

Capital Markets Day

Zurich, January 27, 2020

Landis
+ Gyr

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.

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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.



Americas

Prasanna Venkatesan, EVP Americas

Americas Highlights



Leading advanced metering partner for utilities in the Americas



65+ million connected **intelligent devices**



Customer operations center processing meter reads for >10% of the US meter population



14 operation centers, 2 manufacturing facilities, and a regional HQ across the region

TEPCO

World's largest utility IoT network with **24+ million endpoints deployed**

Regional Highlights

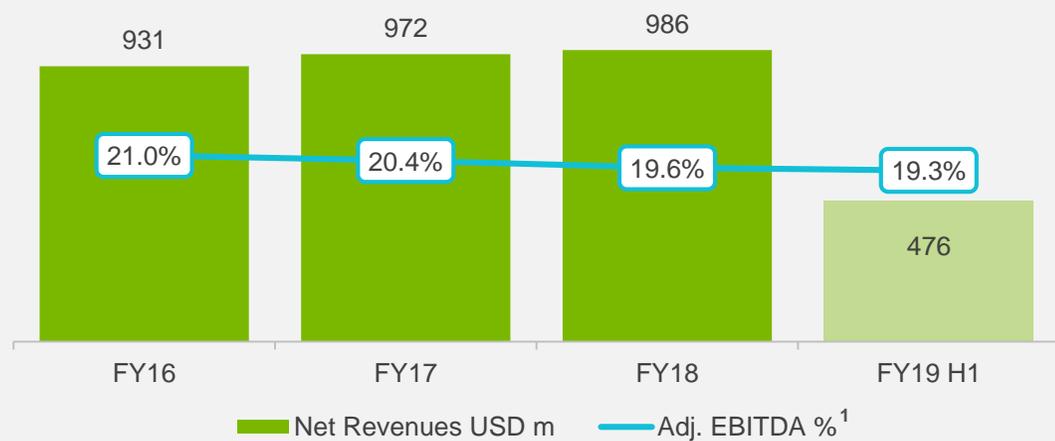
- Continued growth as the leading utility partner, leveraging Gridstream® Connect, including flexible communications and application enablement
- Major 2019 wins include:
 - Hawaiian Electric Company (HECO)
 - Ameren Missouri
 - Colorado Springs – showcasing continued leadership in multi-commodity utilities
- Leading the industry in support of renewables, improved grid resiliency, and consumer benefits. Examples include TEP, HECO, WEC, LIPA, and Oncor
- Achievements recognized by the industry:
 - Frost & Sullivan Global Company of the Year Award
 - Wi-SUN FAN 1.0 certification

Strong Financial Performance

Performance

- Sales to external customers in the Americas region rose to a new record high of USD 986 million in FY 2018
- Stable FY 2019 H1 performance
- Adjusted EBITDA margin remains resilient
- USD 1'635 million backlog at the end of FY 2019 H1

