FY2017 Earnings presentation

Important notices

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” 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 any or all of 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.

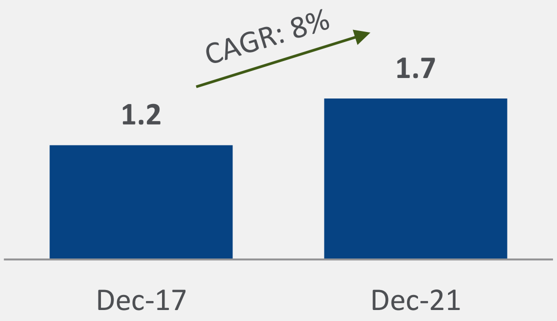
This presentation contains non-GAAP measures of performance. Definitions of these measures and reconciliations between these measures and their US GAAP counterparts can be found in the ‘Supplemental reconciliations and definitions’ section in our Annual Report 2017 on our website at www.landisgyr.ch/investors

Leadership in a growing market

Forecasted growth rates

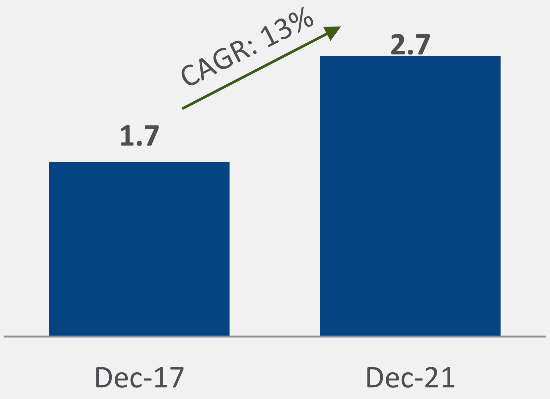
Americas[1]

Electricity comm. Meters (USD bn)



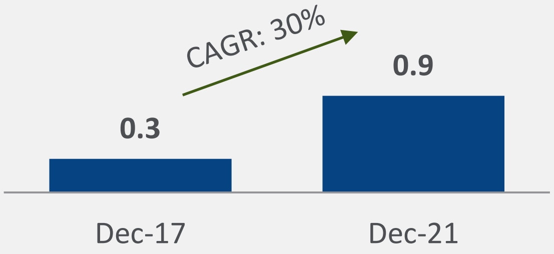
EMEA[1]

Electricity & gas comm. Meters (USD bn)



Asia Pacific[2]

Electricity & gas comm. Meters (USD bn)



Sources:

[1] IHS Markit 2017

[2] Frost & Sullivan 2017, Excl. China and Japan

Recent corporate developments

Wisconsin Public Service Company selected Landis+Gyr to provide a multi-purpose Advanced Metering Infrastructure network platform for advanced metering and grid modernization. The project includes deployment of Landis+Gyr's RF mesh network technology, 450,000 smart electric meters and about 326,000 two-way gas modules under a long-term managed services agreement.

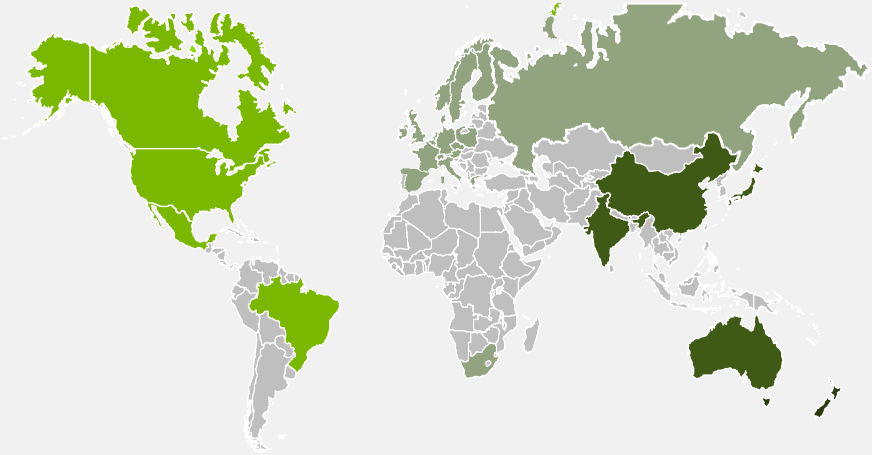
JEA, the eighth-largest community-owned electric utility in the US, signed a purchase agreement to accelerate its advanced metering deployment over the next 30 months by deploying the remaining 250,000 electric meters on its distribution system. Landis+Gyr currently manages JEA's advanced metering and network infrastructure under a long-term managed services contract.

Landis+Gyr and Pacific Equity Partners (PEP) form a joint venture for the acquisition of Acumen from Origin Energy Limited. The Acumen business includes the existing management and servicing of an already deployed 170,000 meters and a material long-term contract for the deployment and management of additional smart meters across Australia.

In 2018, Landis+Gyr signed new agreements with UK energy retailers for more than half a million SMETS2 meters. Landis+Gyr now has a total of over 18 million smart meters under contract in the UK, of which approx. 5 million have been deployed to date. Landis+Gyr and its UK customers achieved a major milestone becoming the first to deploy a second generation (SMETS2) smart meter. The UK deployment is gathering pace with Landis+Gyr smart meters deploying at more than 160,000 per month.

