

Governance, Remuneration and ESG

February 2021



Disclaimer



Forward-looking Information

This presentation includes forward-looking information and statements, including statements concerning the outlook for Landis+Gyr Group AG and Landis+Gyr group (“Landis+Gyr”). These statements are based on current expectations, estimates and projections about the factors that may affect Landis+Gyr’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.

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Alternative Performance Measures

This presentation may contain information regarding 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 34 to 37 of the Landis+Gyr Half Year Report 2020 on the website at www.landisgyr.com/investors/results-center.

Agenda

Landis+Gyr

Landis+Gyr at a Glance

Megatrends, Strategy and Mid-term Guidance

Corporate Governance

Remuneration Framework

Sustainability / ESG

At a Glance

Landis+Gyr



Global Reach & Local Presence
Swiss HQ with Locations
in over 30 countries
worldwide



Frost & Sullivan
**Global AMI Company
of the Year 2019** –
for 5th consecutive year



Worldwide largest
IoT Utility Network
1.3 billion reads per day
with 99.99 % accuracy



Smart Infrastructure
Partnership with
Google



Largest installed base
300+ million
devices globally



Over 125 million
Connected intelligent
devices deployed

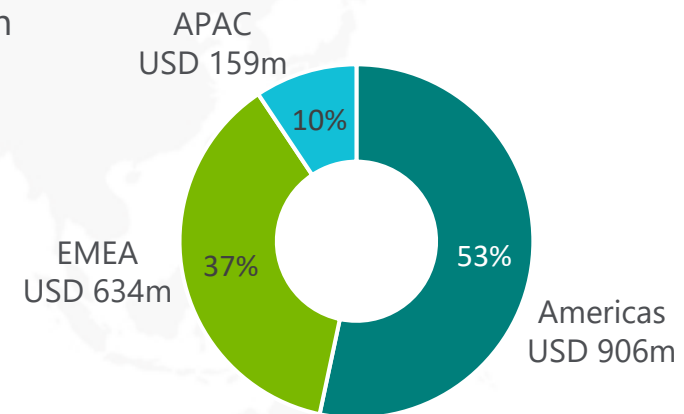


More than **15 million**
meter points under
managed services



of services to
3,500+ customers
as a trusted partner

Revenue split (FY 2019)



125 Years of Excellence

Global Megatrends

1. Growing Population



- Conscious Resource Management
- Clean & Accessible Water
- Reliable Energy Supply
- Improved Air Quality

2. Rapid Urbanization



- Smart Cities
- Increased Need for Smart Infrastructure
- Increased Need for Smart Resource Management
- Changed Energy Distribution Demand

3. Decarbonization



- Monitor Energy Consumption
- Reduce Energy Consumption
- Capture Energy
- Store Energy
- Reuse Energy

4. Accelerated Digitalization & New Technologies



- eCommerce
- Smart Applications
- Grid Edge Intelligence
- Cyber Security

5. Empowered Consumers



- eCommerce
- Digitalization
- Smart Applications
- Prosumers

6. Increased Focus on Sustainability



- UN Sustainable Development Goals
- OECD Green Recovery
- EU Green Deal and Regulations
- Biden Plan for a Clean Energy Revolution and Environmental Justice

Demands of growing population and scarce energy resources drive need for L+G portfolio offerings

Strategic Value Drivers

+ GLOBAL MEGATRENDS

Growing Population,
Urbanization, Decarbonization,
Digitalization, Empowered
Consumers & Sustainability

+ FINANCIAL STRENGTH

Solid Balance Sheet |
Investment Capacity

+ TECHNOLOGY & INNOVATION

R&D | M&A | Partnerships

+ VISION, VALUES & PEOPLE

manage energy better | Culture
of Excellence

+ SMART METERING

+ GRID EDGE INTELLIGENCE

+ SMART INFRASTRUCTURE

Technology investments, supported by global megatrends, a strong strategic vision, passionate people and a solid balance sheet, drive business transformation for longer-term growth and sustainable impact

Strategic Priorities

+ SMART METERING

- Leverage E360™ and E660™ Smart Meters enabling Grid Edge Intelligence use cases
- Unify Head End System in the Cloud
- Expand reach in Software & Services Portfolio
- Global Expansion in Smart Gas Metering
- Market Entry in Smart Water Metering
- Drive Growth in current & new Markets
- Opportunistic M&A - Entry into new markets or portfolio enhancements

