Full Year 2022 Earnings Presentation

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May 2nd, 2023

Landis+Gyr

Disclaimer

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This presentation may contain information regarding (a) preliminary, unaudited numbers that may be subject to change and (b) alternative performance measures such as reported EBITDA, Adjusted EBITDA, Adjusted Gross Profit, Adjusted Research and Development, Adjusted Sales, General and Administrative, and Adjusted Operating Expenses. Definitions of these measures and reconciliations between such measures and their USGAAP counterparts if not defined in the presentation may be found in the ‘Supplemental Reconciliations and Definitions’ section on pages 28 to 30 of the Landis+Gyr Half Year Report 2022 on the website at www.landisgyr.com/investors/results-center. Due to rounding, numbers presented may not add up to the totals provided.

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Business Performance FY 2022

Order intake
USD 1'926m
Book-to-bill 1.15

Order backlog
USD 3'748.6m
+11.6% YoY in cc

Net revenue
USD 1'681.4m
+20.8% YoY in cc

Adjusted EBITDA
USD 139.9m
8.3% margin

Net debt
USD 65.6m

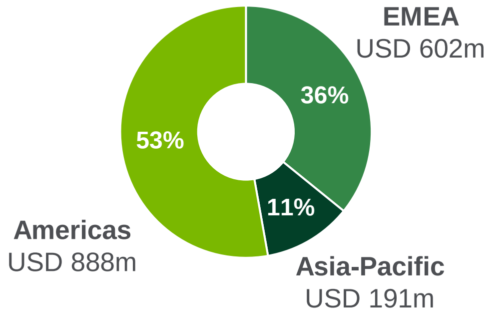
Free Cash Flow
(excl. M&A)
USD (22.0)m

EPS (diluted)
USD 7.32
+182.6%

Distribution (DPS)
CHF 2.20
+2.3%

- Sustained solid order intake driven by Americas and EMEA resulting in a new record high order backlog
- Strong net revenue growth driven by backlog execution supported by improved component availability – record second half year
- Adjusted EBITDA and margin negatively impacted by supply chain related cost as guided
- Significant temporary inventory build-up to convert record backlog results in negative free cash flow (excl. M&A) for FY 2022 as guided
- Net income of USD 207.9 million boosted by gain from divestment of minority stake in Intellihub
- Strong balance sheet position with low net debt / adjusted EBITDA ratio of 0.47x
- Proposed distribution to shareholders in line with progressive dividend policy

Net Revenue Split



Landis+Gyr is positioned in the sweet spot of the energy transition with a strong focus on decarbonizing the grid

Committed to the

Science Based Target Initiative

2030

Carbon Neutral

2050

Net Zero

BUSINESS AMBITION FOR 1.5°C

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Signed up to SBTi in 2022

WE SUPPORT UN GLOBAL COMPACT

Joined in November 2019

GRI

Reporting according to GRI since 2020

Corporate ESG Performance Prime RATED BY ISS ESG

ESG corporate rating Prime status (top decile)

SUSTAINALYTICS

ESG risk rating of 10.7 (low risk)

GOLD 2022 ecovadis Sustainability Rating

Top 5% of sustainable companies

inrate

Company grade of “B+”

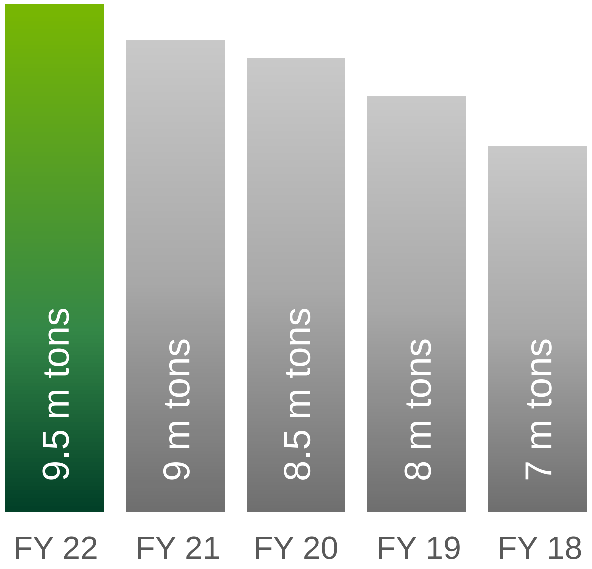
MSCI ESG RATINGS AA

AA-rated (top 15% in peer universe)

9.5

million tons CO_2

Direct CO_2 emissions avoided through installed Smart Metering base in FY 2022



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Americas – Key Developments in FY 2022