Business highlights – Fiscal Year 2017

Group:



Overall Group performance for FY2017:

- Sales growth year over year of 4.7% (2.6% in constant currency)
- Adjusted EBITDA stable at USD 212.0 million
- Free cash flow reached USD 87.5 million, up USD 34.4 million compared to FY2016
- Key Group guidance parameters met or exceeded

- Order intake growth of 18.8% (16.0% in constant currency)
- Reported net income improved from a loss of USD 62.6 million to a profit of USD 46.4 million
- The Board of Directors proposes a dividend of CHF 2.30 per share (USD 71 million at year end FX rate), 81% of free cash flow

Key regional developments – Fiscal Year 2017

- Good order intake and overall financial performance driven by US AMI business
- Continued market penetration in US Public Power market and extension of key customer contracts
- Launched Gridstream Connect, Landis+Gyr's flexible utility IoT platform

- Major AMI deployments in the UK, the Netherlands and France continue with strong momentum
- Industry wide supply chain constraints dampened second half
- Good results from restructuring program (Project Phoenix) and increased savings expected from Project Lightfoot (USD 25 million)
- Gross profit recovery delayed with further work to be done on product costs to ensure sustainable margins

- Major AMI deployments with CLP, Hong Kong on track
- Deployment commenced at Tata Power, India
- Power of Choice regulatory change came into effect in Australia but market take-up is slow

Consolidated results – Full-Year to March 2018 (FY2017)

USD in millions (except per share amounts)	FY2017	FY2016	Change
Order Intake	1'574.4	1'325.5	18.8%
Change in constant currency			16.0%
Committed Backlog	2'389.0	2'491.4	(4.1%)
Net revenue	1'737.8	1'659.2	4.7%
Change in constant currency			2.6%
Gross Profit (before depreciation and amortization)	563.7	595.5	(5.3%)
Adjusted Gross Profit	597.3	620.2	(3.7%)
EBITDA	145.1	150.8	(3.8%)
Adjusted EBITDA	212.0	212.0	0.0%
Net income attributable to Landis+Gyr Group AG Shareholders	46.4	(62.6)	n/a
Earnings per share - basic and diluted (in USD)	1.57	(2.12)	n/a
Cash provided by (used in) operating activities	124.7	95.3[a]	30.8%
Free cash flow	87.5	53.1	64.8%
Net debt	40.5	126.8	(68.1%)

[a] Includes foreign exchange items on intercompany loans that are included under net cash provided by operating activities in the Consolidated Statement of Cash Flows, but classified as financing activities in the Group's Free Cash Flow.

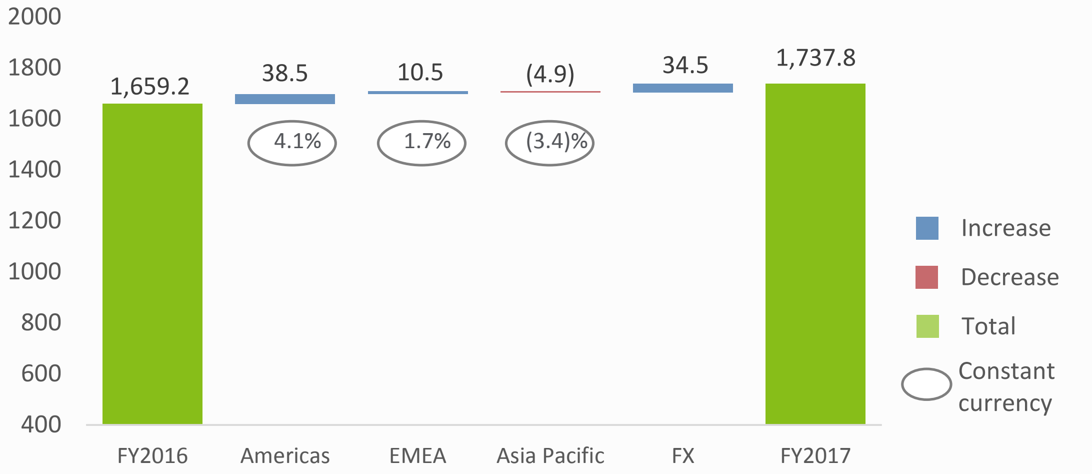
- At constant currencies, order intake grew by 16.0% and revenue by 2.6%
- Adjusted EBITDA stable at USD 212.0 million
- Net income turned from loss of USD 62.6 million to profit of USD 46.4 million
- Free cashflow increased by 65% to USD 87.5 million

Solid revenue, Adjusted EBITDA and cash flow performance

Net revenue year-over-year bridge – FY2017

Net revenue year-over-year bridge:

USD in millions



Americas
Driven by strong US AMI sales offsetting an expected decline in Japan revenues and supply chain shortages.

