, plant and equipment, net	118,514	117,532
Intangible assets, net	251,342	288,279
Goodwill	966,823	1,354,094
Deferred tax assets	18,039	17,017
Other long-term assets	205,828	145,059
TOTAL ASSETS	**2,159,419**	**2,784,272**
LIABILITIES AND EQUITY		
Current liabilities		
Trade accounts payable	127,758	175,859
Accrued liabilities	45,123	28,357
Warranty provision – current	37,255	31,628
Payroll and benefits payable	51,626	55,542
Loans payable	147,672	352,171
Operating lease liabilities – current	15,187	13,212
Other current liabilities	93,933	84,569
Total current liabilities	**518,554**	**741,338**
Warranty provision – non current	20,315	30,352
Pension and other employee liabilities	32,286	46,054
Deferred tax liabilities	14,543	25,034
Tax provision	32,109	20,598
Operating lease liabilities – non current	95,289	59,482
Other long-term liabilities	70,573	63,769
Total liabilities	**783,669**	**986,627**
Shareholders' equity		
Landis+Gyr Group AG shareholders' equity Registered ordinary shares (28,908,944 and 29,251,249 issued shares at March 31, 2021 and March 31, 2020, respectively)	302,756	306,341
Additional paid-in capital	1,225,328	1,303,799
Retained earnings (Accumulated deficit)	(111,232)	289,393
Accumulated other comprehensive loss	(35,546)	(68,925)
Treasury shares, at cost (81,777 and 431,205 shares at March 31, 2021 and March 31, 2020, respectively)	(6,854)	(34,338)
Total Landis+Gyr Group AG shareholders' equity	**1,374,452**	**1,796,270**
Noncontrolling interests	1,298	1,375
Total shareholders' equity	**1,375,750**	**1,797,645**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,159,419**	**2,784,272**

Consolidated Statements of Cash Flows (unaudited)

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2021**	2020
Cash flow from operating activities		
Net income (loss)	(392,659)	113,165
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	82,861	86,357
Impairment of intangible assets	396,000	–
Net loss from equity investments	4,636	5,788
Share-based compensation	529	1,529
Gain on sale of investments	(2,260)	–
Gain on disposal of property, plant and equipment	209	1,025
Effect of foreign currencies translation on non-operating items, net	(152)	(539)
Change in allowance for doubtful accounts	(3,044)	(158)
Deferred income tax	(15,276)	(13,161)
Change in operating assets and liabilities, net of effect of businesses acquired and effect of changes in exchange rates:		
Accounts receivable	77,308	19,001
Inventories	38,794	(7,629)
Trade accounts payable	(64,370)	(32,648)
Other assets and liabilities	1,365	(23,795)
Net cash provided by operating activities	**123,941**	**148,935**
Cash flow from investing activities		
Payments for property, plant and equipment	(26,596)	(28,524)
Payments for intangible assets	(20)	(79)
Proceeds from the sale of property, plant and equipment	244	84
Business acquisitions	(13,982)	–
Proceeds from the sale of investments	2,260	–
Net cash used in investing activities	**(38,094)**	**(28,519)**
Cash flow from financing activities		
Proceeds from third party facility	1,909	507,707
Repayment of borrowings to third party facility	(207,411)	(245,088)
Dividends paid to noncontrolling interests	–	(451)
Purchase of noncontrolling interests	(100)	–
Debt issuance cost	(2,523)	–
Dividends paid	(63,288)	(93,968)
Purchase of treasury shares	–	(38,920)
Net cash provided by (used in) financing activities	**(271,413)**	**129,280**
Net increase (decrease) in cash and cash equivalents	**(185,566)**	**249,696**
Cash and cash equivalents at beginning of period	319,379	73,381
Effects of foreign exchange rate changes on cash and cash equivalents	6,736	(3,698)
Cash and cash equivalents at end of period	**140,549**	**319,379**
Supplemental cash flow information		
Cash paid for income tax	26,087	31,369
Cash paid for interest	6,003	5,995

Supplemental Reconciliations and Definitions (unaudited)