Revenues and Profitability



Committed Backlog

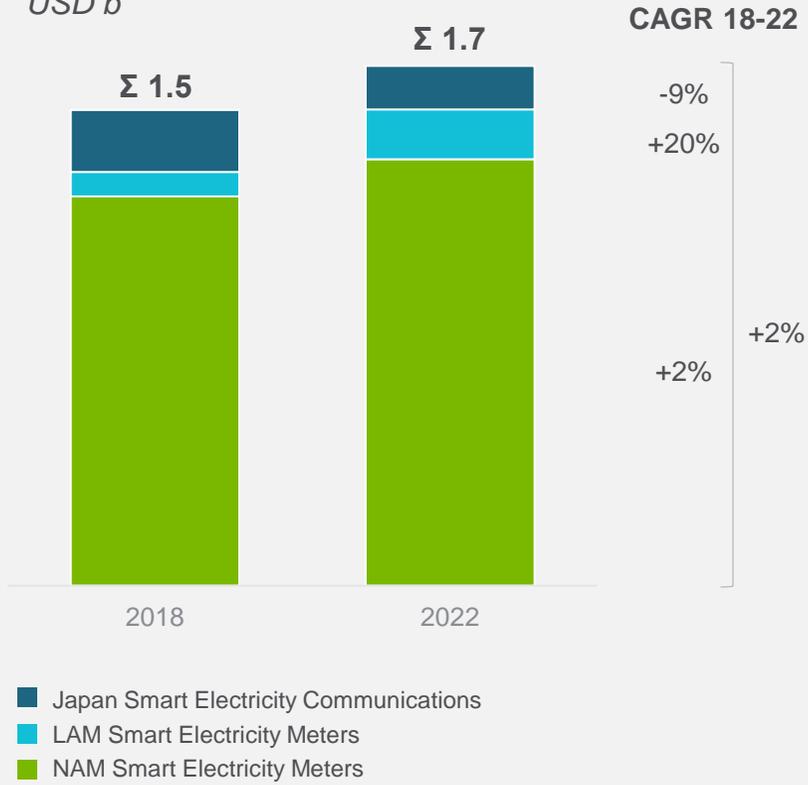


1. Following the adoption by the Company of ASU 2017-07 relating to defined benefit pension scheme costs, Adj. EBITDA has been revised up by USD 0.1m and down by USD 0.7m in FY 2016 and FY 2017 respectively as all pension income and expenses other than service costs are now reported under "Other income (expense)". FY 2019 H1 including USD 5.6 million one-off related to Brazilian VAT ruling.

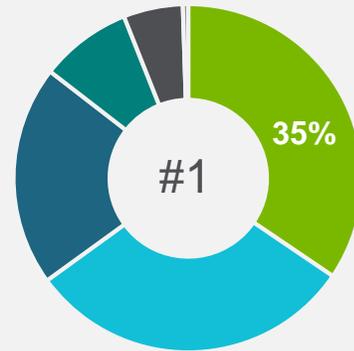
Market Forecast

Market Evolution

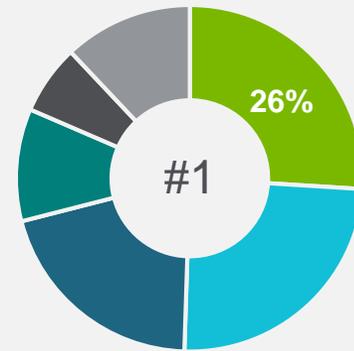
Estimated market segments ¹
USD b



Market Position



North America
Smart electricity
meters market
share, 2018, units ²



Latin America
Smart electricity
meters market
share, 2018, units ²

Landis+Gyr

NAM Smart Electricity:

AMI market driven by current large-scale deployments and upcoming refresh cycle

LAM Smart Electricity:

Delays experienced in this market; growth will be driven by Brazil

Japan Smart Electricity:

1st wave AMI rollout near completion; start of replacement cycle expected for 2023

US Electric Utility Market Structure

Investor-Owned Utility (IOU)¹

- **Large install base:** typically 500k – 3m endpoints
- **~190** utilities in US covering **73%** of endpoints
- Driven by **return on investment** dependent on regulatory framework and quality of service to its “rate payers”
- Regulated by State-appointed Public Utilities Commission

Public Power (PP)¹

Rural Electric Cooperative (REC)

- **Smaller install base:** typically 10k - 150k endpoints
- **~875** utilities in US covering **13%** of endpoints
- Driven by **prudent investment** to enable quality service to its “members”
- Governed by member-based board

Municipality, Gov’t (MUNI)

