

## Landis+Gyr Holds Capital Markets Day and Announces Mid-Term Financial Year 2025 Targets

*Cham, Switzerland – January 31, 2023* – Landis+Gyr Group AG (SIX: LAND) today holds its Capital Markets Day at Google in Zürich, Switzerland, and virtually, with Executive Management providing an update on the financial targets, industry, strategy and technology roadmaps. Highlights include:

- **Introduction of mid-term financial year 2025 targets with mid to high single digit growth, Adjusted EBITDA of between 12% and 14% and a confirmation of the progressive dividend policy, while the Company puts a strong focus on cash conversion**
- **Confirmation of strategy based on three pillars Smart Metering, Grid Edge Intelligence and Smart Infrastructure, shifting the portfolio towards the latter ones, increasing analytics offering**
- **Strong balance sheet enables continued investments in innovation, positioning the Company for longer-term growth, with investment capacity for acquisitions**
- **Fully integrated "edge-to-cloud" portfolio enabled by Google Cloud provides customers with flexibility and choice, and forms the basis for EV and demand flexibility solutions**
- **Landis+Gyr has signed up to the Science Based Targets initiative and commits to reducing Scope 1 and 2, as well as Scope 3 emissions by 42% by 2030**

Werner Lieberherr, Landis+Gyr's Chief Executive Officer, said: "The urgent need for global decarbonization along with the current energy crisis are key drivers for the increased demand of intelligent power grids, driving energy efficiency and ensuring stability of critical infrastructure. Our solutions to solve these challenges position us in the sweet spot of the energy transition as an ESG-centric industry leader, driving sustainable impact by empowering utilities and end consumers to manage energy better."

At our last Capital Markets Day in 2021, we announced various initiatives to transform Landis+Gyr for future long-term profitable growth. Since then, and despite various challenges associated with the global pandemic and supply chain constraints, we have invested heavily to expand Grid Edge Intelligence and Smart Infrastructure by making five acquisitions and investing an additional 2% of revenues in R&D. Our transformational efforts, also as part of our seven-year strategic partnership with Google, are now delivering additional tangible benefits for our customers and end consumers.

Going forward, we continue to build on our strong Smart Metering base with leading innovation, while driving profitable growth in the additional two strategic pillars Grid Edge Intelligence and Smart Infrastructure by computing intelligence at the edge, guarding critical infrastructure and empowering cloud-based insights. We are excited about the opportunities ahead as our portfolio expansion empowers people around the globe to manage energy, water and gas more efficiently and drive sustainable efforts forward."

### **Strategy**

As a leader in energy efficiency solutions, Landis+Gyr is well positioned to support utilities around the world to drive the energy transition forward. As the grid infrastructure becomes more complex, especially with an increasing amount of Distributed Energy Resources (DERs), more intelligence is needed to seamlessly integrate grid components and ensure uninterrupted service of critical infrastructure.

Enabled by its large installed base of smart devices, Landis+Gyr continuously expands its software and services offering, including cloud-based data analytics solutions. As part of their seven-year strategic partnership, Landis+Gyr and Google utilize state-of-the-art artificial intelligence and machine learning capabilities to co-innovate solutions providing actionable insights that empower customers and end consumers to manage resources in a more informed and sustainable way. Through global platform design in the Cloud and the expansion of its Electric Vehicle (EV) software and hardware offering, Landis+Gyr is well equipped to support customers with demand flexibility solutions that enable the orchestration of DERs and as a result ensure a balance of power generation and consumption. This becomes increasingly more important as additional volatile renewable energy sources are used for power generation and as energy consumption increases as a result of the electrification of transportation and heating.

Over the course of the last two years, Landis+Gyr has temporarily increased its R&D investments by 2% of revenues, from 9% to 11%, to facilitate the Company's transformation. As a result, said investments have been focused on Grid Edge Intelligence and Smart Infrastructure to strengthen the portfolio offering with a strong focus on recurring revenues, namely software, services and solutions designed to support the energy transition and improve efficiency.

A solid balance sheet and cashflow enable Landis+Gyr to invest in strategic growth areas, positioning the business well to benefit from the global megatrends driving the industry. In addition, the Company returns profits to its shareholders and is committed to distribute a progressive dividend going forward. Being paid out of capital reserves, in Switzerland, the dividend payments are exempt from withholding tax.