Strategic Priorities

+ GRID EDGE INTELLIGENCE

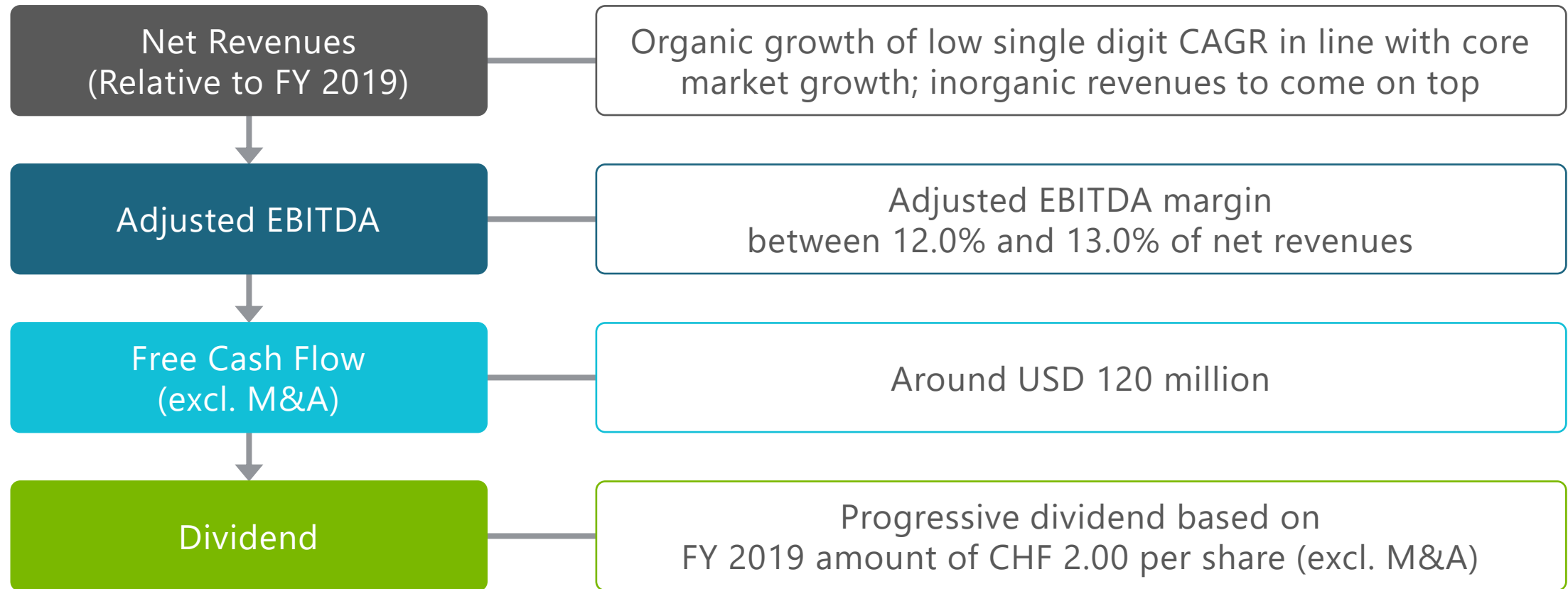
- Leverage Revelo® Grid Edge Intelligence sensor to enable Smart Infrastructure use cases
- Drive Advanced Load Management, Grid Analytics & Distribution Automation Solutions
- Empower Energy Consumers through Home Analytics, Real-time High Energy Usage & Safety Alerts
- Increase Software & Services Portfolio through strategic Partnership with Google
- Rhebo Acquisition increases Cybersecurity Network Monitoring Capabilities down to critical Endpoints at the Grid Edge
- Synergistic M&A - New technology for current verticals

Strategic Priorities

+ SMART INFRASTRUCTURE

- Leverage Partnership with Google to transform Landis+Gyr to become the leading partner for integrated energy management solutions and Smart Infrastructure by utilizing Cloud based Technologies
- Increase Cybersecurity Capabilities through Rhebo Acquisition
- Potential expansion of EV pilots in markets where the EV framework is aligned with smart metering infrastructure
- Increased focus on street lighting as part of smart infrastructure
- Expand into non-regulated markets and enable smart cities
- Targeted M&A - Move into adjacent markets, focused on smart cities and sustainability themes

Mid-Term Guidance (FY 2023) & Dividend Policy



Developments in 2020

Governance

- **Werner Lieberherr** took over as Group **CEO** on April 1, 2020
- **Elodie Cingari** appointed as new **CFO** effective November 16, 2020
- Created new "**Nomination and Governance Committee**" with majority of members being independent

Remuneration

- Continued **review of remuneration programmes** and systems by the Board of Directors with focus on the short- and long-term incentive plans
- **Short-term incentive plan:** three specific environmentally focused targets introduced in FY2020 with an overall weight of 10%
- **Long-term incentive plan:** further review of peer group and methodology applied to the relative TSR component.
- In light of the Covid-19 impact, a **6-month 10% reduction** was applied to the base and committee fees of the Board of Directors and to the base salaries of the Group Executive Management Team

Sustainability

- Signed up to the **UN Global Compact**
- Adopted the **Global Reporting Initiative** Standards (Core option)
- Building on our **long history** of sustainability work we have made significant headway in the Company's **comprehensive ESG program**
- Supported the **saving of 8m tons CO₂e** through L+G's installed base of smart devices
- **Continued evolution** of the sustainability related **STI component** planned for FY2021, with potential increase in weight and **expansion** of the number of targets to cover material **ESG related topics** in line with Landis+Gyr's sustainability strategy