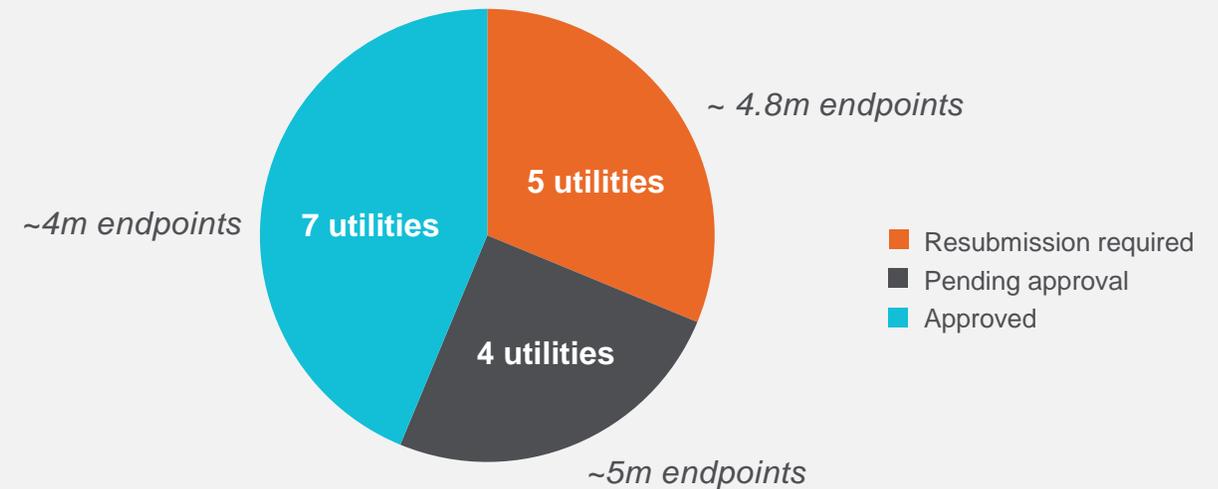
- **Wide range of install base:** typically 5k - 1m+ endpoints
- **~2’000** utilities in US covering **14%** of endpoints
- Driven by **quality service** to its “constituents”
- Federal, State, or City-based governing body

Regulatory Process and Delays

Regulatory trends^{1,2,3}

- Wide agreement AMI and smart meters are foundational for achieving desired benefits
- Technology advancement is creating a tighter link between AMI, meters, and utility grid modernization
- Protracted regulatory reviews and resubmission requirements are delaying new AMI deployments
- Resubmissions are due to: lack of benefits for consumers, energy efficiency, environmental & further benefits of an AMI system

Proposed utility AMI projects by status (Q1 2018 – Q1 2019)⁴



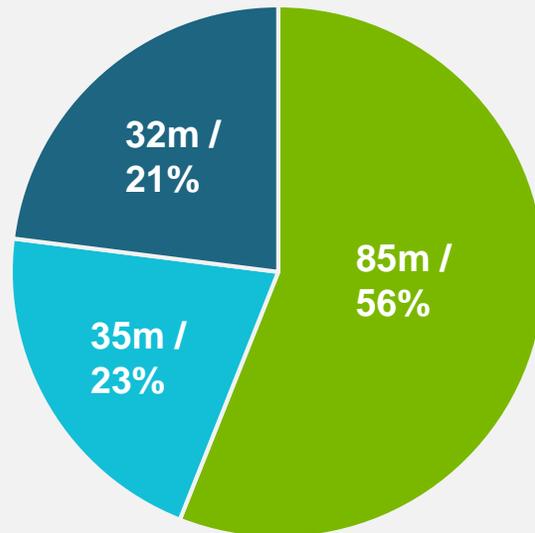
Landis+Gyr actions and implications

- Assist utilities with fact-based information for regulatory submission
- We see headwinds that could lower revenues in FY 2020
- Manage the cost base during the delays

US Electric Utility Market Status

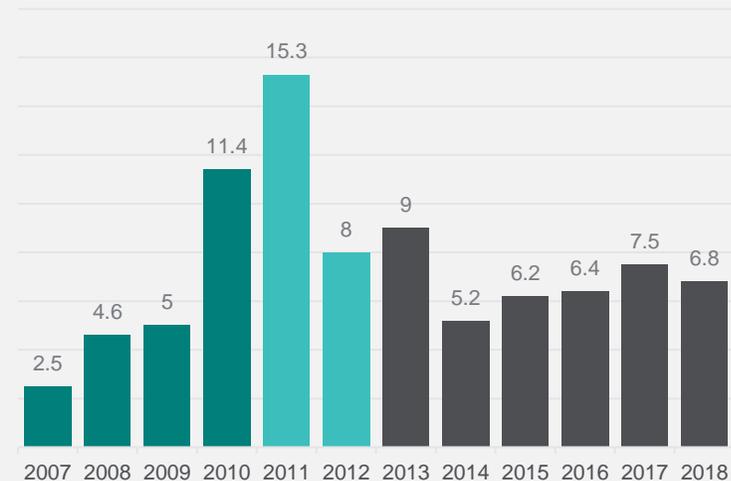
US AMI Deployment

Meter Contract Status (as of end of 2018)