- Continue to build the future with a **stellar year of Order Entry (USD ~1.2b) and Book to Bill ratio of 1.31**
- Signed **129 agreements,** including **APS and AEP** meter extensions, **JEA** Managed Service Extension, and **EPCOR** water, while pipeline remains strong
- **Major wins in South America** as economic indicators move favorably with **Equatorial, ENEL, and EDP for cabinet meters + ENEL, and Iberdrola for C&I meters**
- Grid edge intelligence sensor **Revelo E360 Generally Available** – first shipments made to customers
- **Large AMI rollouts PSE&G NJ, National Grid, LKE, AES Ohio are scaling with several new deployments kicked off including PGE, and EPCOR Water**
- **34 New Product Introductions completed** including Revelo E360, App Manager, Wi-SUN FAN 1.1, Command Center/Tech Studio releases, FOCUS AXei, FOCUS AXe Reverse Actuator, Enhanced Mesh Router, Enhanced Streetlight Controller, Magno Cabinet Meter
- Continued technological advancements and developments, including **Revelo portfolio, Magno Cabinet Meter enhancements, G480 NB-IoT ultrasonic gas meter, edge intelligence ecosystem, water module portfolio**
- **Higher computing power, intelligence at the edge** for localized decision making is becoming more critical **as the penetration of Distributed Energy Resources increase**
- **Inflation Reduction Act, CHIPS Act, Infrastructure Investment & Jobs Act** allocate funding for resiliency and smart grid R&D and grants, renewable energy tax credits, EV rebates, and energy efficiency programs

Revelo™

G480 Smart Gas

Head-end Systems

Meter Data Management

Magno Cabinet Meter

Well positioned for the future due to strong grid edge offering and record backlog of USD 2.86 billion

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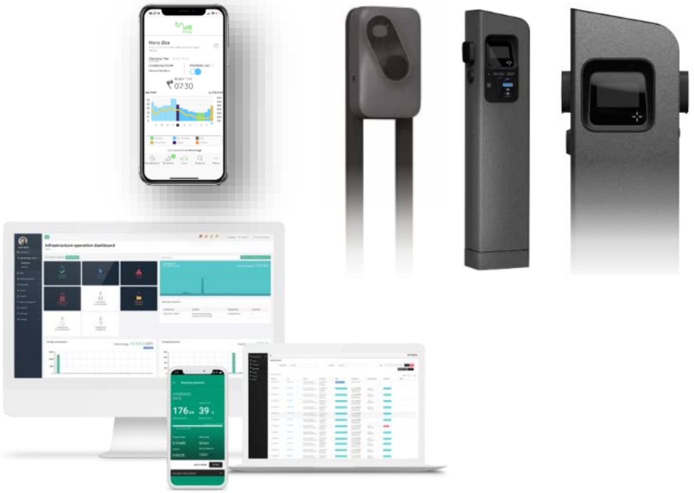
EMEA – Key Developments in FY 2022

- Awarded largest EMEA project in FY22 with **Israel National roll out**, including system, meters and services for up to 4m metering points
- Won majority of **KV alliance** tenders (**Finland**), 500k metering points
- Selected as one of **Enedis** major partners in **France** to develop a new family of Industrial meters
- Won more than 300k additional metering points in **Swiss market** and setting new benchmark with the introduction of E360, integrated connectivity and EV Solutions offering
- German portfolio well established and positioned to capture growth in **Germany**, now accelerated by the ongoing Energy Transition in the country
- **Fluvius MDC2** project (**Belgium**) starting key Systems Integration Testing phase
- Strong growth performance in **Heat Business**
- Well positioned to leverage expected **high growth in Water metering** segment, with customers seeking comprehensive solutions and Digital Services
- **EV charging** business showed robust development while new products and wins with key e-mobility players enable continued growth in 2023
- **E360 and E660 grid edge meters** setting the European technology standard to monitor and manage low voltage grid, which is key to enable the Energy Transition

GridFlex Control



EMEA core, Water and EV charging business well positioned to capture significant future growth

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APAC – Key Developments in FY 2022

- **Revenues increased** 20.8% YoY in cc, despite challenges with electronic component supply, largely due to growing business in Australia and the execution of smart metering projects in Hong Kong
- In **Australia and New Zealand** (ANZ) revenue grew on the back of **strong orders** from key customers for the latest generation **E360 series smart meters** delivering true grid edge capability
- Recent review of Power of Choice market in Australia expected to see a stronger uptake of smart meters in the electricity supply industry from 2025 for which the Company is well positioned
- Further **expansion** of **smart water** offering across **ANZ** resulted in a growing customer base, and positions the Company well for the future growth in this segment
- Across **SEA** countries', smart metering continued to progress with **trials and pilots completed** in **Malaysia** and **Thailand** and **orders** received in the **Philippines**
- **Repositioning** business focus in **India** as a solution provider, offering software, communications and services
- Commenced **business development** activities associated with **EV Charging** and expect to see results from next year in this new segment