COVID-19 pandemic

Business Resilience despite COVID-19

- Smart meter roll-outs were temporarily suspended during first lockdowns in key markets (UK, France etc) as installers couldn't visit customer homes
- Experienced delays in new volume and in regulatory project approvals (USA) but no major project cancellations
- Revenues declined by 27% in H1 FY 2020 (April – September) driven by the Americas and EMEA region
- However, the business produced a solid Free Cash Flow (excl. M&A) of USD 45.3 million (up 37%) and traded profitably with an 8% Adjusted EBITDA margin
- Vast majority of factories continued operations with only a few government mandated temporary closures
- Limited and temporary furloughs in a small number of markets

New lockdowns

- Utilities and installers have adopted their processes and are much better prepared
- In many jurisdictions (incl. UK) metering is seen as an "essential service" with installations continuing throughout the lockdowns
- No major impact on supply chain and manufacturing with all factories operational - social distancing and necessary measures implemented in accordance with local regulations
- On target to achieve FY 2020 guidance with an expected revenue decline of approx. 20% for FY 2020 (at mid-point of guidance range)

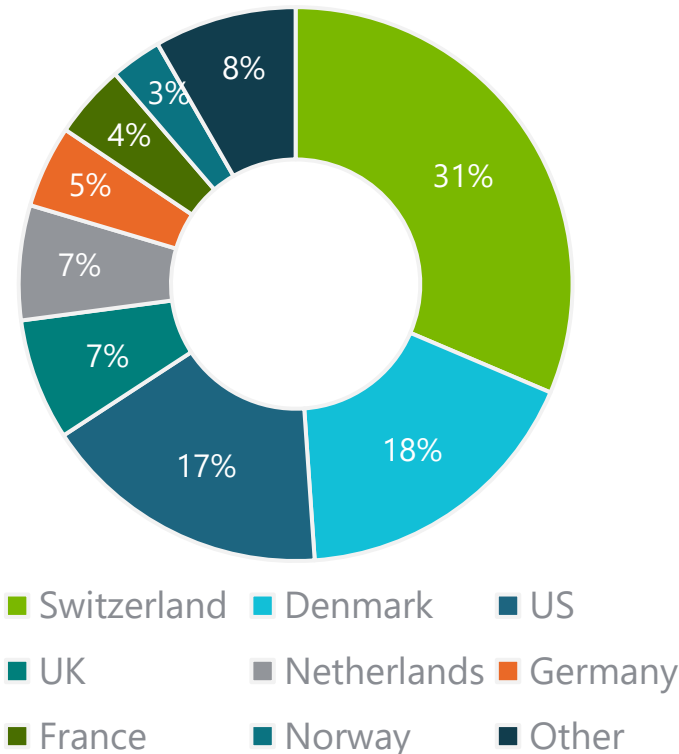
Strong anchor investors and diversified shareholder base

Top shareholders

KIRKBI Invest A/S	15.38%
Rudolf Maag	10.38%
Franklin Resources	3.22%
PGGM	3.08%

Approx. 7,400 registered shareholders

Geographical distribution



Capital structure

- One class of registered shares outstanding
- “One share, one vote” principle
- No share blocking, vote ceilings or any other form of voting restrictions¹
- Conditional and authorized capital of up to 10% each but aggregate share issuance capped at 10%
- Cancelled all shares bought back under buyback program

Sources: SIX filings, share register as of February 2021

¹ Standard regulations for nominees as set forth in Articles of Association apply

Corporate Governance



Group Executive Management



Werner Lieberherr
CEO

Since April 2020
Over 30 years multinational
experience o/w 16 years in
energy industry



Elodie Cingari
CFO

Since November 2020
Over 20 years experience in
energy and IT industries



Prasanna Venkatesan
EVP Americas

14 years with Landis+Gyr
Over 30 years technology
and management experience



Susanne Seitz
EVP EMEA

2 years with Landis+Gyr
Over 20 years international
B2B experience

Board of Directors (I)



Andreas Umbach

Chairman since 2017
Not independent¹ (former executive)

Experience

- President and CEO/COO of Landis+Gyr Group (2002-17)
- Various managerial positions within Siemens



Eric Elzvik

Lead Independent Director since 2017
Independent

Experience

- CFO of ABB Ltd. (2013-17)
- Various senior positions within ABB (finance, M&A, ventures)

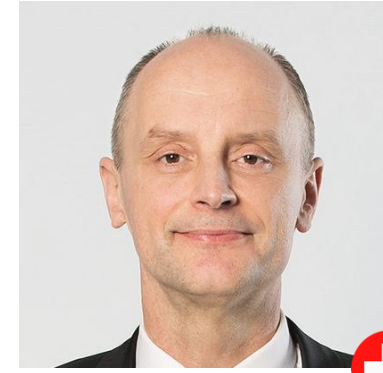


Dave Geary

Member since 2017
Independent

Experience

- EVP Business Integration at Nokia Networks (2016)
- President of the Wireless Networks at Alcatel-Lucent (2009-15)