- AMI deployed
- AMI under contract
- AMI not yet deployed

Yearly AMI Meter Deployments

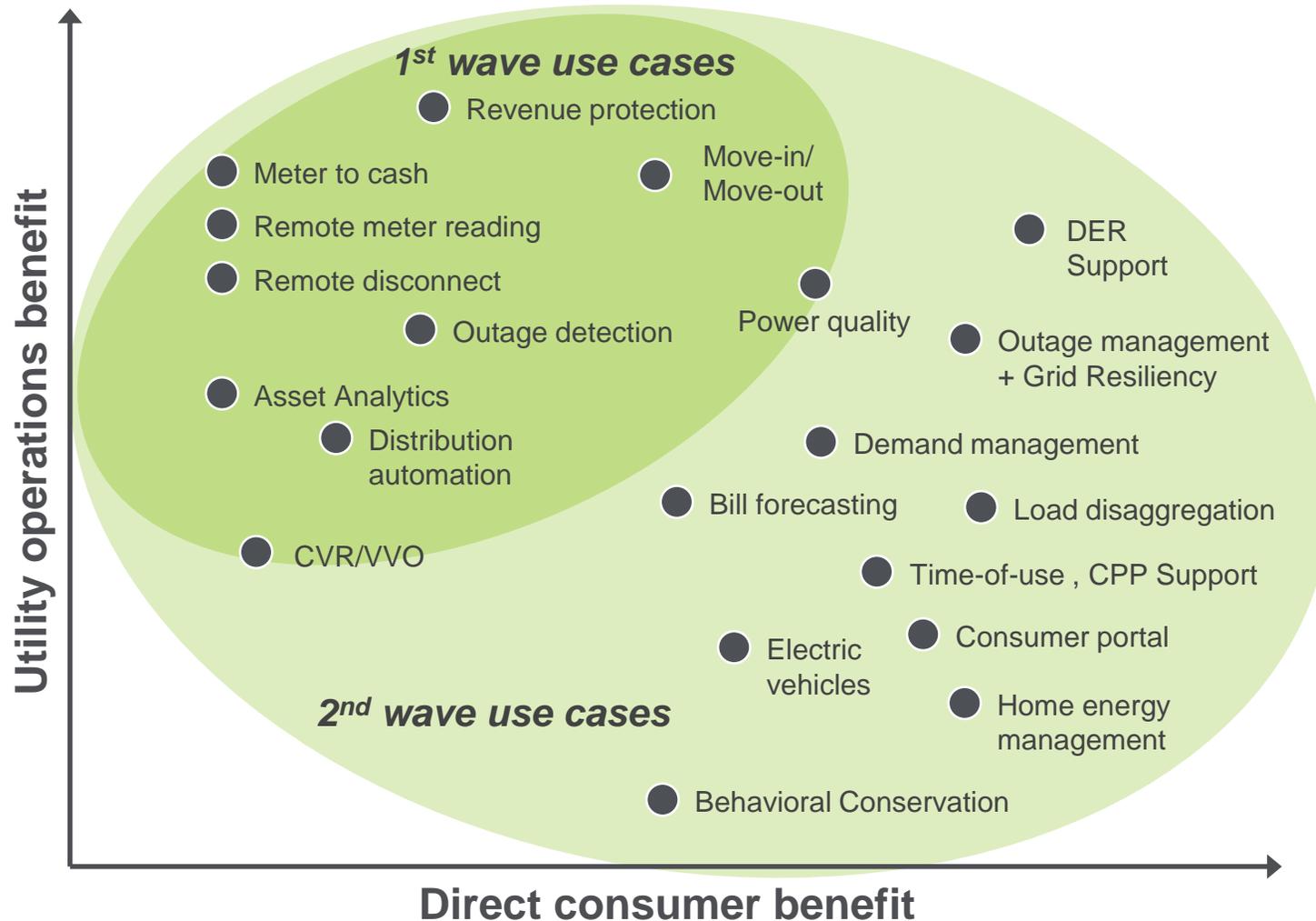


Today, out of the 85m AMI meters deployed, over **23m** are 10 years old or more

Next 2 years will double 2nd wave potential: until 2022 over **46m** are 10 years old or more

