

# Capital Markets Day

Zurich, January 27, 2020

The image shows a low-angle shot of a modern building with a glass and metal facade. The Landis+Gyr logo is prominently displayed on the building's exterior. 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 building's surface, creating a grid-like pattern of light and shadow. The sky is a clear, bright blue, and the overall scene is brightly lit, suggesting a sunny day. The logo is the central focus of the image, positioned in the upper right quadrant.

# 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**

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## **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](http://www.landisgyr.com/investors).



# 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 metering<sup>1</sup>**  
with deployments in Australia,  
Hong Kong and India

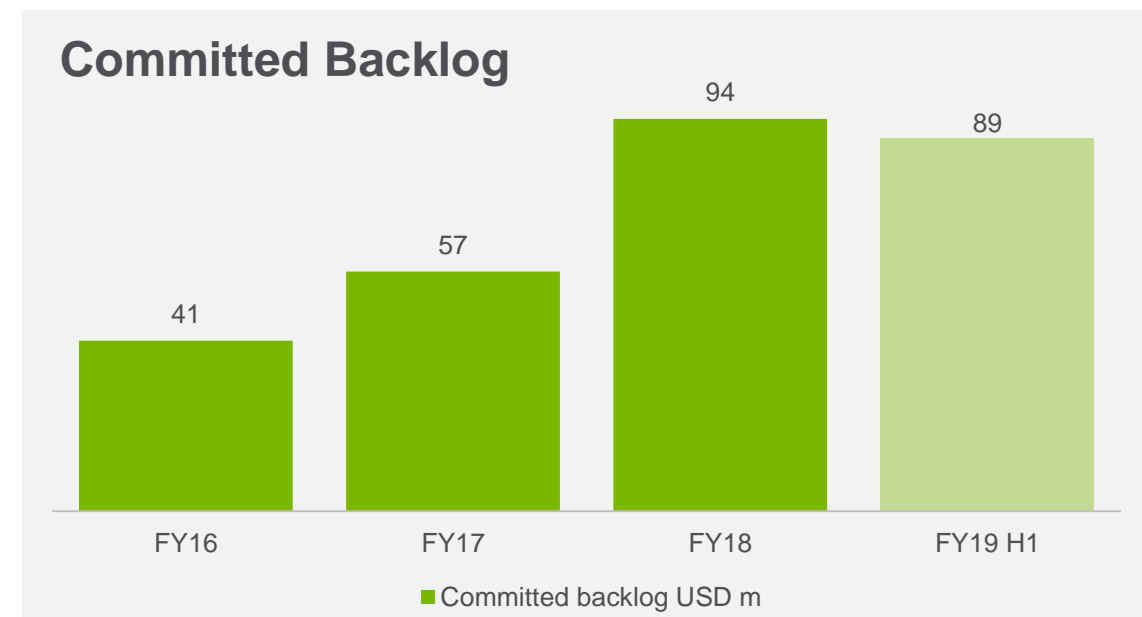
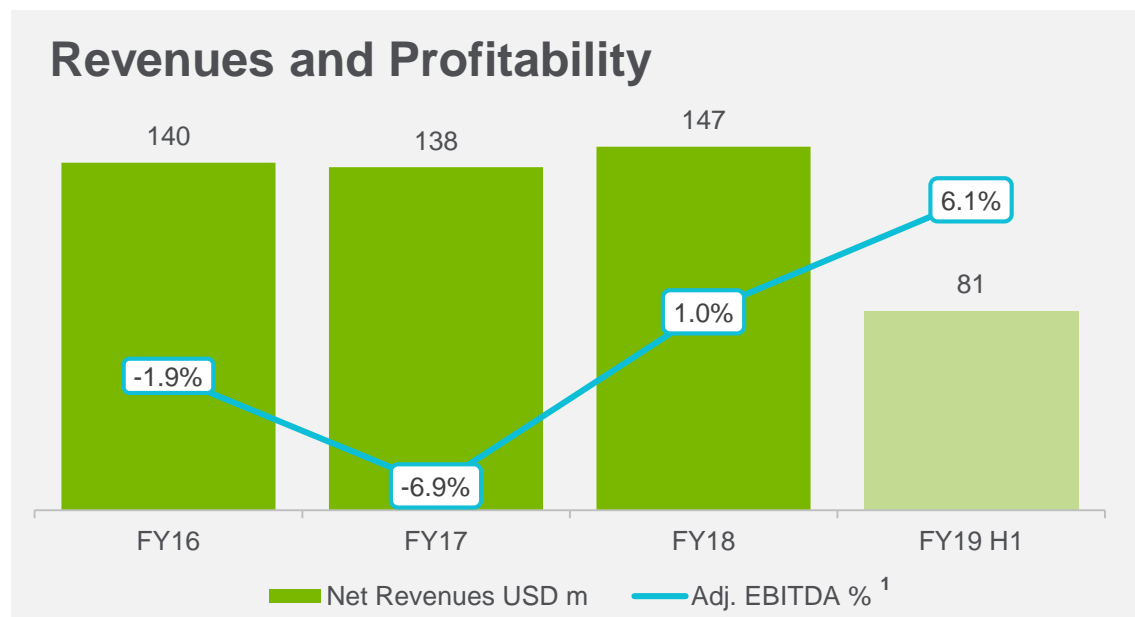
## Business Highlights