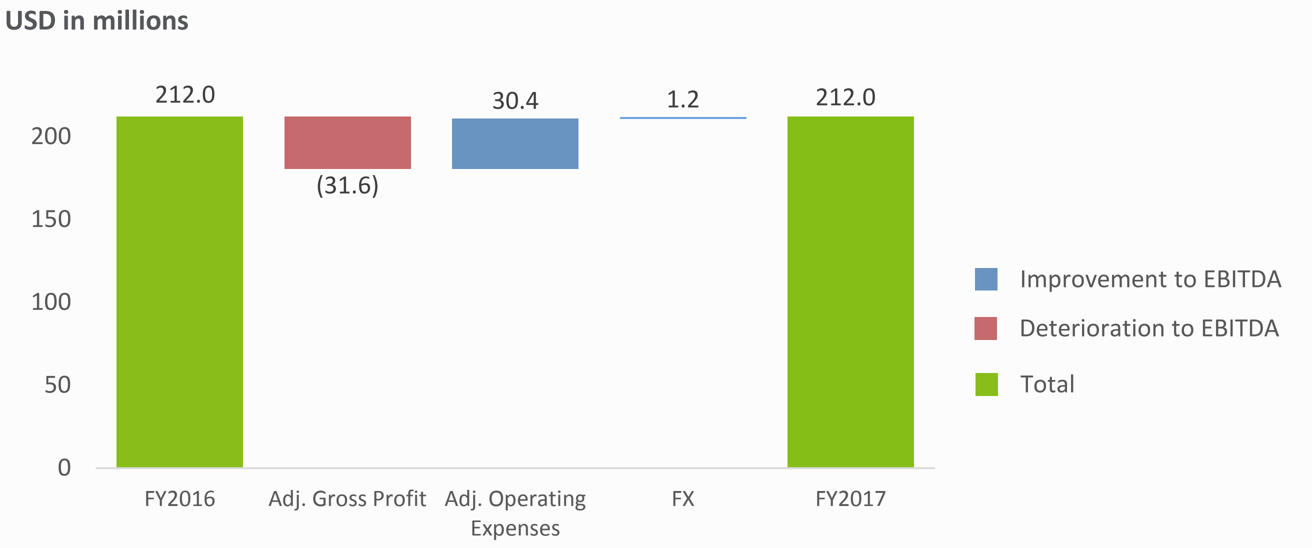
EMEA
Industry wide supply chain shortages limited growth in AMI deployments.

Asia Pacific
Revenue decline due to Power of Choice regulatory change in Australia

Revenue grew in Americas and EMEA, dampened by industry wide supply chain constraints

Adjusted EBITDA year-over-year bridge – FY2017

Adjusted EBITDA y-o-y bridge:



Adjusted Gross Profit decline resulted from mix changes in Americas & delays in cost optimized product launches in EMEA.

Adjusted Operating Expenses decrease mainly resulted from restructuring program in EMEA (Project Phoenix).

The decline in Adjusted Gross Profit was offset by lower Adjusted Operating Expenses

Adjustments to EBITDA – FY2017

USD in millions	H1 FY2017	H2 FY2017	FY2017	FY2016	Change
EBITDA	**43.1**	**102.0**	**145.1**	**150.8**	**(3.8%)**
Adjustments					
Restructuring Charges	8.1	6.5	14.7	3.8	286.8%
Exceptional Warranty Expenses	2.4	(0.1)	2.4	6.4	(62.5%)
Normalized Warranty Expenses	30.3	(6.1)	24.2	25.2	(3.6%)
Special Items	24.8	0.9	25.6	25.8	(0.8%)
Adjusted EBITDA	**108.8**	**103.3**	**212.0**	**212.0**	**0.0%**

65.7

1.3

Adjustments FY2017

- Adjustments in H2 FY2017 reduced to USD 1.3 million, net
- Restructuring – Costs mainly associated with the implementation of restructuring programs in EMEA.
- Exceptional Warranty Expenses – All attributed to the X2 capacitor warranty case.
- Normalized Warranty Expenses – The difference between the rolling 3 year average of actual warranty costs incurred and the net P+L warranty expense. In the Americas, in H1 FY2017 we booked a provision of USD 40.9 million in connection with legacy component issues.
- Special Items – Primarily IPO related expenses of USD 24.2 million. Of this amount, USD 9.8 million was funded by the selling shareholders.
- In FY2016 Special Items mainly related to patent litigation and costs associated with a planned acquisition that did not proceed.

Cash flow – FY2017

USD in millions	FY2017	FY2016	Change
Net income (loss)	46.8	(62.1)	n/a
Depreciation, amortization and FY2016 goodwill impairment	97.3	156.2	(37.7%)
Change in OWC, net	14.1	(10.0)	n/a
Other	(33.6)	11.2	n/a
Net cash provided by operating activities	124.7	95.3[a]	30.9%
(incl. Tax payment of)	*(45.4)*	*(41.8)*	*(8.5%)*
Net cash used in investing activities	(37.3)	(42.2)[b]	11.7%
(incl. Capex of)	*(38.0)*	*(42.8)*	*(11.3%)*
Free Cash Flow	**87.5**	**53.1**	**64.8%**

[a] Includes foreign exchange items on intercompany loans that are included under net cash provided by operating activities in the Consolidated Statement of Cash Flows, but classified as financing activities in the Group's Free Cash Flow.

[b] Excludes the cash paid for the acquisition of Consert's net assets described under Note 8 of the Consolidated Financial Statements for the year ended March 31, 2017.