W350

E360™

Continuing positive trajectory with recent portfolio releases delivering new business

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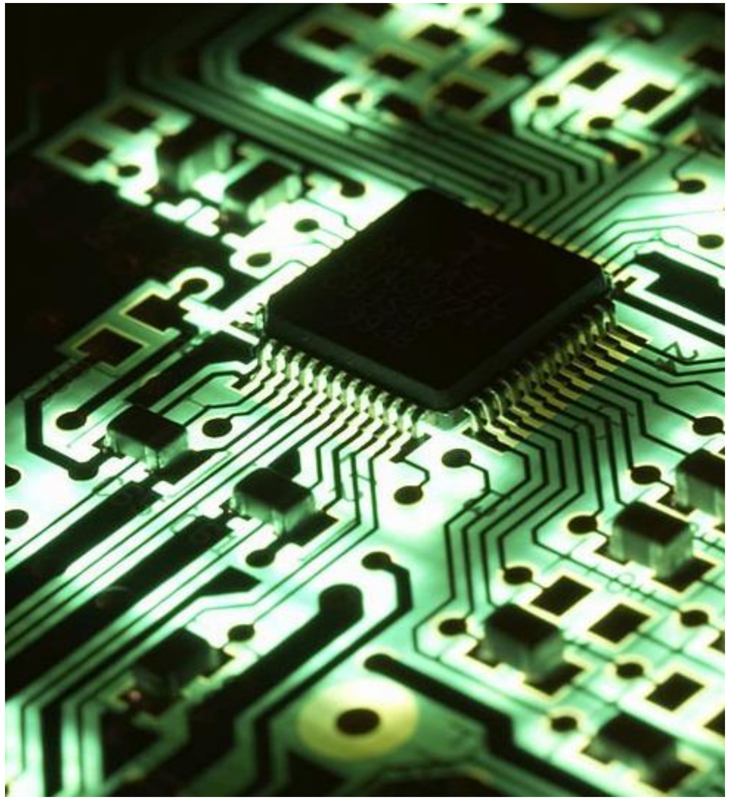
Supply Chain Impact in FY 2022



- EBITDA results include USD ~56 million supply chain cost year-over-year; impacting all regions, but more significantly EMEA
- Types of components impacted include
  - IC – Analogue Components
  - IC – Communication
  - Diodes
  - Transistors
  - Resistors
  - Optocouplers
  - Lithium

Improved availability of components in H2 FY22 supported strong growth

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Consolidated Results – FY 2022

USD in millions (except per share amounts)	FY 2022	FY 2021	Change
Order intake	**1,925.8**	**2,665.5**	**(27.8)%**
Change in constant currency			(25.5)%
Committed backlog	3,748.6	3,388.6	10.6%
Net revenue to external customers	**1,681.4**	**1,464.0**	**14.8%**
Change in constant currency			20.8%
Adjusted Gross Profit	514.6	494.9	4.0%
Adjusted Gross Profit %	*30.6%*	*33.8%*	*(320)bps*
Adjusted Operating Expenses	(374.7)	(347.9)	7.7%
Adjusted EBITDA	**139.9**	**147.0**	**(4.8)%**
Adjusted EBITDA %	*8.3%*	*10.0%*	*(172)bps*
Operating Income	51.0	88.8	(42.6)%
Net Income attributable to shareholders	**207.9**	**79.4**	**161.8%**
Earnings per share - diluted (in USD)	7.32	2.59	182.6%
Cash provided by (used in) operating activities	(45.8)	115.8	n/a
Free Cash Flow (excluding M&A)	**(22.0)**	**89.0**	**n/a**
Net Debt	(65.6)	(143.6)	(54.3)%

- Record backlog driven by continued strong Order Intake in Americas and EMEA
- Strong revenue growth led by Americas and APAC; despite FX headwinds in EMEA
- Adjusted EBITDA decline due to continued supply chain cost pressure and ramp-up investment supporting backlog execution and future growth
- Free Cash Flow adversely affected by increased OWC requirements driven by temporary inventory build-up
- USD ~235 million Intellihub divestment proceeds received; USD (53) million taxes paid