- 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

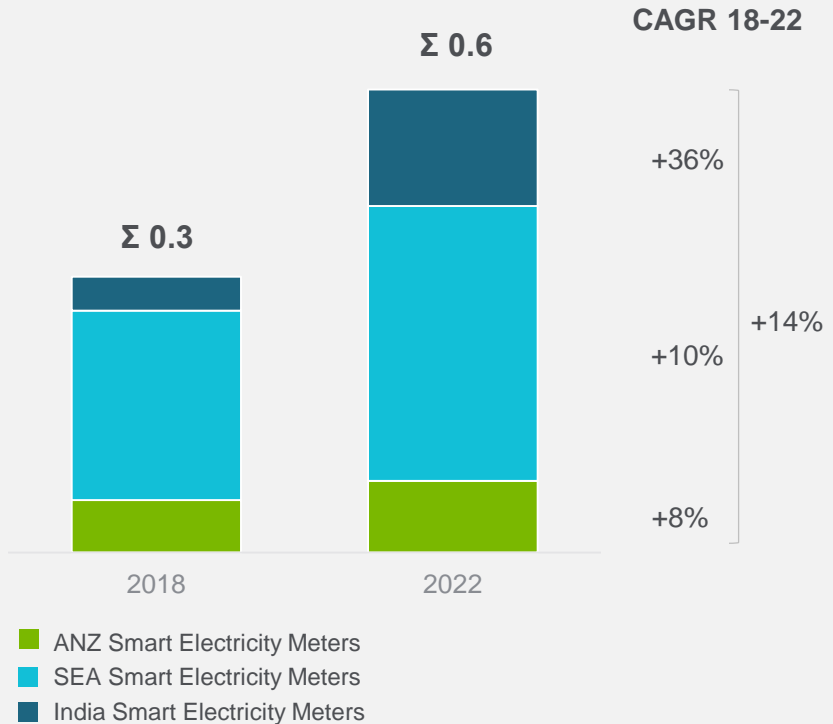


1. Following the adoption by the Company of ASU 2017-07 relating to defined benefit pension scheme costs, Adj. EBITDA has been revised up by USD 0.1m in FY 2017 as all pension income and expenses other than service costs are now reported under "Other income (expense)"