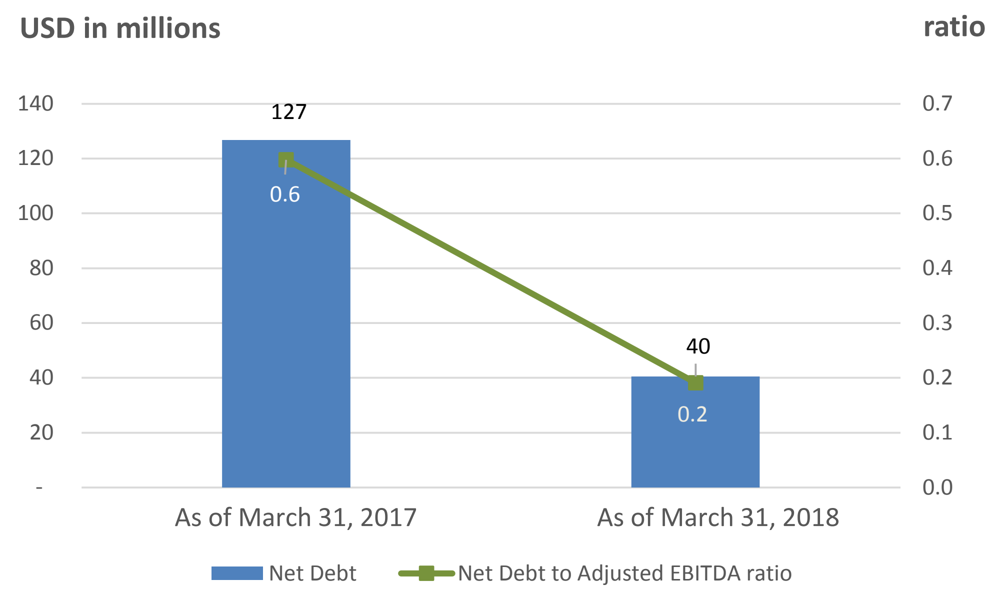
Operating Working Capital
management improved by USD 14.1 million despite higher sales

Capex
reduction compared to FY2016 despite higher revenue, consistent with asset light approach

Other
the movement mainly relates to the release of deferred tax positions due to US tax reform

Improved net income and working capital management led to growth in cash generation

Net debt & refinancing



- Cash generation of USD 87 million reduced net debt to USD 40 million, 0.2 times Adjusted EBITDA
- Bridge loan repaid as new USD 240 million multi-currency line of credit facility put in place
- Dividend payment of c. USD 71 million to be made in July 2018

Cash generation of USD 87 million reduced net debt

Americas segment – FY2017

USD in millions	FY2017	FY2016	Change
Net revenue to external customers	972.2	931.2	4.4%
Change in constant currency			4.1%
Adjusted Gross Profit	409.2	414.0	(1.2%)
Adjusted Gross Profit %	42.1%	44.5%	
Adjusted Operating Expenses	(209.8)	(218.9)	(4.2%)
incl. Group recharges	(35.3)	(32.7)	
Adjusted EBITDA	199.4	195.0	2.3%
Adjusted EBITDA %	20.5%	20.9%	

- Continued strong revenue in core US AMI market offset some expected declines in Japan
- Important agreement signed to help TEPCO leverage their IoT smart metering network in future
- Adjusted Gross Profit lower than FY2016 due to changes in customer & product mix
- Adjusted EBITDA increased 2.3% driven by lower Adjusted Operating Expenses

Americas performance driven by US AMI market

EMEA segment – FY2017

USD in millions	FY2017	FY2016	Change
Net revenue to external customers	627.2	587.8	6.7%
Change in constant currency			1.7%
Adjusted Gross Profit	155.9	174.0	(10.4%)
Adjusted Gross Profit %	24.9%	29.6%	
Adjusted Operating Expenses	(164.7)	(173.1)	(4.8%)
incl. Group recharges	(25.8)	(21.7)	19.1%
Adjusted EBITDA	(8.8)	1.0	n/a
Adjusted EBITDA %	(1.4%)	0.2%	

- Revenue growth impacted by supply chain shortages in Q4
- Adjusted Gross Profit impacted by delay to product cost reductions
  - These product cost improvements will now materialize in FY2018
- Project Phoenix restructuring delivers lower Adjusted Operating Expenses

Savings in Adjusted Operating Expenses were not sufficient to compensate lower Adjusted Gross Profit

EMEA segment – Comments on FY2017 results

Key market developments

- **UK:** In total over 18 million smart meters under contract, of which approximately 5 million have been deployed
  - Smart meter rollout continues at pace - Landis+Gyr meters deploying at >160,000 per month
  - Two new agreements signed with UK energy retailers in 2018 for 600,000 smart meters
  - Start of second generation (SMETS2) ramp delayed – anticipate volume deployment from Q2 FY 2018
- **France:** Roll-out in full swing at a rate of about 30,000 Linky meters per day (all suppliers combined), 10 million meters deployed by May 2018. Landis+Gyr continues to be a key partner with c.25% market share.
  - Tender for 3rd procurement cycle for 14 million meters launched, results expected in Q2 FY2018