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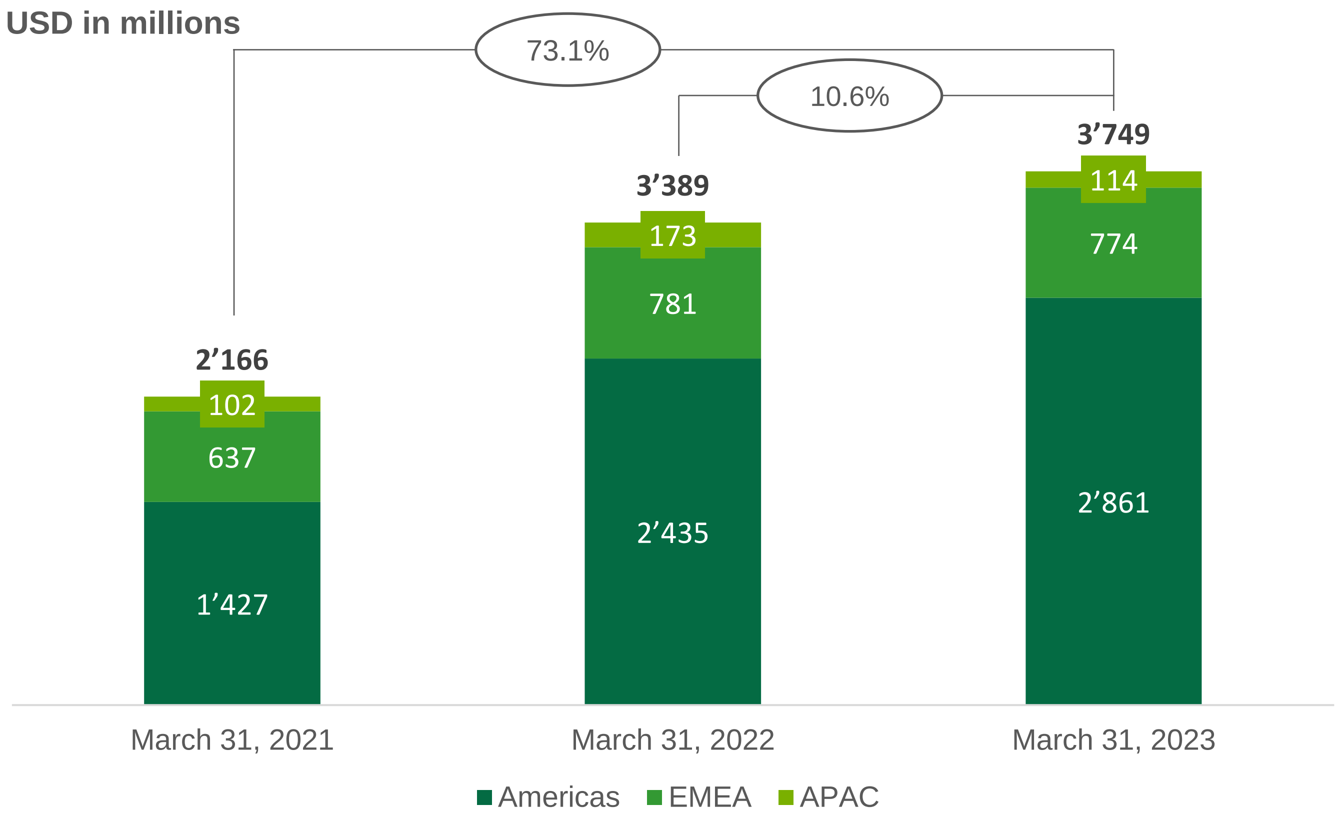
Order Intake / Backlog – FY 2022



- New record backlog of USD ~3.8 billion achieved, growth driven by Americas
- Book-to-Bill ratio of 1.15x in FY 2022
- Backlog conversion supporting growth trajectory for 2023+