Pierre-Alain Graf

Member since 2017
Independent

Experience

- Senior Vice President of ABB Ltd. (since 2017)
- CEO of Swissgrid (2008-15)

¹ Qualifies as Independent Member according to the DCG and Swiss Code of Best Practice for Corporate Governance, but not under L+G Corporate Governance Standards

Board of Directors (II)



Peter Mainz

Member since 2018
Independent

Experience

- Board member of Itron (2016-18)
- President and CEO of Sensus (2008-14)



Søren Thorup Sørensen

Member since 2019
Not independent (Representative of KIRKBI)

Experience

- CEO of KIRKBI A/S (since 2010)
- CFO of A. P. Møller-Mærsk Group (2006-09)



Andy Spreiter

Member since 2017
Independent

Experience

- CFO of Forbo (2013-17)
- CFO of Landis+Gyr Group (2002-12)



Christina Stercken

Member since 2017
Independent

Experience

- Partner in Euro Asia Consulting (2006-17)
- Managing Director Corporate Finance M&A of Siemens AG (2000-2006)

Board of Directors Governance (I/II)

Lead Independent Director

- Provides leadership to the independent directors
- Positioned to address any potential issue where the Chairman – due to his previous role as CEO of the Group – may be conflicted
- May call a Board meeting without Chairman and chairs meetings if the Chairman is indisposed or conflicted
- Included in any deliberations or decision-taking involving the assessment of the Chairman's work

Audit & Finance Committee

- Oversight of financial reporting
- Assessment of the adequacy of the Group's systems, policies, and controls regarding financial and non-financial risks.
- Compliance with legal and regulatory obligations, insurance and related matters.
- Evaluates the work of the internal control functions (e.g. Audit and Compliance) and of the external auditors.

Comprising fully independent board members

Remuneration Committee

- Establishes and reviews the compensation systems in alignment with business strategy and shareholders' interests
- Ensures executives and employees are paid in a way that incentivizes and rewards performance and innovation and that attracts and retains talent
- Prepares proposals to the Board and the shareholders' meeting regarding compensation
- Sets compensation targets for the Executive Management

Comprising fully independent board members

Nomination & Governance Committee

- Establishes and maintains a process for approving new Board members, the CEO, and the other Group Executives (GEM)
- Oversees the succession planning regarding all members of the Board and the GEM
- Supports the Board and its Committees in their self-assessment as well as in their assessment of the GEM
- Responsible for Corporate Governance matters and practices

Board of Directors Governance (II/II)

Limitation of Board mandates

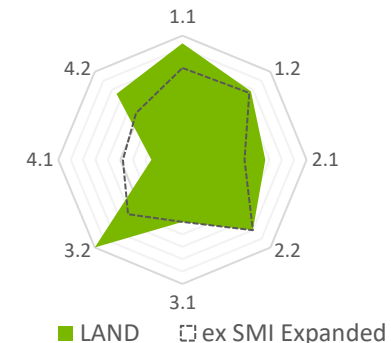
- No more than total five mandates (incl. LAND) at publicly traded companies (average: two); limit of total four for Chairman (two)
- No member of current executive management on the Board

Attendance / Decision making process

- Board and Committees meet every two months; holds telephone conferences on an as needed basis
- Meeting attendance in FY 2019 was 100% and 100% in current financial year (FY 2020)
- Annual two-day strategy session
- Introduction program and regular training sessions for new Board members

Ranked well in 3rd party governance study

- Ranked #13 (of 172 Swiss companies) in zRating Corporate Governance study 2020



- 1.1 Shareholders and share categories
- 1.2 Balance sheet and capital structure
- 2.1 Shareholders' participation rights
- 2.2 Obligation to make an offer / change of control
- 3.1 Board of Directors
- 3.2 Executive Management and information policy
- 4.1 Remuneration and participation
- 4.2 Remuneration structure

zRating

Overview Board Committees

	Audit & Finance Committee	Remuneration Committee	Nomination & Governance Committee
Andreas Umbach, Chairman			Chair
Eric Elzvik, LID	Member	Chair	Member
Dave Geary		Member	
Pierre-Alain Graf		Member	
Peter Mainz			Member
Søren Thorup Sørensen			
Andy Spreiter	Chair		
Christina Stercken	Member		

Remuneration

Landis+Gyr Remuneration Framework



Highlights

Comprehensive remuneration governance with the Board of Directors' direct oversight of the remuneration policy at Landis+Gyr

Remuneration strategy based on the principles of **performance, shareholder value, talent management and market orientation**