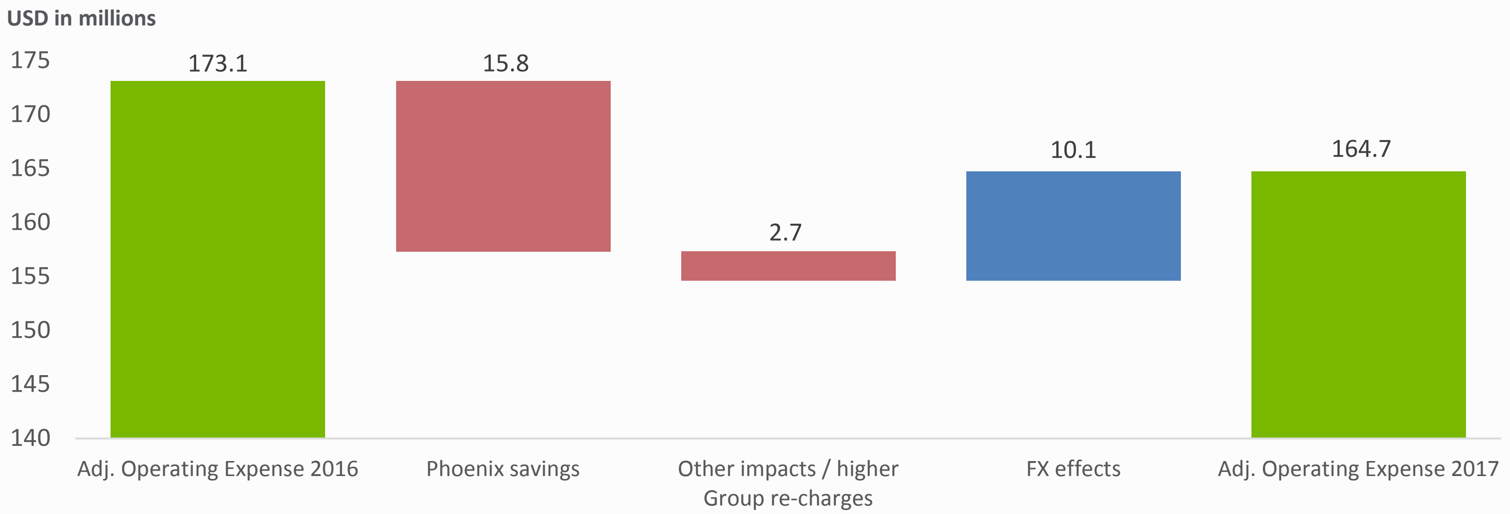
EMEA results

- EMEAs revenue impacted by industry wide supply chain constraints which reduced H2 sales by about 7.5%. Resolving supply issues expected in Q2 and Q3 of FY2018
- EMEA's FY2017 Adjusted Gross Profit impacted by c. 3.6 percentage points due to delayed introductions of cost reduced products
- For the key markets UK, NL, France, we expect to meet planned product cost targets but we have slipped c. 12 months in getting the products into the market. Main benefits will materialize in H2 FY2018.

EMEA results impacted by supply chain constraints and delayed cost down product introduction – H2 FY2018 will see main benefits of resolving these issues

EMEA segment restructuring – update on Project Phoenix

Adjusted operating expense year-over-year bridge:



Phoenix program delivered USD 15.8 million of overhead cost savings in FY2017

EMEA segment restructuring – update on Project Lightfoot

Manufacturing restructuring activities

- **UK:** Successfully initiated restructuring of UK manufacturing sites.
  - Headcount reduced in the UK by more than 200 during the last 12 months.
  - Closure of electricity manufacturing capacity planned for Q2 FY2018
- Outsourcing of high volume electricity metering on track with first fully finished meter from outsourcing partner shipped in January 2018
- Outsourcing of UK gas meter volumes on track; MID regulatory approval at outsourcing partner received in April 2018; customer approvals imminent

EMEA restructuring program

- Annual savings of USD 25 million across EMEA (previous target USD 20 million) expected from restructuring the manufacturing footprint (Project Lightfoot) by end of FY2020
- Restructuring costs incurred across EMEA in FY2017 of USD 7.6 million with USD 4.5 million still to come.

Project Lightfoot on track with raised annual savings target of USD 25 million

Asia Pacific segment – FY2017

USD in millions	FY2017	FY2016	Change
Net revenue to external customers	138.4	140.2	(1.3%)
Change in constant currency			(3.4%)
Adjusted Gross Profit	28.3	31.9	(11.2%)
Adjusted Gross Profit %	20.5%	22.8%	
Adjusted Operating Expenses	(37.9)	(34.6)	(9.7%)
incl. Group recharges	(3.8)	(3.8)	(1.6%)
Adjusted EBITDA	(9.6)	(2.7)	(260.9%)
Adjusted EBITDA %	(6.9%)	(1.9%)	

- Revenue declined as expected market growth did not materialize with slow take-up of “Power of Choice” regulatory change in Australia
- Adjusted Gross Profit % below last year due to mix effects
- Adjusted Operating Expenses increased due to higher costs at our service solutions business intelliHUB

Lower revenue as Australia did not grow as expected leading to losses at Adjusted EBITDA level

Asia Pacific – Joint venture to acquire Acumen from Origin

Transaction

- Joint Venture (PEP: 80% / Landis+Gyr: 20%) buys Origin's Acumen business for AUD 267 million
- Origin is Australia's largest energy retailer and Acumen is their in-house metering business
- Landis+Gyr will be contributing cash (AUD 25 million) and its intelliHub business with combined equity value of up to AUD 75 million
- JV undertakes asset financing
- JV has entered into a five-year meter supply contract with Landis+Gyr. Expected volumes of approx. 800,000 smart meters to be deployed to multiple utilities in AUS/NZ

Impact / Outlook

- Important milestone in turnaround of Asia Pacific business
- Expected Landis+Gyr meter sales to the JV of over USD 90 million over the next five years
- JV well positioned to roll-out a significant portion of upcoming deployment of estimated 8 million smart meters across NSW, Queensland, South Australia and the Australian Capital Territory