- Resilient North American AMI market
- 2nd wave rollout is driven by age of installed endpoint and the technology available at that time
- Early movers starting 2nd wave rollouts, including grid edge functionality and smart infrastructure
- Early AMI adopters have systems which do not have the technology to address current and emerging uses

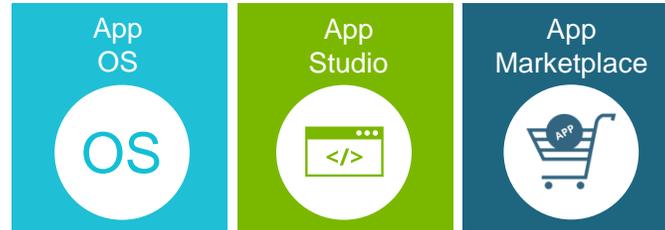
Evolving Market Demands New Technology



- Utility market dynamics are rapidly changing, **increasing the demands on AMI solutions** to provide expanded consumer benefits, enablement of Distributed Energy Resources, and much greater grid resiliency
- Regulators and other utility stakeholders are aligning future business and rate cases to provide new functionality and are **increasing the investment potential for AMI**
- **Intelligence at the grid edge will be a fundamental platform** for transforming the grid and be a critical element of the 2nd wave of smart meters

Grid Edge Intelligence is a Platform for Growth

IoT provides an opportunity for revenue and margin expansion for Landis+Gyr



Grid Edge Sensors

- Advanced IoT devices such as the next generation of meters **increases the value of the endpoint**
- Provides an opportunity for technology refresh in existing customer base
- Opens new opportunities to **expand into additional markets**

Grid Edge Intelligence Platform

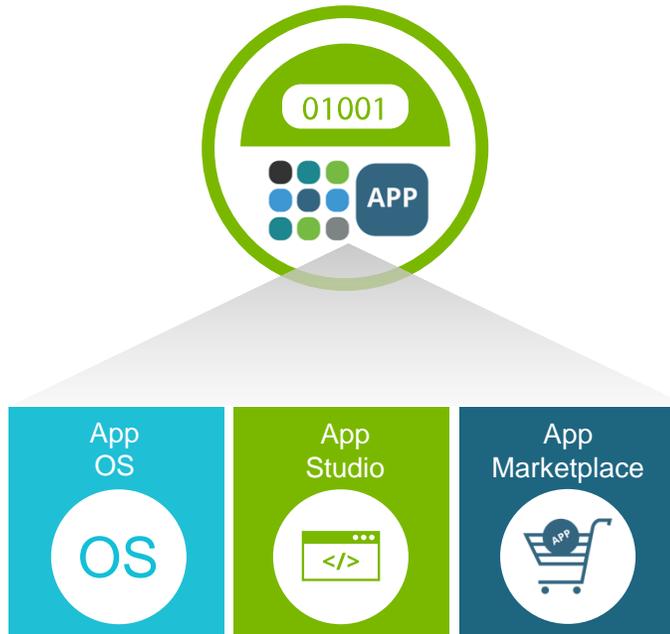
- Grid edge intelligence provides a mechanism to include **additional software and services** in support of new opportunity utility challenges
- IoT platform opens the opportunity to introduce new types of devices beyond traditional metering
- Creates **new revenue stream** from third party ecosystem

Value-Add Applications

- Landis+Gyr provided applications create an additional revenue stream and opportunity to differentiate endpoints
- Utility-built applications open the door for a new set of services to be provided