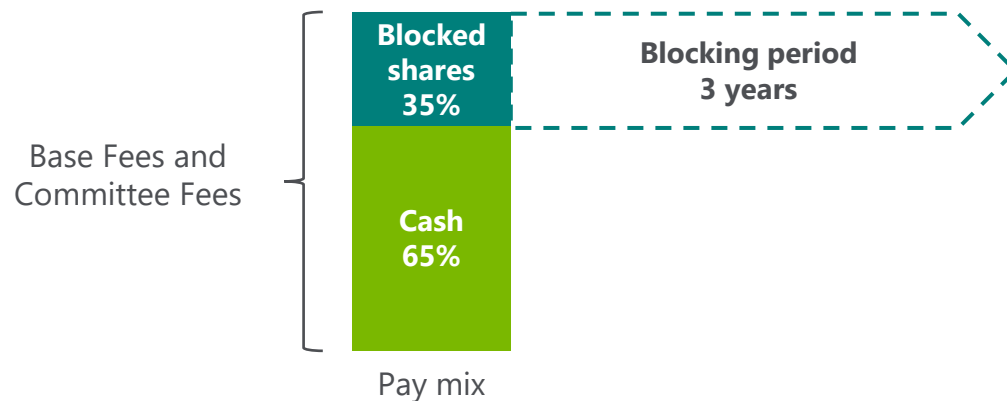
Board of Directors remuneration system **aligned with shareholder value**

Group Executive Management (GEM) remuneration system **driven by performance**

GEM Remuneration **balances short-term and long-term** performance drivers

Board of Directors remuneration system: aligned with shareholder value

- The remuneration of the Board of Directors **is fixed and does not contain any performance-based variable component**. This provides for the Board of Directors' independence in fulfilling its supervisory duties.
- Except for the Chairman, who receives a fixed annual base fee covering all activities, **Directors are also entitled to committee membership fees**.
- The amounts of the base fee and committee membership fee reflect the responsibility and time requirement inherent to the function and are **paid 65% in cash and 35% in Landis+Gyr's shares**, which are **blocked for sale for a period of three years** following their grant.



- Due to his previous employment relationship, the **Chairman continues to participate in the company's collective pension scheme**. However, all contributions, including the employer contributions, are funded by the Chairman himself; his base fee payment is reduced accordingly by the amount of employer contributions which the company remits directly to the pension fund on behalf of the Chairman.

Group Executive Management remuneration system: driven by performance

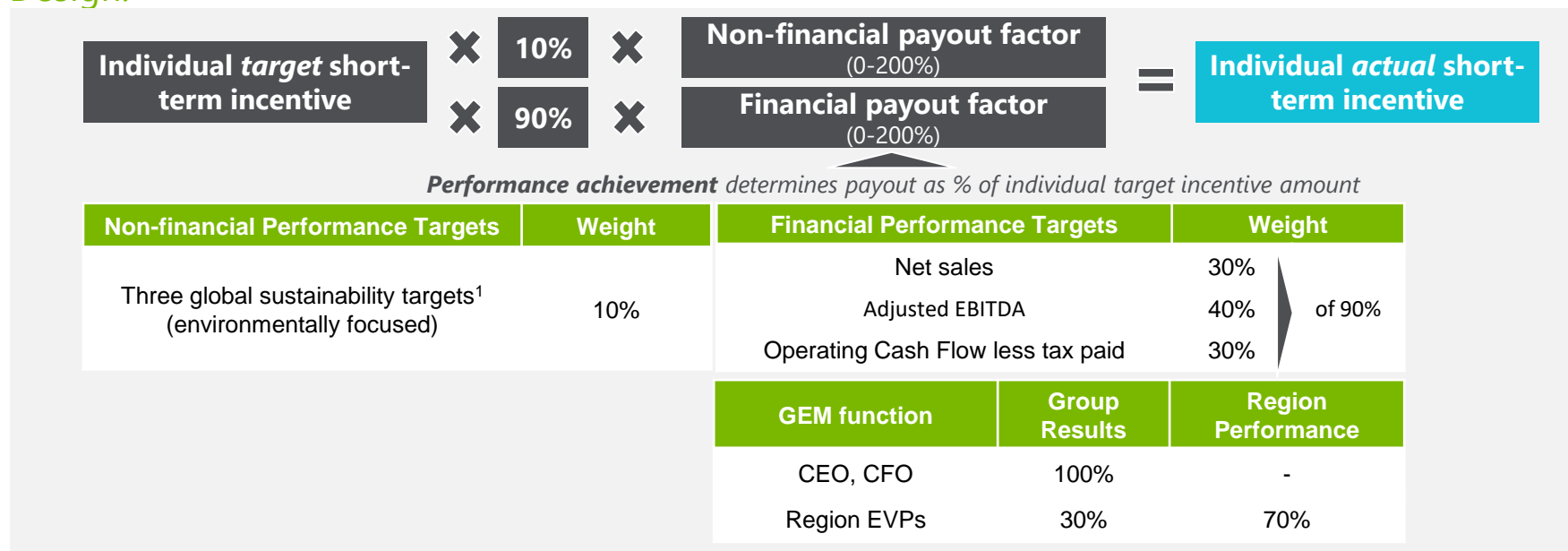
Year 1	Year 2	Year 3	
Base salary			<ul style="list-style-type: none"> Fixed compensation reflecting the scope and responsibilities of the role, qualifications and experience required to perform the role and market value of the role in the location in which the company competes for talent, skills and expertise.
Benefits			<ul style="list-style-type: none"> Defined considering local market practice as well as legal requirements and covering pension benefits, fringe benefits, etc.
Short-term incentive 0-200% of target value			<ul style="list-style-type: none"> Annual cash incentive 90% measured against Group and (if relevant) regional financial performance 10% measured against targets aligned with sustainability strategy Target incentive of up to 80% of base salary Payout capped at 200% of target incentive amount
Long-term incentive 0-200% of number of granted PSUs 3-year performance-based award			<ul style="list-style-type: none"> Performance Share Units (PSUs) Settled in Landis+Gyr shares subject to performance achievement (relative TSR and EPS) Target award value of up to 80% of base salary converted into PSUs at grant Settlement in shares capped at 200% of number of granted PSUs
Shareholding guidelines	300% base salary for CEO 200% base salary for other GEM members		<ul style="list-style-type: none"> Guidance on share retention to build up within 5 years and hold as long as in office