Important milestone for future development of Asia Pacific business

Outlook

FY2018 Outlook:

- Landis+Gyr expects FY2018 sales growth of approximately 3 - 6%.
- Group Adjusted EBITDA expected to be in the range of USD 222 million and USD 232 million.
- Free cash flow[1] between USD 95 million and USD 105 million.
- Given some of the supply chain challenges currently being experienced in the industry and the timing of product cost reductions in EMEA, Landis+Gyr expects the first half of FY2018 to be weaker than the second half.
- Dividend of at least 75% of free cash flow[1] for FY2018

[1] Free cash flow excludes M&A activities

Dates and contacts

Important Dates

Annual General Assembly:
June 28, 2018,
Lorzensaal, Cham, Switzerland

Ex-Dividend Date:
July 2, 2018

Dividend Record Date:
July 3, 2018

Dividend Payment Date:
July 4, 2018

Release of H1 FY2018 Results:
October 26, 2018

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Appendix

Landis+Gyr – a global leader

Global leader in Smart Metering and Smart Grid solutions

Over **80 million** smart grid connected intelligent devices deployed

120 Years of service to **customers** as a trusted partner to utilities

Serving **3,500+** utilities worldwide

Nearly USD 1 billion of self-funded R&D investment since 2011

Headquartered in **Switzerland** with offices in 30+ countries worldwide

The global #1 provider of smart metering solutions to utilities

The largest installed base with **300+ million** devices globally

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

More than **20 million** meter reads delivered every day under cloud services

Stable recurring revenue from managed services and meter replacement

Strong cash flow generation

Best-in-class portfolio of end-to-end solutions

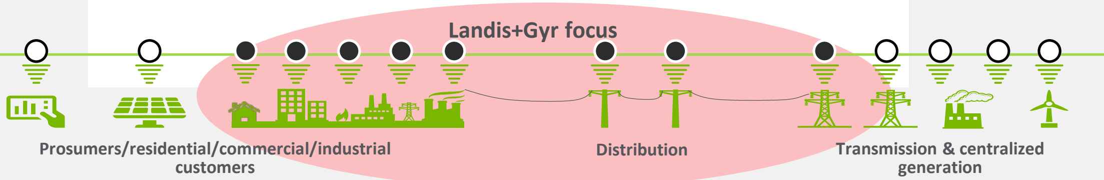
Broad solutions offering…

	Standalone devices (11%)			Connected intelligent devices (71%)					Software & services (18%)		
Portfolio	Non-AMI electricity meters	Heat/cold meters	Standalone gas	Residential AMI	Industrial, commercial & grid metering	Smart gas	Advanced load mgmt (ALM)	Distributed Energy Resources	Other devices	Services	Software	Other

Key products

- Non-AMI
- Diaphragm gas meters[1]
- Residential heat and cold meters
- Residential AMI meters
- ICG meters
- Ultrasonic smart gas meters
- Load management receivers and systems
- Distribution Automation
- In-home display units
- intelliHUB AEMO accredited BPO hub
- Network operation centers in Lenexa, KS and Noida, India
- Head-end systems
- Command Center
- Meter data management

…across the value chain



Retailer | Distribution system operator/vertically integrated utility/ transmission system operator

% of sales Mar-18

[1] Built and sold only in Australia and New Zealand

Consolidated results – H2 FY2017 vs. H2 FY2016

USD in millions (except per share amounts)	H2 FY2017	H2 FY2016	Change
Order Intake	753.0	688.4	9.4%
Change in constant currency			5.4%
Committed Backlog	2'389.0	2'491.4	(4.1%)
Net revenue	872.2	871.8	0.0%
Change in constant currency			(3.5%)
Gross Profit (before depreciation and amortization)	294.0	300.2	(2.1%)
Adjusted Gross Profit	292.9	322.4	(9.2%)
EBITDA	102.0	83.7	21.9%
Adjusted EBITDA	103.3	115.7	(10.7%)
Net income attributable to Landis+Gyr Group AG Shareholders	41.3	(49.6)	n/a
Earnings per share - basic and diluted (in USD)	1.40	(1.68)	n/a
Cash provided by (used in) operating activities	85.6	97.7[a]	(12.4%)
Free cash flow	66.9	74.5	(10.2%)
Net debt	40.5	126.8	(68.1%)

