“Capitalizing on the evolving role of smart metering at the heart of the energy industry revolution”

Landis+Gyr Markets & Strategy Update
Richard Mora, CEO
Landis+Gyr – at a glance

Global leader in smart metering solutions...

- Swiss HQ with offices in 30+ countries worldwide
- Of service to customers as a trusted partner to utilities
- Serving 3'500+ utilities worldwide
- Nearly USD 1b of self-funded R&D investment since 2011

- Over 90 million connected intelligent devices deployed
- More than 15 million meter points under managed services
- The largest installed base with 300+ million devices globally
- Frost & Sullivan Global AMI Company of the Year 2017 - the 4th consecutive year

... serving three regional segments

Landis+Gyr Group: 1'738m Net Revenues in FY17

- Americas1 (56%) USD 972m
- EMEA (36%) USD 627m
- Asia-Pacific (8%) USD 138m

- North America, robust smart metering business
- EMEA, on track for return to profitability
- Asia-Pacific, positioned for long term growth

1Including Japan
Why customers choose Landis+Gyr

<table>
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<tr>
<th>Services based business model</th>
<th>AMI project business model (turn key)</th>
<th>Product business (book &amp; bill)</th>
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*...delivering multiple layers of value to utilities*

- **End-to-end offering**
  - Most comprehensive end-to-end product, solutions and services offering in the market. Flexible managed services model, providing utilities any preferred level of support along the asset ownership continuum

- **Global presence with local proximity**
  - Global reach with the world’s largest smart meter installed base. Local development centers tailor solutions to each region’s needs

- **Technology**
  - Technology leadership underpinned by world class utility applications and R&D know how
  - Gridstream Connect platform for Utility IoT offers next generation of grid edge intelligence

- **Trusted partner**
  - Proven track record and commitment to delivery to our valued utility customers, whether that is product shipment, solutions deployments, or delivering to service level agreements

- **Reliability**
  - Leading brand known for reliability and quality
  - Stringent testing and quality initiatives have been implemented

- **Business value**
  - Decision support analytics create actionable data for utilities to improve business value
Industry disruption drives need for grid edge intelligence

Traditional power grid → “3-D” drivers of industry disruption → Decentralized power grid

- Central one-way power system
- Focus on safe, reliable and affordable power

“3-D” drivers of industry disruption:

- Decarbonization, decentralization and digitalization disrupting the utility industry
- Rise of distributed and intermittent resources to be integrated
- New level of flexibility, resilience and security needed
- Distributed energy resources increasingly raising the game on customer engagement and new offerings

Decentralized power grid:

- Distributed two-way power flows
- Mobile energy resources
- Multiple energy players
- Focus on safe, reliable and affordable power

Grid edge intelligence:

- Distributed intelligence at each endpoint (grid edge)
- Near real time energy measurement and control
- Data flows via flexible communications networks
- Enhanced capabilities for processing throughout the network

Grid edge intelligence is the evolution of smart metering to enable the digital energy revolution
Three platforms for growth with attractive addressable market sizing and dynamics

1 | Smart metering

- Smart electricity, gas and heat meters
- Communication Network
- Software and services

Addressable market 2017 USD 5.6b
CAGR 17-21 7%

2 | Grid edge intelligence

- Distribution management before the meter (on the grid)
- Behind the meter applications in home energy management

Addressable market 2017 USD 3.2b
CAGR 17-21 19%

3 | Smart infrastructure

- Multi-Utility infrastructure
- Smart street lighting Infrastructure

Addressable market 2017 USD 3.8b
CAGR 17-21 11%

Three growth platforms represent an addressable market of USD 12.6b growing at more than 11% CAGR through 2021

Sources: Company analysis, Navigant Research, Northeast Group, IHS Markit, CSIL
Landis+Gyr has established leadership in smart metering and continues to strengthen and build its core business.