Group Executive Management remuneration system: Details on short-term incentive plan

Purpose:

- Annual cash incentive plan with financial performance targets, focusing on Landis+Gyr's one-year operational and financial performance (90%), and non-financial performance targets (10%), aligned with Landis+Gyr's sustainability strategy
- Designed to motivate participants to deliver effective performance and increased contribution to the company's success
- Performance targets are recommended by the RemCo and set by the Board of Directors at the beginning of each financial year and correlate with the mid-term plan and long-term strategy and are aligned with business priorities, with the aim of achieving sustainable profitability and growth in alignment with shareholder's interests.

Design:



Threshold performance levels, below which payout is 0% of target incentive, and maximum performance levels, at which payout is capped at 200% of target incentive, apply.

Linear interpolation applies between threshold, target and maximum performance.

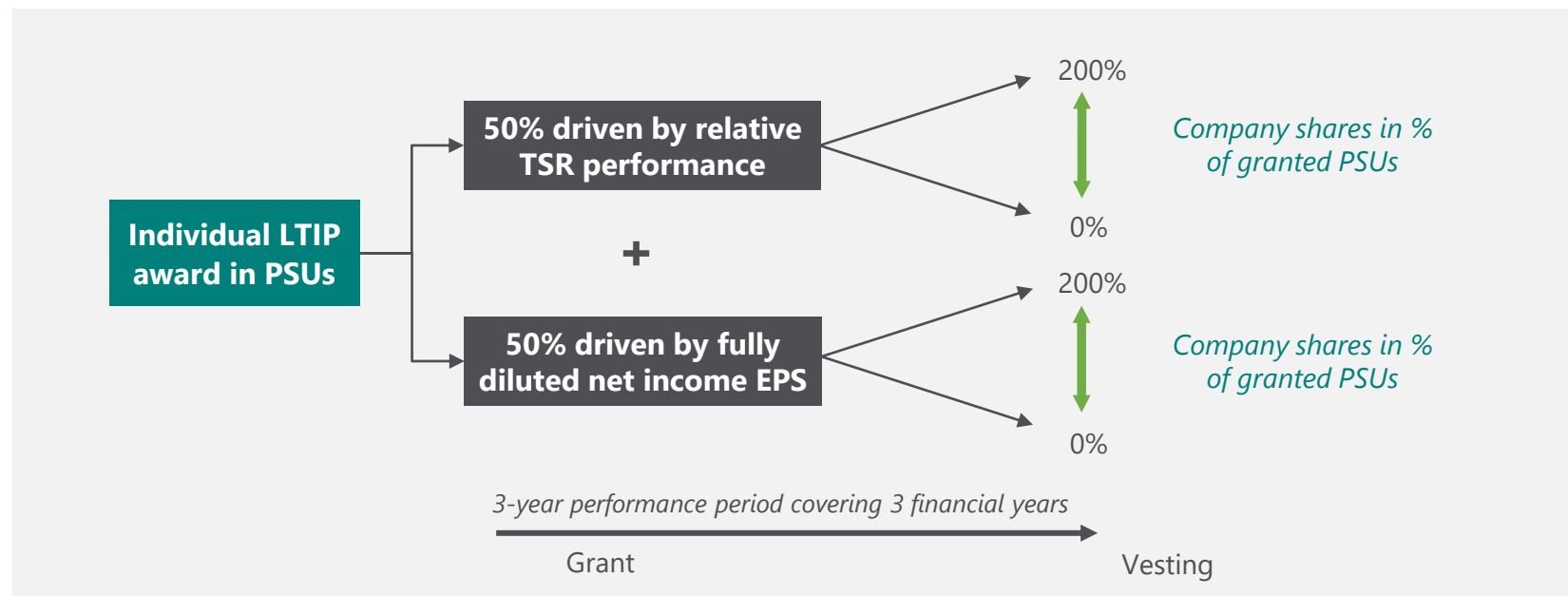
¹ Represents model FY 2020; under discussion for FY 2021 further expansion focusing on ESG topics