Adjusted EBITDA

The reconciliation of Operating income to Adjusted EBITDA is as follows for the financial year ended March 31, 2021 and 2020:

ADJUSTED EBITDA	L+G GROUP AG		AMERICAS		EMEA		ASIA PACIFIC		CORPORATE AND ELIMINATIONS	
	FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,	
USD in millions, unless otherwise indicated	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Operating income (loss)	**(365.1)**	**139.0**	**(330.1)**	**92.6**	**(51.1)**	**25.3**	**4.3**	**4.9**	**11.7**	**16.2**
Amortization of intangible assets	47.8	47.1	32.0	32.4	7.5	6.5	1.5	1.4	6.8	6.8
Depreciation	35.1	39.2	15.7	21.4	15.9	14.5	2.7	2.9	0.7	0.4
Impairment of intangible assets	396.0	–	396.0	–	–	–	–	–	–	–
EBITDA	**113.7**	**225.3**	**113.6**	**146.4**	**(27.7)**	**46.3**	**8.5**	**9.2**	**19.3**	**23.4**
Restructuring charges	15.3	6.7	6.2	4.4	6.4	1.3	1.6	0.3	1.1	0.7
Warranty normalization adjustments	(13.2)	13.1	(14.0)	12.3	(0.3)	0.4	1.1	0.4	–	–
Timing difference on FX derivatives	23.8	(7.9)	–	–	23.7	(7.9)	0.1	–	–	–
Adjusted EBITDA	**139.6**	**237.2**	**105.7**	**163.1**	**2.2**	**40.1**	**11.3**	**9.9**	**20.3**	**24.1**
Adjusted EBITDA margin (%)	10.3%	14.0%	15.1%	18.0%	0.4%	6.3%	6.9%	6.2%		

Adjusted Gross Profit

The reconciliation of Gross Profit to Adjusted Gross Profit is as follows for the financial year ended March 31, 2021 and 2020:

	L+G GROUP AG		AMERICAS		EMEA		ASIA PACIFIC		CORPORATE AND ELIMINATIONS	
USD in millions, unless otherwise indicated	**FY 2020**	FY 2019	**FY 2020**	FY 2019	**FY 2020**	FY 2019	**FY 2020**	FY 2019	**FY 2020**	FY 2019
Gross Profit	**390.7**	**532.8**	**249.6**	**307.8**	**102.5**	**189.2**	**38.2**	**33.4**	**0.3**	**2.4**
Amortization of intangible assets	13.6	12.6	5.5	5.1	6.7	6.2	1.4	1.3	–	–
Depreciation	26.8	32.0	13.3	18.1	12.2	12.6	1.3	1.3	–	–
Restructuring charges	7.7	1.7	3.2	1.4	4.2	0.0	0.3	0.3	–	–
Warranty normalization adjustments	(13.2)	13.1	(14.0)	12.3	(0.3)	0.4	1.1	0.4	–	–
Timing difference on FX derivatives	23.8	(7.9)	–	–	23.7	(7.9)	0.1	–	–	–
Adjusted Gross Profit	**449.3**	**584.3**	**257.6**	**344.7**	**149.0**	**200.5**	**42.4**	**36.7**	**0.3**	**2.4**
Adjusted Gross Profit margin (%)	33.1%	34.4%	36.8%	38.0%	30.1%	31.6%	26.0%	23.1%		

Adjusted Operating Expenses

The reconciliation of Operating Expenses to Adjusted Operating Expenses is as follows for the financial year ended March 31, 2021 and 2020:

USD in millions, unless otherwise indicated	**FY 2020**	FY 2019
Research and development	**148.7**	**157.7**
Depreciation	(3.9)	(3.8)
Restructuring charges	(3.0)	(1.7)
Adjusted Research and development	**141.8**	**152.2**
Sales and marketing	69.6	88.2
General and administrative	107.2	113.5
Depreciation	(4.4)	(3.4)
Restructuring charges	(4.7)	(3.3)
Adjusted Sales, General and Administrative	**167.7**	**195.0**
Adjusted Operating Expenses	**309.5**	**347.2**