As part of continuous optimization evaluations, the Company has taken the decision to transfer the production of its smart water and heat meters from Nuremberg, Germany, to Izmir, Turkey, to further improve its position in an increasingly competitive environment, as well as strengthen the production utilization of the acquired manufacturing facility in Turkey.

#### **FY 2022 and FY 2023 Guidance Update**

As already communicated on January 25, 2023, Landis+Gyr confirms its guidance for FY 2022 (ending March 31, 2023) with net revenue growth of between 6% and 10% and an Adjusted EBITDA margin of between 5% and 8%. Due to the record-high order backlog and the continued challenging supply chain situation, Landis+Gyr expects inventory levels to remain temporarily elevated which has a negative impact on operating working capital resulting in a lower Free Cash Flow (excl. M&A) of between USD 0 million and USD -30 million.

In light of the now foreseeable delay of the normalization of the supply chain situation, the Company expects these impacts to be carried into FY 2023. Net revenues for FY 2023 are expected to grow low double digit growth compared to FY 2022 and the Adjusted EBITDA margin is expected to come in between 9% and 11% of net revenues. Free Cash Flow (excl. M&A) is forecasted at between USD 60 million to USD 90 million and reflects the strategic inventory investments to fulfill customer orders of recently won large contracts, which are now entering the deployment phase.

#### **Mid-term Financial Targets for FY 2025 & Dividend Policy**

At today's Capital Markets Day, Landis+Gyr introduces financial mid-term targets for financial year 2025:

- Organic net revenue growth of mid to high single digit CAGR relative to FY 2021
- Adjusted EBITDA margin between 12.0% and 14.0% of net revenues
- Continuation of progressive dividend policy
- Strong focus on cash conversion

Elodie Cingari, Landis+Gyr's Chief Financial Officer, commented: "Our record-high order backlog provides great visibility for the coming years and allows us to lift the guidance for net revenue growth for FY 2025. With the cost measures initiated and the expected normalization of the supply chain situation,

we aim to strengthen profitability levels with a strong focus on converting EBITDA into sustainable cash flows.”

### **Sustainability**

Landis+Gyr has been tracking its carbon footprint since 2007 and is proud to have committed to the Science Based Targets initiative. In financial year 2022, the Company conducted a thorough assessment of its direct and indirect carbon emissions and committed to reducing Scope 1 and 2, as well as Scope 3 emissions by 42% by 2030. Landis+Gyr has developed a comprehensive roadmap to achieve carbon neutrality by 2030 and net zero emissions by 2050.

As the share of renewable energy increases and consumer awareness grows, Landis+Gyr's solutions are a critical building block in communities' journeys to a more sustainable world. In FY 2021, the Company's global base of smart meters helped avoid over 9 million tons of CO<sub>2</sub> emissions – a figure which is captured in the Company's Scope 4 emissions. Landis+Gyr is proud that its efforts in addressing challenges in the areas environment, social and governance have led to the Company recently being awarded with a Prime rating by ISS ESG, representing the top 10% within its industry.

### **Documents**

The slides of the Capital Markets Day presentations are available at 07:00 CET on January 31, 2023, on the Landis+Gyr investor website. A live webcast of the event will be available at 14:00 CET on January 31, 2023. To access the presentation and webcast, please visit [www.landisgyr.com/investors/cmd/](http://www.landisgyr.com/investors/cmd/)

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### **Key Dates**

Release of Results for Financial Year 2022	May 2, 2023
Publication of Annual Report 2022 and invitation to AGM 2023	May 26, 2023
Annual General Meeting 2023	June 22, 2023
Release of Half Year Results 2023	October 25, 2023

### **About Landis+Gyr**

Landis+Gyr is a leading global provider of integrated energy management solutions. We measure and analyze energy utilization to generate empowering analytics for smart grid and infrastructure management, enabling utilities and consumers to reduce energy consumption. Our innovative and proven portfolio of software, services and intelligent sensor technology is a key driver to decarbonize the grid. Having avoided more than 9 million tons of CO<sub>2</sub> in FY 2021, Landis+Gyr manages energy better – since 1896. With sales of USD 1.5 billion in FY 2021, Landis+Gyr employs around 7,500 talented people across five continents. For more information, please visit our website [www.landisgyr.com](http://www.landisgyr.com).