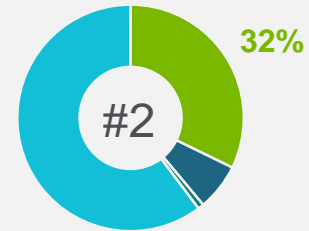
# Dynamic Market Outlook

## Market Evolution

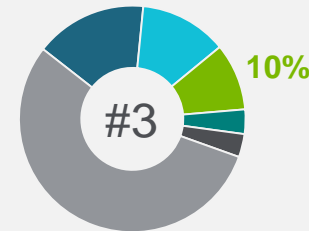
Estimated market segments<sup>1</sup>  
USD b



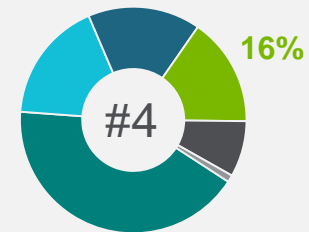
## Market Position



ANZ smart electricity meters market share, 2018, units<sup>2</sup>



SEA smart electricity meters market share, 2018, units<sup>2</sup>



India smart electricity meters market share, 2018, units<sup>2</sup>

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:

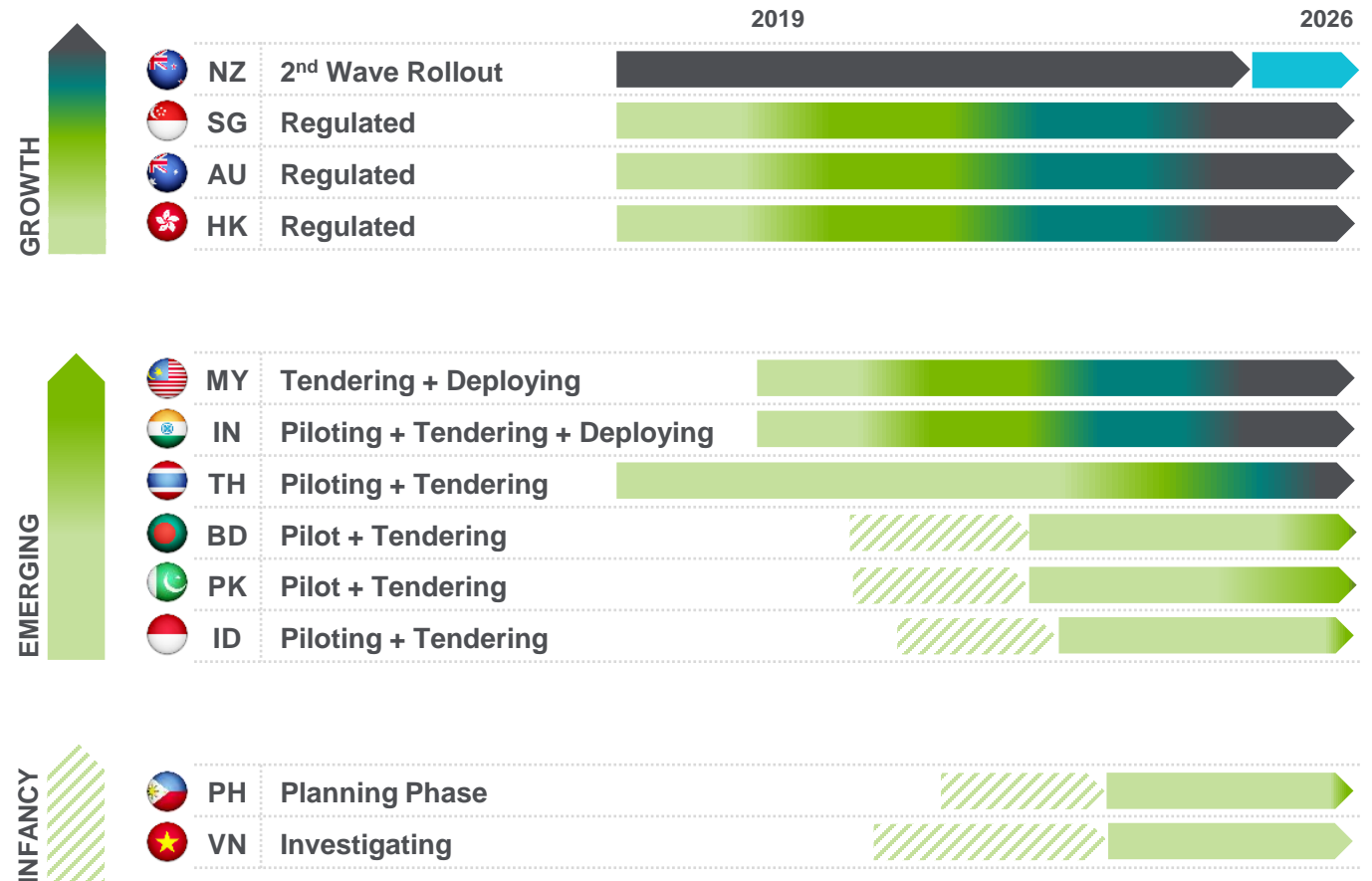
Shifting to a more selective targeted customer focus, in turn drives improved bottom line financial performance.