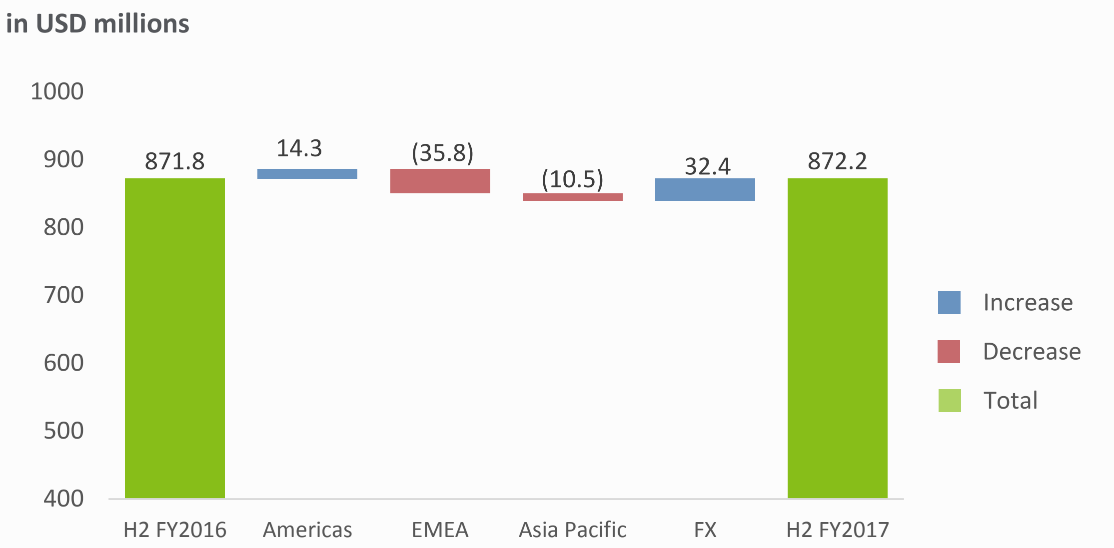
- Improvement in order intake of 5.4% year over year (at constant currency)
- Lower sales (at constant currency) with significant impact from industry wide supply chain constraints
- Adjusted EBITDA reduction y/y driven by below target performance in EMEA and AP

[a] Includes foreign exchange items on intercompany loans that are included under net cash provided by operating activities in the Consolidated Statement of Cash Flows, but classified as financing activities in the Group's Free Cash Flow.

Flat revenue and lower Adjusted Gross Profit lead to lower Adjusted EBITDA

Net revenue year-over-year bridge: H2 FY2017 vs. H2 FY2016

Net revenue year-over-year bridge:



Americas

Stronger US revenue offset expected declines in Japan

EMEA

Weak top line in H2 FY2017 mainly due to industry wide supply chain issues

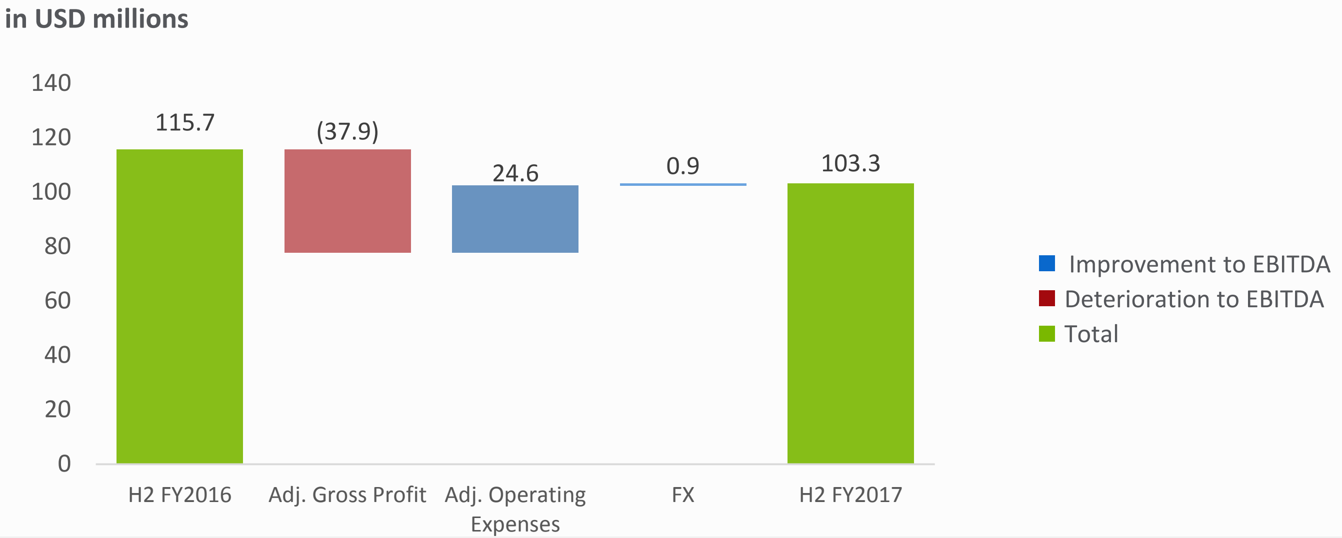
Asia Pacific

Lower sales caused by Australian AMI implementation delay due to Power of Choice regulatory change.

Strength in the Americas offset by weakness in other regions

Adjusted EBITDA year-over-year bridge: H2 FY2017 vs. H2 FY2016

Adjusted EBITDA y-o-y bridge:



Adjusted Gross Profit decline resulted from mix changes in Americas & delays in cost optimized product launches in EMEA

Adjusted Operating Expenses decrease mainly resulted from the cost reduction program in EMEA (Project Phoenix).