Group Executive Management remuneration system: Details on long-term incentive plan

Purpose:

- To support long-term value creation for the company by providing the members of the GEM and other eligible key managers with a possibility to participate in the future long-term success and prosperity of Landis+Gyr, and
- To further align the long-term interests of the management with those of the shareholders.

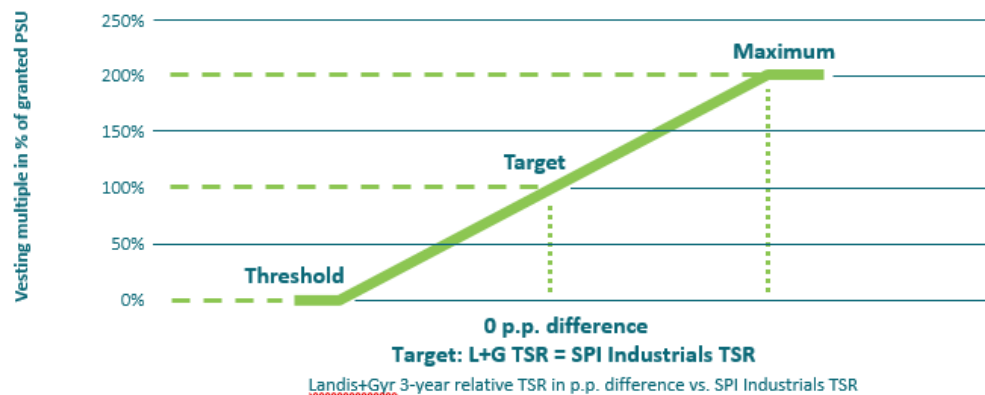
Design:



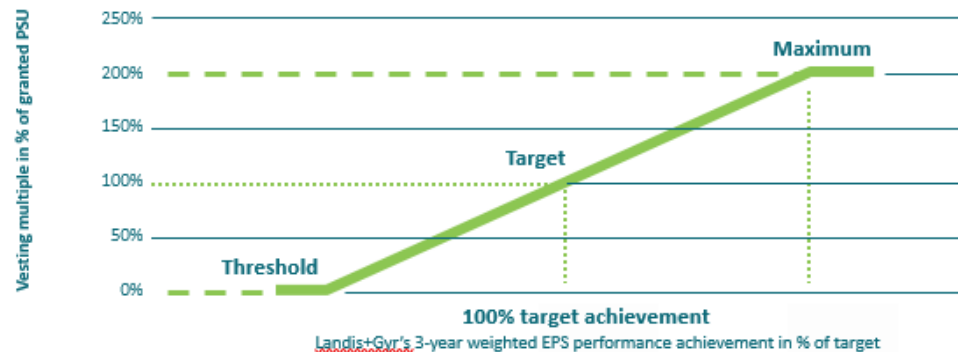
Group Executive Management remuneration system: Details on long-term incentive plan

Performance / vesting levels	Relative TSR ¹	Weighted cumulative EPS ²
Target performance: 100% vesting of granted PSUs	Landis+Gyr TSR is equivalent to SPI Industrials Index TSR ³	EPS target is achieved
Vesting between threshold, target and maximum performance	Linear interpolation	

VESTING CURVE 3-YEAR RELATIVE TSR



VESTING CURVE 3-YEAR WEIGHTED CUMULATIVE EPS



- 1.If Landis+Gyr's absolute TSR attributable to the respective 3-year performance period is negative, the relative TSR vesting multiple is set at zero, regardless of Landis+Gyr's performance relative to the SPI Industrials Index.
- 2.EPS target will not be disclosed on a prospective basis as it represents commercially sensitive information; information on achieved performance will be disclosed at the end of the respective performance period
- 3.SPI Industrials Index is the SWX ID Industry TR Index

ESG / Sustainability





Embedded in...

+ Our Mission

At Landis+Gyr, we create a greener tomorrow through leading smart metering, grid edge intelligence and smart infrastructure technology.

As partners, we empower customers and consumers to utilize resources in a more informed and sustainable way.

Together, **we manage energy better.**

+ Our Strategy

Passionate commitment as an ESG-centric industry leader, driving sustainable impact by empowering utilities and communities to manage energy better

+ Our Values

SUSTAINABLE IMPACT

We **manage energy better** for a more sustainable world

Sustainability is part of our DNA

Passionately contributing to the 17 UN Sustainable Development Goals



Achievements in FY 2019

Climate . . .