Solid Order Intake resulting in new Record Backlog securing future growth

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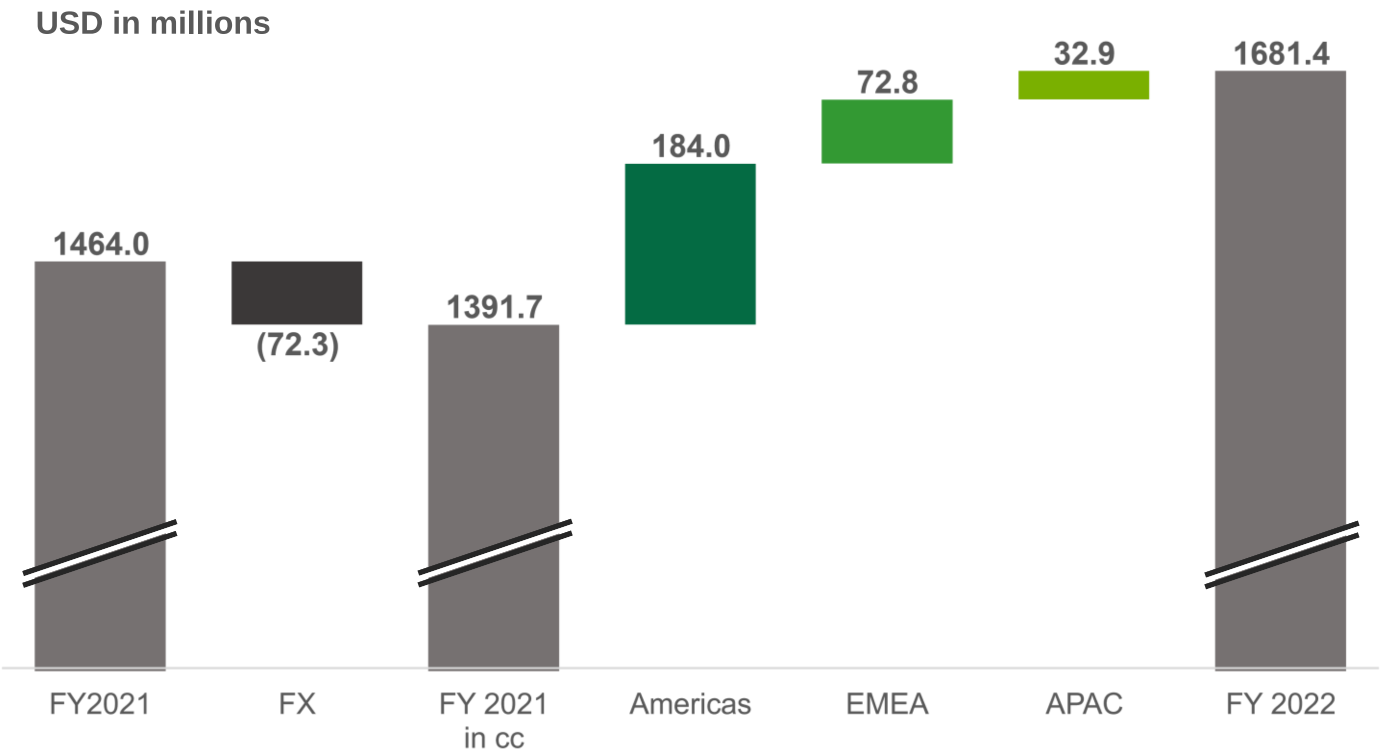
Net Revenue Bridge – FY 2022



Americas

- Very strong performance across all clusters: led by North America, Japan and Brazil

EMEA

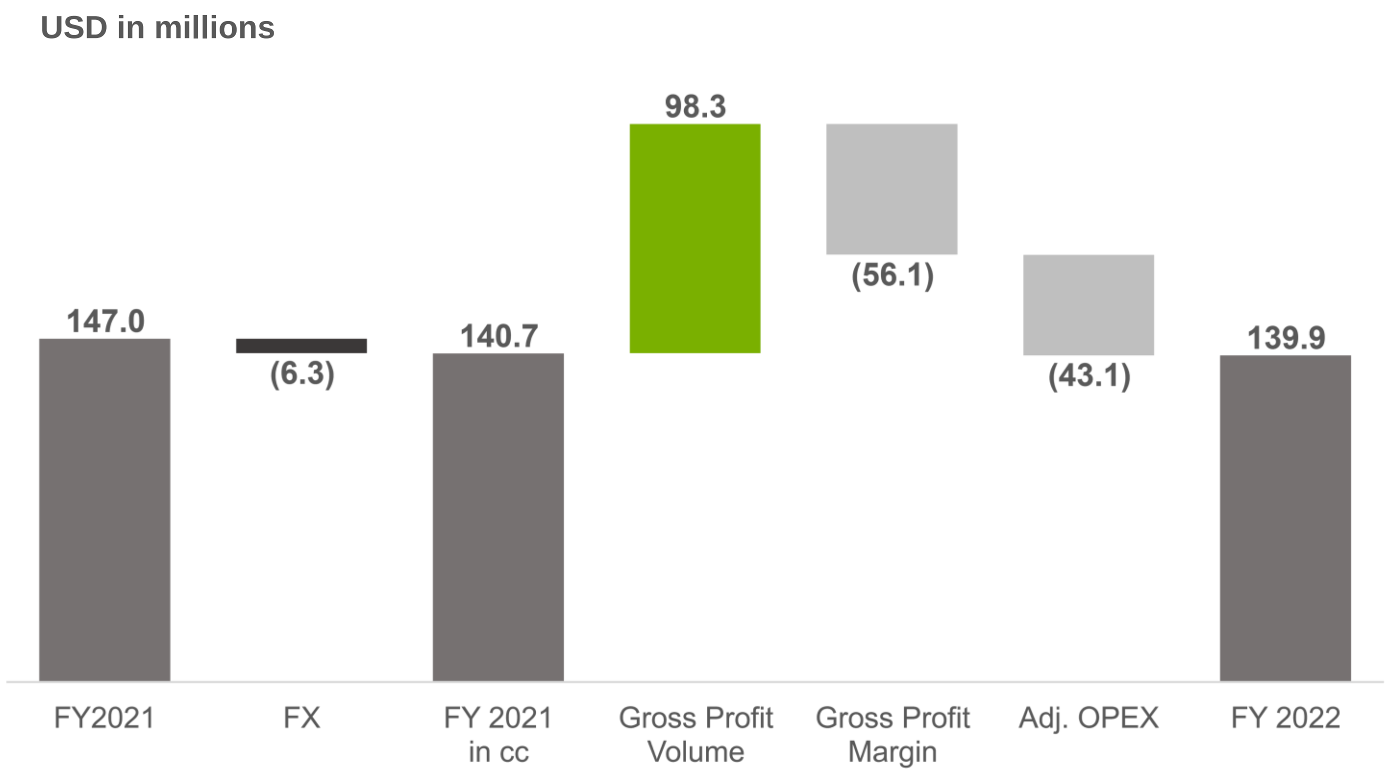
- Growth driven by Acquisitions (incremental contribution of USD ~53m), Switzerland and CEE.