*Landis+Gyr continues to strengthen core offering*

1. **Smart meters**
   - Residential
   - Commercial
   - Industrial

2. **Communication networks**
   - Network bridge
   - Network gateway

3. **Software & Services**
   - Head-end systems
   - Meter data analytics
   - Meter data management

#1 in smart meters with more than 90 million installed connected intelligent devices
Core smart metering business has geographic diversity that supports long-term growth

Early stage
- Regions where smart meter penetration <20%
- Regulation for smart meter rollout: in place
- Landis+Gyr has strong local presence and is targeting upcoming tenders

Gradual rollout through the 2020s
Gradual rollout to complete by 2027 with opportunity to build services business
Gradual rollout expected, tied to political and economic situation
Expected penetration 50% by 2023 Retailers looking for value-add services
Government of India has set up, and is strongly backing a framework to drive AMI

Mass deployments
- Smart meter penetration well underway
- Distribution utilities / retailers have awarded major contracts
- Landis+Gyr well represented in the following deployments

35m rollout, expected completion in 2024
Large-scale 15m dual fuel rollout with expected completion by 2023
Dual fuel rollout with 53m smart meters with expected completion in 2022
78m rollout in Japan expected to complete in 2023

Replacement
- 2nd wave rollouts already started moving towards grid edge intelligence
- Landis+Gyr is serving the market with next generation smart metering technology

2nd wave meter rollouts at investor-owned utilities, while municipals roll out mainly 1st wave
Completed 1st wave rollout with AMI to be upgraded through the 2020s
2nd Wave replacement expected to start in 2019 with utilities seeking service models

Addressable core metering market of USD 5.6b (2017) expected to grow at 7% CAGR\(^1\) through 2021

Sources: Berg Insight, Frost & Sullivan, Northeast Group, IHS Markit and company information

1. 2017-2021 CAGR, Global Ex-China. Includes smart electricity, gas and heat meters, metering network, software and services
Grid edge intelligence is a reality today, driving significant utility benefits

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<th>Retailers</th>
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<td><strong>Emerging grid edge use cases</strong></td>
<td><strong>Role of Landis+Gyr offerings</strong></td>
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<tr>
<td>Enable distributed energy</td>
<td>Use smart meters and grid edge devices to improve energy flows on the grid: home energy management, distributed energy resource (DER) management</td>
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<tr>
<td>Improve grid resilience</td>
<td>Edge-level sensing can provide outage detection, fault management, and power quality monitoring</td>
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<tr>
<td>Ensure consumer loyalty</td>
<td>Load disaggregation and energy portals increases consumer awareness of energy and reduces high-bill complaints</td>
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<tr>
<td>Empower consumers</td>
<td>Analytics at the edge for behavioral insights and customer engagement; prevents bill surprises, and enables new tariff structures</td>
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Already benefitting from utility and energy retailer investments in grid edge intelligence for advanced use cases
Grid edge intelligence is key to operating a decentralized grid

**Application Enablement**
- Network manager
- Device manager
- Analytics

**Flexible Communications**
- Network gateway
- Network bridge
- Network node

**Intelligent End-Points**
- Smart meters
- Line sensors
- Edge intelligence cards

**Key Benefits**
- Integrated data visualization and analysis
- Network and device management solutions
- 3rd party applications and development ecosystem
- Multiple communication technologies under a single network (PLC, RF-mesh, cellular)
- Bandwidth and latency tailored to use-cases
- Designed for lowest “total-cost-of-ownership”
- Securely connected sensors & controllers
- Grid edge intelligence for 2nd wave use cases
- Diverse device ecosystem: 60+ integrated devices from 20+ 3rd party suppliers

New utility IoT platform underpins complete Landis+Gyr portfolio for upcoming deployment cycles
Smart infrastructure offers additional avenues for expansion

Smart infrastructure use cases

- Smart streetlighting solutions
- Water resource usage
- EV load management and charging optimization
- Stock level monitoring for city-wide smart vending machines
- High voltage tower lighting status monitoring

Role of Landis+Gyr

Continue organic growth in smart infrastructure. Explore inorganic avenues for growth through M&A and partnering.

Leverage communication and network management platforms to further integrate sensors and devices for use cases beyond smart metering applications.

Add further capabilities to portfolio and leverage integrated measurement and analytics solutions.