- . . . 8 million tons of CO₂ saved through use of Landis+Gyr products in 2019
- . . . 9% reduction in Landis+Gyr's own CO₂ emissions

Resources . . .



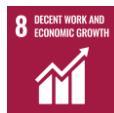
- . . . 11% reduction in water usage
- . . . 6% reduction in waste
- . . . 12% reduction in chemicals

Trust . . .



- . . . Signed up to the UN Global Compact
- . . . Code of Business Ethics & Conduct enhanced to include topics such as fair labor standards and responsibility to the environment

Equality . . .



- . . . All Landis+Gyr employees were asked to acknowledge receipt of and compliance with the enhanced Code of Business Ethics & Conduct
- . . . Over 3,500 employees completed an annual training compliance training regarding the Code of Business Ethics & Conduct

Sustainability Engagement for the Future

Climate . . .



- . . . Increase tons of CO₂ saved by use of Landis+Gyr products & services
- . . . Adopt green design principles across more of the portfolio
- . . . Reduce the CO₂ footprint of our operations

Resources . . .



- . . . Develop a smart water portfolio
- . . . Reduce resource impact of Landis+Gyr products
- . . . Reduce water usage

Trust . . .



- . . . Improve supplier compliance with Landis+Gyr standards
- . . . Improve internal compliance metrics

Equality . . .

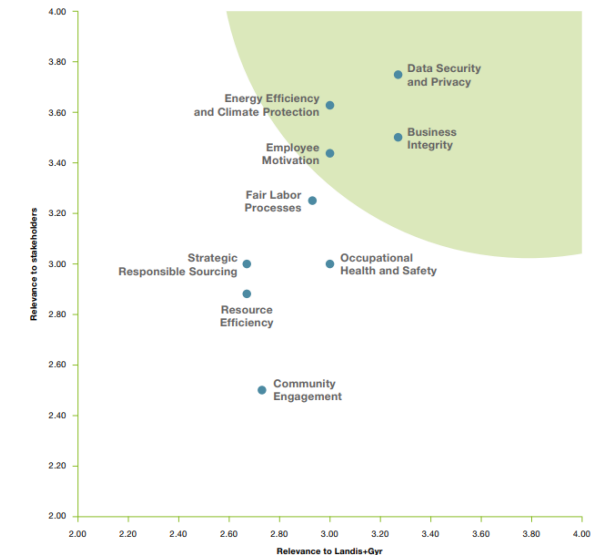


- . . . Improve access to energy by supporting electrification projects
- . . . Improve gender diversity across Landis+Gyr
- . . . Increase training & apprenticeships across Landis+Gyr

Environmental, Social and Governance Priorities

Nine material topics resulting from the ESG materiality analysis

Environmental	Social	Governance
<ul style="list-style-type: none"> • Energy efficiency & climate protection • Resource efficiency • Strategic responsible sourcing 	<ul style="list-style-type: none"> • Employee motivation • Occupational health and safety • Fair labor practices • Community engagement 	<ul style="list-style-type: none"> • Data security and privacy • Business integrity



Helping our customers, energy consumers and ultimately society to manage energy better and reduce their CO₂ emissions substantially for a sustainable future



Participant since 2019

2019/20 Key Environmental Figures



Water
-11%

Water consumption dropped mainly in AP and EMEA



Waste
-6%

Special focus on reduction of landfill portion



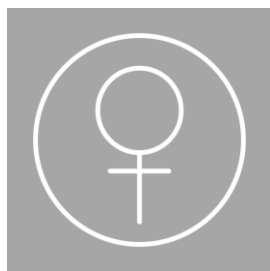
Chemicals
-12%

Special focus on reduction of harmful chemicals



CO₂e
-9%

Overall CO₂ emissions declined



Gender Diversity
33%

One third of employees are female



Reporting
since 2007

	2015/16	2016/17	2017/18	2018/19	2019/20
Turnover in USD billion	1.6	1.7	1.7	1.8	1.7
Employees	6,001	5,919	5,915	5,611	5,768
m ³ water	116,340	116,520	104,962	115,325	102,876
t waste	3,949	3,874	4,083	4,345	4,091
t chemicals	13.6	12.2	11.9	10.6	9.3
t CO ₂ e	32,296	31,594	28,088	27,334	24,889
kg CO ₂ e/USD 100 turnover	1.7	1.5	1.3	1.3	1.3
kg CO ₂ e per product	1.5	1.1	1.0	1.2	1.1
t CO ₂ e per employee	4.3	4.2	3.8	4.0	3.7

Contacts & Dates



Important Dates

Release of FY 2020 Results:

May 5th, 2021

Publication of Annual Report 2020 and Invitation to AGM 2021:

May 28th, 2021

Annual General Meeting 2021:

June 24th, 2021

Publication of Half Year Report 2021 and Sustainability Report 2020/21:

October 28th, 2021



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