Asia Pacific

- Strong performance driven by high demand across the region particularly ANZ

Strong Revenue Growth of 20.8% in cc supported by improved component availability

Adjusted EBITDA Bridge – FY 2022



- Adjusted Gross profit volume increase supported by growth across all regions, particularly Americas
- Adjusted Gross Profit margin decrease primarily due to adverse impact of higher supply chain costs of USD ~(56) million YoY
- Adjusted Operating Expenses increase driven by costs related to FY'21 acquisitions, ramp-up cost to support Americas future backlog conversion, and continued investments in strategic initiatives

Adj. EBITDA decline driven by higher supply chain cost and OPEX investments, partially offset by operating leverage

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Adjustments to EBITDA – FY 2022

USD in millions	FY 2022	FY 2021	Change
Reported EBITDA	**133.2**	**170.3**	**(21.8)%**
Adjustments	6.7	(23.3)	n/a
Restructuring Charges	11.8	2.9	306.9%
Warranty normalization adjustments	(5.1)	(13.8)	(63.0)%
Timing Differences on FX Derivatives	0.0	(12.4)	n/a
Adjusted EBITDA	**139.9**	**147.0**	**(4.8)%**
Adjusted EBITDA %	*8.3%*	*10.0%*	*(172) bps*

- Restructuring Charges of USD 11.8 million primarily related to the discontinuation of manufacturing activities in India
- Warranty normalization adjustments of USD (5.1) million represent the amount of provisions made relative to the average actual warranty utilization for the last three years

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Cash Flow – FY 2022

USD in millions	FY 2022	FY 2021	Change
Reported EBITDA	**133.2**	**170.3**	**(21.8)%**
Change in Operating Working Capital	(116.5)	(14.1)	726.2%
Capital expenditures (PP&E)	(28.3)	(27.1)	4.5%
Restructuring charges add back	11.8	2.9	306.9%
Restructuring cash effective	(6.4)	(6.5)	(1.5)%
Other assets and liabilities	21.2	(13.4)	n/a
Net interest payments	(6.7)	(3.1)	116.1%
Income tax payments ex M&A	(30.2)	(19.9)	51.8%
Free Cash Flow ex M&A	**(22.0)**	**89.0**	**n/a**
Divestment (Acquisitions)	234.8	(157.4)	n/a
Income tax payments related to Divestment	(52.8)	-	n/a
Free Cash Flow	**160.0**	**(68.4)**	**n/a**

- Cash Flow negatively impacted by inventory build up of USD ~139 million, in large part temporary, to support our growth trajectory in a volatile supply chain environment
- Other Cash Flow impacted by YoY changes in FX derivative valuation, warranty utilization and tax
- Net proceeds of USD 182.0 million from Intellihub divestment

Investment in strategic inventory to support record backlog execution and future growth