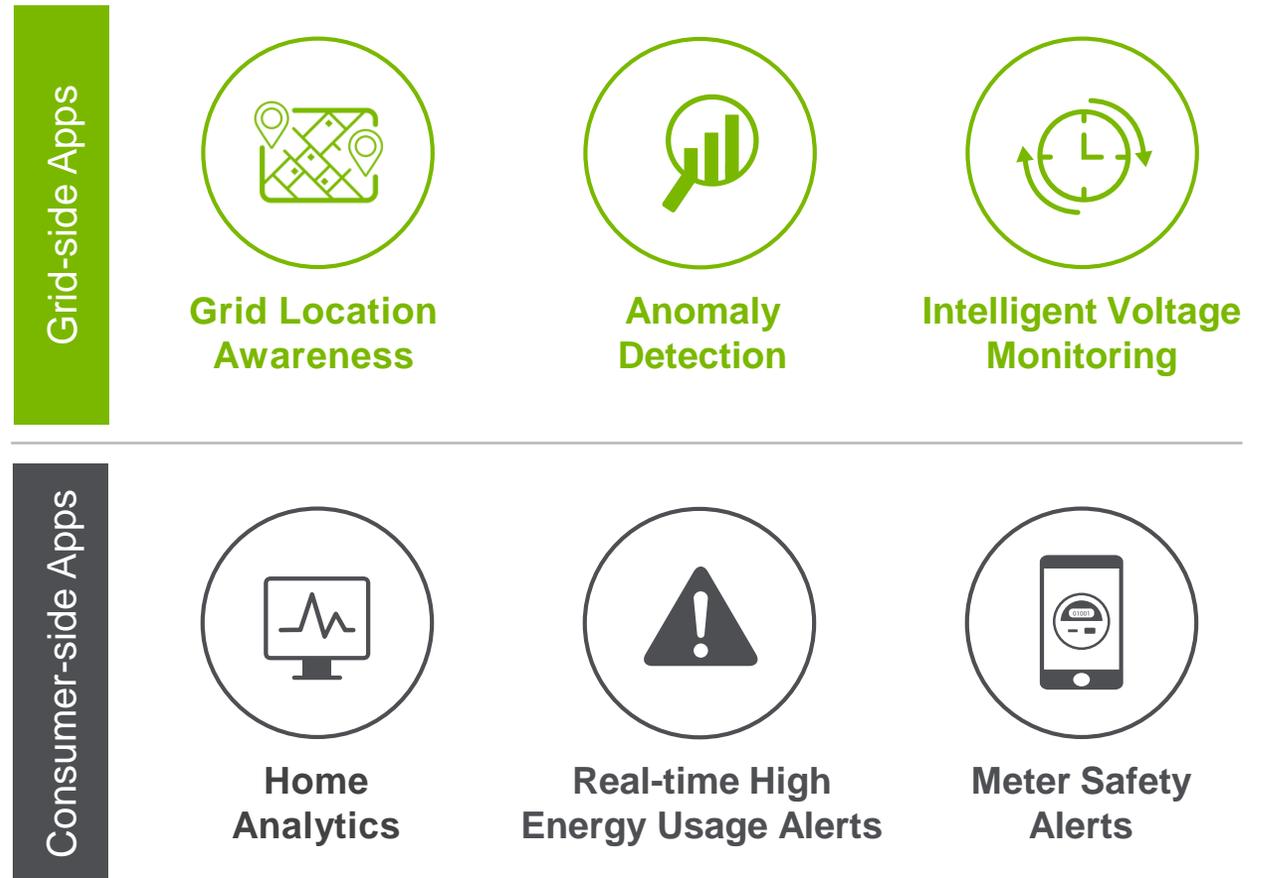
Expanding Utility Value through Grid Edge Intelligence

Landis+Gyr Edge IoT Platform



«Create, manage, *monetize*»

Pre-installed Apps add value on day 1



Introducing the Revelo™ Electricity Metering Offering A Grid Game Changer for Utility IoT Solutions

Uniquely powering edge intelligence with grid metering capability, providing Landis+Gyr with an **unrivalled market differentiator**