Adjusted Gross Profit declines only partially compensated by lower Adjusted Operating Expenses

Cash flow – H2 FY2017 vs. H2 FY2016

in USD millions	H2 FY2017	H2 FY2016	Change
Net income (loss)	41.5	(49.0)	n/a
Depreciation, amortization and FY2016 goodwill impairment	48.7	108.3	(55.0%)
Change in OWC, net	4.5	7.7	(41.3%)
Other	(9.2)	30.7	n/a
Net cash provided by operating activities	85.6	97.7[a]	(12.3%)
(incl. Tax payment of)	*(23.1)*	*(20.4)*	*(13.5%)*
Net cash used in investing activities	(18.7)	(23.2)[b]	19.4%
(incl. Capex of)	*(18.9)*	*(23.6)*	*20.0%*
Free Cash Flow	**66.9**	**74.5**	**(10.1%)**

[a] Includes foreign exchange items on intercompany loans that are included under net cash provided by operating activities in the Consolidated Statement of Cash Flows, but classified as financing activities in the Group's Free Cash Flow.

[b] Includes the cash paid for the acquisition of Consert's net assets described under Note 8 of the Consolidated Financial Statementzs for the year ended March 31, 2017.

Change in Operating Working Capital declined by USD 3.2 million

Capex came in lower than in the 2nd half of FY2016, consistent with our asset light approach

Americas segment – H2 FY2017 vs. H2 FY2016

USD in millions	H2 FY2017	H2 FY2016	Change
Net revenue to external customers	497.0	481.7	3.2%
Change in constant currency			3.0%
Adjusted Gross Profit	200.7	212.6	(5.6%)
Adjusted Gross Profit %	40.4%	44.1%	
Adjusted Operating Expenses	(107.3)	(115.9)	7.5%
incl. Group recharges	(20.8)	(18.1)	
Adjusted EBITDA	93.5	96.7	(3.3%)
Adjusted EBITDA %	18.8%	20.1%	

- Continued strong revenue in core US AMI market offset some expected declines in Japan
- Adjusted Gross Profit was lower than H2 FY2016 due to an unfavorable product & customer mix
- Adjusted Operating Expenses declined by USD 11.3 million (net of increase to Group recharges)
- Adjusted EBITDA declined as lower Adjusted Gross Profit was only partially offset by lower Adjusted Operating Expenses

Higher revenue and lower Adjusted Operating Expenses partially offset lower Adjusted Gross Profit

EMEA segment – H2 FY2017 vs. H2 FY2016

USD in millions	H2 FY2017	H2 FY2016	Change
Net revenue to external customers	306.5	313.0	(2.1%)
Change in constant currency			(10.5%)
Adjusted Gross Profit	76.1	91.0	(16.4%)
Adjusted Gross Profit %	24.8%	29.1%	
Adjusted Operating Expenses	(83.4)	(85.7)	2.8%
incl. Group recharges	(15.2)	(12.0)	(27.3%)
Adjusted EBITDA	(7.3)	5.3	n/a
Adjusted EBITDA %	(2.4%)	1.7%	

- Top line in H2 FY2017 impacted mainly due to supply chain constraints
- Adjusted Gross Profit impacted by delay to product cost reductions; these will now materialize in FY2018
- Lower Adjusted Operating Expenses due to the effects of Project Phoenix. This was partly offset by higher group recharges

Lower Adjusted Operating Expenses only partly offset lower Adjusted Gross Profit

Asia Pacific segment – H2 FY2017 vs. H2 FY2016

USD in millions	H2 FY2017	H2 FY2016	Change
Net revenue to external customers	68.7	77.1	(10.9%)
Change in constant currency			(13.3%)
Adjusted Gross Profit	13.4	18.3	(26.5%)
Adjusted Gross Profit %	19.6%	23.7%	
Adjusted Operating Expenses	(17.5)	(14.4)	(21.6%)
incl. Group recharges	(1.2)	(0.8)	(41.3%)
Adjusted EBITDA	(4.1)	3.9	n/a
Adjusted EBITDA %	(6.0%)	5.0%	

- Market delays in Australia as Power of Choice regulatory change comes into effect lead to lower revenue
- Adjusted Gross Profit % reduced due to an unfavorable mix
- Adjusted Operating Expenses increased due to higher expenses in intelliHUB, our services business in Australia.

Delays in Australia market affect sales performance and Adjusted EBITDA

Adjustments to EBITDA – H2 FY2017 vs. H2 FY2016

USD in millions	H2 FY2017	H2 FY2016	Change
EBITDA	**102.0**	**83.7**	**21.9%**
Adjustments			
Restructuring Charges	6.5	2.6	150.0%
Exceptional Warranty Expenses	(0.1)	5.0	n/a
Normalized Warranty Expenses	(6.1)	20.9	n/a
Special Items	0.9	3.5	(74.3%)
Adjusted EBITDA	**103.3**	**115.7**	**(10.7%)**

Adjustments H2 FY2017

Adjustments in H2 FY2017 reduced to USD 1.3 million, net:

- Restructuring – Costs associated with the implementation of Project Phoenix & Project Lightfoot restructuring programs in EMEA.
- Normalized Warranty Expenses – The difference between the rolling 3 year average of actual warranty costs incurred and the net P+L warranty expense.

Impact of US tax reform - update

US tax reform impacts

- **H2 FY2017 Statements of Operations release was USD 17 million**
  The enactment of U.S. tax reform resulted in a benefit of USD 22 million from the re-measurement of deferred tax balances as of March 31, 2017 to the new U.S. Federal tax rate, as per the January 2018 press release. Including the impact from the re-measurement of the deferred tax balances arising from the current activity of USD 4.7 million results in the release of USD 17 million.
- **Cash tax benefit is confirmed at USD 15-20 million p.a.[1]**

[1] The tax benefit is included in the FY2018 free cashflow guidance