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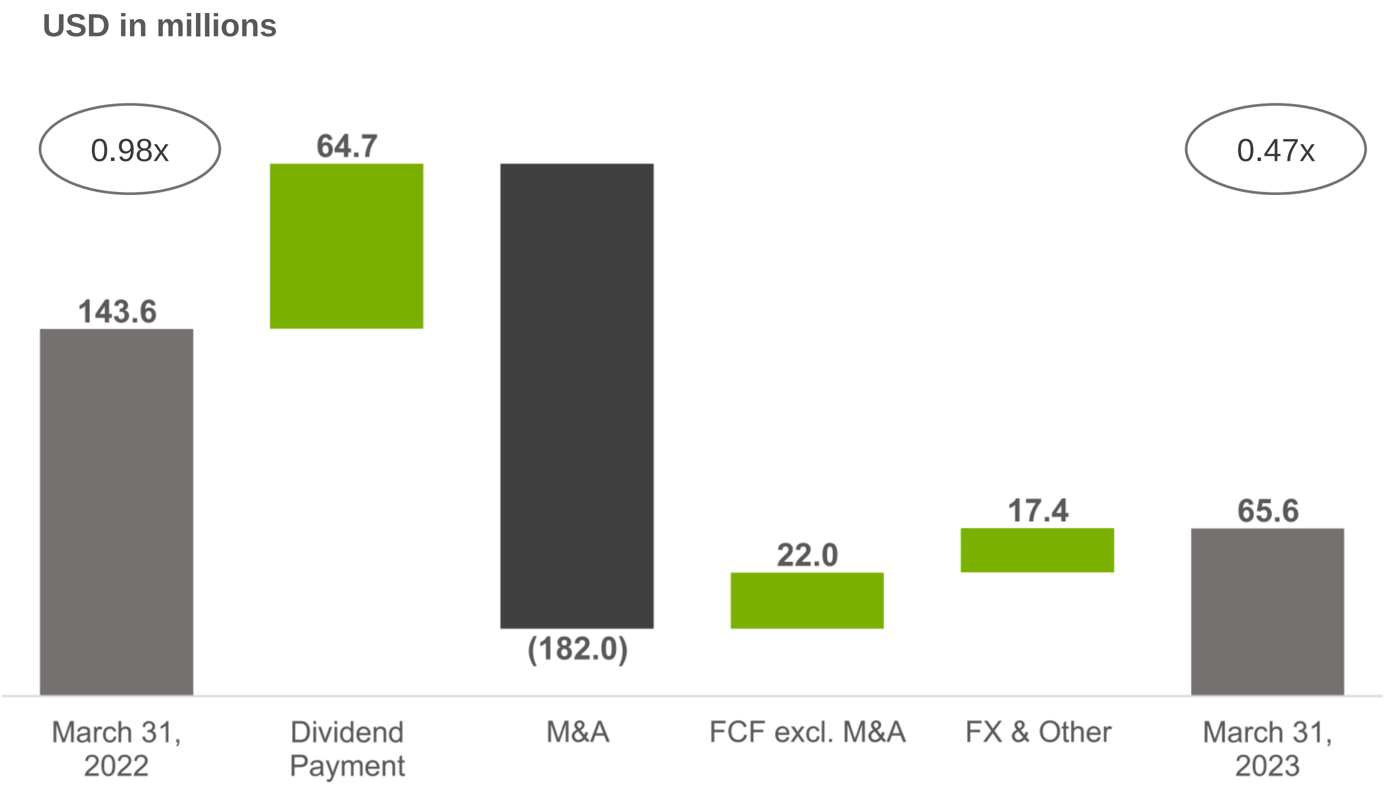
Net Debt – FY 2022



- Continued Balance Sheet strength
- ~0.47x leverage ratio with net debt position of USD ~65.6 million
- Significant investment capacity remaining with available undrawn facilities of USD ~400 million

Strong balance sheet foundation and great platform to capture future growth opportunities

Net debt / trailing twelve months Adjusted EBITDA

Americas Segment – FY 2022

USD in millions	FY 2022	FY 2021	Change
Order intake	1'163.1	1'701.9	(31.7)%
Committed Backlog	2'860.9	2'435.0	17.5%
Change in constant currency			17.2%
Net revenue to external customers	**887.9**	**706.7**	**25.7%**
Change in constant currency			26.1%
Adjusted Gross Profit	**312.5**	**274.3**	**13.9%**
Adjusted Gross Profit %	*35.2%*	*38.8%*	*(360) bps*
Adjusted Operating Expenses	(161.7)	(139.9)	15.6%
Adjusted EBITDA before Group Charges	150.9	134.4	12.3%
Group Charges	(31.9)	(24.9)	28.1%
Adjusted EBITDA	**119.0**	**109.4**	**8.8%**
Adjusted EBITDA %	*13.4%*	*15.5%*	*(210) bps*