Embedded generation interconnect technology to support **Distributed Energy Resources integration at the edge**



Core grid & consumer-side edge **applications** provide unique benefits to utilities and consumers and new revenue opportunities for Landis+Gyr

A **common platform** will streamline development and manufacturing processes and allow for a quick response to rapidly changing market needs

FOCUS®



Elite



S4x



Focus Point: North American Market

~38m

Smart meters
deployed by
Landis+Gyr in NAM

800+

Utilities served
by Landis+Gyr

>21m

Meters hosted
in Landis+Gyr
Cloud offering

>2bn

Meter readings
processed per day
in our Customer
Operations Center

70m+

Licensed endpoints
with MDMS across
the globe

Market Dynamic / Customer Challenges

- 1st wave AMI roll-outs are reaching maturity, while 2nd wave is just starting; remaining utilities and 2nd wave utilities will require new use cases and broader benefits
- North American market leader in smart metering software and services with contracted relationships extending up to 40 years

Our Solution Offering / Priorities

- Continue to win high share of AMI deals with grid edge intelligence, expansion to IoT services, and our innovative, next generation technology roadmap
- Growth in edge intelligence, data, and complex devices drive utility demand for Landis+Gyr's established expertise in utility-focused software and services

Focus Point: Japan

>80m

Electricity meter refresh
over 10 years

2023

Start of government-driven
replacement cycle of all
meters over a 10-year period

>1bn

Daily reads –
unsurpassed network scale
and functionality achieved

TEPCO

World's largest utility IoT
network with 24+ million
endpoints deployed

Market Dynamic / Customer Challenges

- Japan is in the midst of an energy transition as a result of the recent deregulation of the electricity and gas market
- Next generation smart meter refresh planned for 2023

Our Solution Offering / Priorities

- Continue Landis+Gyr's strong relationship with TEPCO and capitalize on the next AMI wave
- Development of relationships with Japanese meter companies to grow our business

Americas Positioning for Success



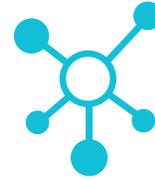
Proven Success in the Americas

- Track-record of success with the largest, longest-running deployments
- Recognized as #1 provider for Utility IoT
- 2019 wins support continued leadership across existing and new customers



Unparalleled Reputation in Cloud Services

- Established base of 300+ customers, many with multi-year relationships
- Expertise in complex data services and utility business needs to grow foothold
- Foundational software expertise for edge application development



New Value with Grid Edge Intelligence

- Defining the technology vision for the market roadmap, poised to take advantage of market refresh
- Building an app ecosystem of partnerships
- Monetization of platform



Strategic Advantage in Japan

- Deep-rooted market position in Japan with 24m+ endpoints connected
- Largest global utility IoT platform
- Strategic positioning with utility, partners, and technology for next wave

Glossary

AMI	Advanced metering infrastructure	IPv6/v4	Internet protocol version 6/4
CAGR	Compound Annual Growth Rate	JV	Joint venture
CMD	Capital Markets Day	KPI	Key performance indicator
CO₂	Carbon dioxide	MDMS	Meter data management system
CPP	Critical peak pricing	NB-IoT	Narrowband IoT
CSR	Corporate social responsibility	OTA	Over the air
CVR/VVO	Conservation voltage reduction and voltage/VAR optimization	OWC	Operating working capital
DER	Distributed energy resources	PP	Public Power
DSO	Distribution system operator	PUC	Public utility commission
EIA	Energy Information Administration (US)	PV	Photovoltaic
EMS	Electronic manufacturing services	REC	Rural electric cooperative
EV	Electric vehicles	RF	Radiofrequency
FAN	Field area network	SaaS	Software as a service
FX	Foreign Exchange	SCADA	Supervisory control and data acquisition
ICG	Industrial, commercial and grid	SMETS	Smart metering equipment technical specifications
IEA	International Energy Agency	TOU	Time-of-use
IoT	Internet of things	TSP	Transitional simplified procedures
IOU	Investor-owned utility	WTO	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