# 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/AEMO<sup>1</sup> 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<sup>®</sup> 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



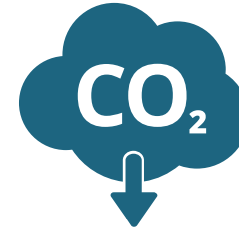
# Grid Edge Proof of Concept “Sun Smart”



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



Use of Landis+Gyr's  
technology



Solution delivered a  
reduction of CO<sub>2</sub> 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 CO<sub>2</sub> 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 3<sup>rd</sup> party home energy management system application



# Focus Point: India

USD  
86.1bn

Estimated cost to Indian economy due to inefficiencies / distortions<sup>1</sup> across energy sector

19%

Estimated distribution losses

5<sup>th</sup>

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

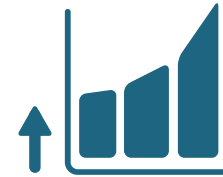
# Asia-Pacific Positioning for Success



**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

# Glossary

<b>AMI</b>	Advanced metering infrastructure	<b>IPv6/v4</b>	Internet protocol version 6/4
<b>CAGR</b>	Compound Annual Growth Rate	<b>JV</b>	Joint venture
<b>CMD</b>	Capital Markets Day	<b>KPI</b>	Key performance indicator
<b>CO<sub>2</sub></b>	Carbon dioxide	<b>MDMS</b>	Meter data management system
<b>CPP</b>	Critical peak pricing	<b>NB-IoT</b>	Narrowband IoT
<b>CSR</b>	Corporate social responsibility	<b>OTA</b>	Over the air
<b>CVR/VVO</b>	Conservation voltage reduction and voltage/VAR optimization	<b>OWC</b>	Operating working capital
<b>DER</b>	Distributed energy resources	<b>PP</b>	Public Power
<b>DSO</b>	Distribution system operator	<b>PUC</b>	Public utility commission
<b>EIA</b>	Energy Information Administration (US)	<b>PV</b>	Photovoltaic
<b>EMS</b>	Electronic manufacturing services	<b>REC</b>	Rural electric cooperative
<b>EV</b>	Electric vehicles	<b>RF</b>	Radiofrequency
<b>FAN</b>	Field area network	<b>SaaS</b>	Software as a service
<b>FX</b>	Foreign Exchange	<b>SCADA</b>	Supervisory control and data acquisition
<b>ICG</b>	Industrial, commercial and grid	<b>SMETS</b>	Smart metering equipment technical specifications
<b>IEA</b>	International Energy Agency	<b>TOU</b>	Time-of-use
<b>IoT</b>	Internet of things	<b>TSP</b>	Transitional simplified procedures
<b>IOU</b>	Investor-owned utility	<b>WTO</b>	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