- Strong order intake resulting in 1.31x book-to-bill; prior year order intake driven by major wins in North America
- Double digit revenue growth; strong backlog execution across all clusters, supported by improved component availability
- Adjusted EBITDA margin decrease driven by adverse supply chain cost, investments related to ramp-up and strategic initiatives partially offset by higher operating leverage

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EMEA Segment – FY 2022

USD in millions	FY 2022	FY 2021	Change
Order intake	623.3	724.6	(14.0)%
Committed Backlog	773.9	781.1	(0.9)%
Change in constant currency			2.4%
Net revenue to external customers	**602.3**	**590.1**	**2.1%**
Change in constant currency			13.8%
Adjusted Gross Profit	**150.6**	**183.7**	**(18.0)%**
Adjusted Gross Profit %	*25.0%*	*31.1%*	*(610) bps*
Adjusted Operating Expenses	(144.5)	(139.0)	4.0%
Adjusted EBITDA before Group Charges	6.1	44.7	(86.4)%
Group Charges	(20.2)	(19.1)	5.8%
Adjusted EBITDA	**(14.1)**	**25.7**	**n/a**
Adjusted EBITDA %	*(2.3)%*	*4.4%*	*n/a*

- 1.03x book-to-bill
- Strong revenue growth of 13.8% in constant currency despite component shortages in H1; Acquisitions contributed USD ~53 million incrementally (in cc); FX impact USD ~(61) million
- Adjusted EBITDA affected by significantly higher supply chain cost, investment in acquisitions and continued investment in strategic initiatives; FX impact USD ~(6) million

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APAC Segment – FY 2022

USD in millions	FY 2022	FY 2021	Change
Order intake	139.4	239.0	(41.7)%
Committed Backlog	113.8	172.5	(34.0)%
Change in constant currency			(30.8)%
Net revenue to external customers	**191.2**	**167.2**	**14.4%**
Change in constant currency			20.8%
Adjusted Gross Profit	**45.0**	**43.8**	**2.7%**
Adjusted Gross Profit %	*23.5%*	*26.2%*	*(270) bps*
Adjusted Operating Expenses	(25.1)	(29.4)	(14.6)%
Adjusted EBITDA before Group Charges	19.9	14.4	38.2%
Group Charges	(6.6)	(6.6)	-
Adjusted EBITDA	**13.3**	**7.8**	**70.5%**
Adjusted EBITDA %	*6.9%*	*4.7%*	*230 bps*

- 0.73x book-to-bill; prior year order intake was driven by major wins in HK
- Revenue increase driven by strong demand across the region particularly Australia and New Zealand, supported by easing of component availability
- Adjusted EBITDA expanded due to operating leverage and operational cost-out partially offset by elevated supply chain cost

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Guidance FY 2023 – reconfirmed

Net Revenues

Low double-digit organic net revenue growth (compared to FY 2022)

Adjusted EBITDA

Adjusted EBITDA margin between 9.0% and 11.0% of net revenues

Free Cash Flow (excl. M&A)

Around USD 60 million to USD 90 million

Dividend

Progressive dividend

Q&A

Key Messages

- Increased need for more intelligent power grids to drive energy efficiency and ensure critical infrastructure stability, further amplified by energy crisis, which positions L+G in the sweet spot of the energy transition
- Data driven solutions to expand recurring revenue streams and drive profitable growth through holistic portfolio, accelerated by Google Cloud partnership
- EV Infrastructure technology poised to enter new markets and grow significantly
- Record backlog of almost USD 3.8b and leading installed base
- Solid balance sheet with investment capacity for acquisitions
- Strong cash generative business with dividend capacity
- Passionate commitment as an ESG-centric industry leader, driving sustainable impact by empowering utilities and communities to manage energy better
- Recession-resilient, due to continuation of rollouts and expected lower cost during economic slowdown

Landis+Gyr is positioned in the sweet spot of the energy transition with a strong focus on decarbonizing the grid

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In a Nutshell

Landis+Gyr, as a recession-resilient energy efficiency Company, is positioned right in the sweet spot of the energy transition, further amplified by the current energy crisis, while playing an active role in decarbonizing the grid.

#investinginthefuture

Contacts & Dates

Important Dates

Publication of Annual Report 2022 and Invitation to AGM 2023:
May 26, 2023

Annual General Meeting 2023:
June 22, 2023

Ex-Dividend Date:
June 26, 2023

Release of Half Year 2023 Results:
October 25, 2023

Release of FY 2023 Results:
May 8, 2024

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Investing in the Future

#decarbonizethegrid

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