Benefit from grid edge intelligence leadership by deploying knowhow for other smart infrastructure applications, potentially through inorganic market entry (M&A or partnerships).

Landis+Gyr has proof points for all of these smart infrastructure use cases today.
Performance against IPO guidance | FY17

**FY17 guidance vs. FY16 actual results**

- **Net Revenues**: c. 3% growth
- **Adjusted EBITDA**: Flat in USD terms at USD 208m
- **Free Cash Flow**: USD 60-70m

**FY17 (vs. FY16) actual results**

- **USD 1'738m (+4.7% or +2.6% in constant currency)**
- **USD 208m**
- **Margin: 12.0%**
- **USD 87.5m**

1. Following the adoption by the Company of ASU 2017-07 relating to defined benefit pension scheme costs, EBITDA has been revised down by USD 3.8m in FY17 as all pension income and expenses other than service costs are now reported under "Other income (expense)".
Performance v. IPO equity story | Status FY18

### IPO

- **NAM Resiliency**: USD 1b market, 3% CAGR
  - 34% market share

- **EMEA Rollouts**: 32% AMI penetration in Europe
  - 23% market share

- **EMEA Profitability**: Phoenix: USD 20m run-rate savings
  - Lightfoot: USD 20m run-rate savings by end of FY21

- **Asia-Pacific Profitability**: Growth from expanding markets
  - Return to profitability

### Status

- **Strong performance with robust market activity for smart metering solutions continuing in the IOU and Public Power markets**

- **Increased smart metering penetration (42% in 2018)**
  - Leadership role in the largest EMEA rollouts
  - Significant increase in committed backlog

- **Break even in FY18 H1**
  - Phoenix: Program is now completed, delivering USD 21m of annualized savings
  - Lightfoot on track and will deliver higher than anticipated USD 25m run-rate savings by FY20

- **Region positioned for profitable growth**

### Outlook

- Landis+Gyr expects the second half of FY18 to be stronger than the first half of FY18
- Supply chain situation remains challenging
- Net Revenues growth for FY18 is projected at approximately +1% to +3%
- Forecasted Group Adjusted EBITDA is between USD 217m and USD 237m
- Free Cash Flow, excluding M&A, expected to be between USD 90m and USD 110m
- Dividend of at least 75% of Free Cash Flow, excluding M&A, for FY18 but not less than the FY17 dividend of CHF 2.30 per share

**Sources:** Company information, Berg Insight, IHS Markit
Mid-term guidance | FY21

**FY21 Guidance**
- **Net Revenues**: Mid single digit annual growth (relative to FY17)
- **Adjusted EBITDA margin**: between 13.5% and 14.5% of Net Revenues
- **Free Cash Flow excl. M&A**: Above USD 150m

**Group**
- Net Revenues expected to grow based on targeted profitable smart metering opportunities
- Adjusted EBITDA margins expected to increase to between 13.5% and 14.5% of Net Revenues as EMEA and AP return to profitability

**Americas**
- Core smart metering market expected to continue to grow
- Adjusted EBITDA margins expected to remain strong

**EMEA**
- Net Revenues expected to grow based on targeted profitable smart metering opportunities
- Adjusted EBITDA % expected to reach c. 10% as margin enhancement projects materialize

**Asia-Pacific**
- Growth expected to resume as key markets in ANZ, India and SEA gather pace
- Return-to-profitability measures delivering first results

**Dividend payout of at least 75% of Free Cash Flow excl. M&A**
Share buy back

- Announced today a **share buy back program of up to CHF 100m** to run over a three year cycle
  - May be stopped at any time
- Landis+Gyr is undertaking this program
  - As an **opportunity to purchase our stock** which we believe is currently priced below industry multiples
  - As a means to **improve shareholder returns**
- Fully **compatible with our other ongoing uses of capital**
  - Investing for organic growth
  - Dividend policy (which remains unchanged)
  - Bolt-on M&A
- Overall **leverage-ratio remains consistent** with the IPO guidance
  - Net debt expected to remain below 1.5x Adj. EBITDA

Share buyback fully in line with capital allocation policy