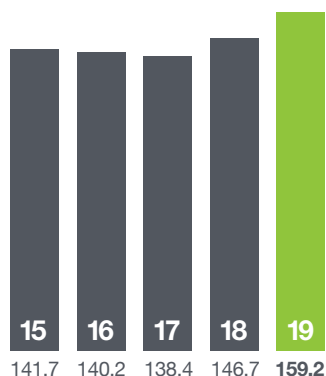


Net Revenue

159.2

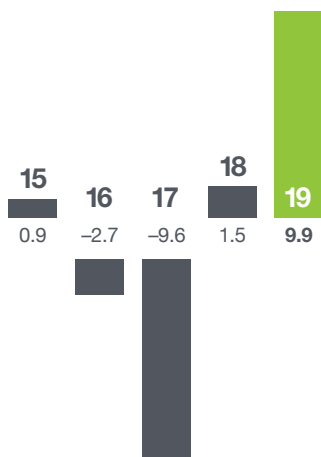
in million USD



Adjusted EBITDA

9.9

in million USD



Performance Review Asia Pacific

Landis+Gyr continues to expand its presence in the Asia Pacific region. Contracts in Australia and Hong Kong drove revenue growth, while next mover markets like Malaysia offer new opportunities.

Major Contract Extension and New Wins

The shift to Smart Metering in the Asia Pacific region continued and led to a successful FY 2019 for Landis+Gyr. The business strengthened its market-leading position, recording major wins in Australia, India and Hong Kong.

In Hong Kong, Landis+Gyr was awarded a contract extension with China Light and Power to provide the utility its Gridstream IoT solution and will supply a portion of the 1 million smart meters to be installed over the next three years with a build out to more than 2.4 million meters by the end of the program. Hong Kong Electric will also deploy Landis+Gyr's Gridstream solution and a further 600,000 smart meters in the next five to six years, 120,000 of which will be provided by Landis+Gyr (see box).

In India, the Tata Power project, the biggest project of its kind in the country, is moving ahead, with 175,000 Landis+Gyr meters deployed by the end of FY 2019. With Tata as a reference, Landis+Gyr has won a second AMI project in India, representing another building block for the

Group's Indian business. In Australia, the Group continued to provide products and solutions to its partner intelliHUB.

Improving performance

The success of the contract awards positively impacted order intake. In addition, the backlog reached 94.3 million, up 0.7% despite the increase in revenues.

Driven by Australia and Hong Kong, net revenues in the region increased to USD 159.2 million, or 12.7% in constant currency.

Landis+Gyr's repositioning of the intelliHUB assets and broader restructuring in the region in recent years is now paying dividends in the form of improved operating margins. These actions contributed to an adjusted EBITDA which increased by USD 8.4 million to USD 9.9 million in FY 2019. As a result, adjusted EBITDA margin rose by 470bps to 6.2%.

Market-leading position

On the back of a number of contract wins, Landis+Gyr has expanded its market position in Asia Pacific and now has the second highest smart electricity market share in Australia and New Zealand, third highest in South-East Asia and is number four in India. With expected further market growth opportunities for smart meters, the region offers excellent opportunities for the business to continue expanding its footprint.

Australia and New Zealand Main Drivers

Much of the growth potential is located in Australia and New Zealand. New national “Power of Choice” electricity metering reforms in Australia require all new and replacement electricity meters in the country to have smart capability. As a result, Landis+Gyr expects 500,000 new smart meters to be deployed in the Australian market annually for the foreseeable future.

In Australia, the deployment of renewable energy solutions continues to rise and as a result customers and consumers require more information to control the use of renewables and storage at the grid edge. Landis+Gyr is able to meet this need through its Gridstream® Connect platform, which enables monitoring and load control at the grid edge.

The situation in New Zealand is different, where the market is primarily driven by replacement cycles.

Momentum in Hong Kong and India

Across the Asia Pacific Region, the transition to AMI is taking place at different paces. In South-East Asia, many utilities have only recently begun to develop the business cases to tackle the complex migration to AMI systems.

First movers like Singapore and Hong Kong began to transition to AMI a few years ago. Next in line are countries such as Malaysia – where Landis+Gyr expects to deliver the first smart meters in 2020 – Indonesia, Thailand and The Philippines.

Landis+Gyr is focused on selected countries in South East Asia that show concrete signs of support for AMI deployment.

In India, government support for the reform of the energy sector, will create more opportunities for AMI deployment. In 2019, the Ministry of Power announced its objective to deploy 240 million AMI meters by 2022.

Positioning for Success

Landis+Gyr expects to continue to grow on the back of the emerging AMI roll-outs. Through close customer relationships and its strong partner network, the business will participate in the increasing opportunities across the region, as it expands its offering and demand for grid-edge applications grows. At the same time, Landis+Gyr has further opportunities to improve its margins through a combination of value-adding services and continued focus on the portfolio and cost-out programs.



“The shift to Smart Metering in the Asia Pacific region continued. Major wins in Australia and Hong Kong led to a successful FY 2019 for Landis+Gyr.”

Steve Jeston
Executive Vice-President, Asia Pacific

Serving

major markets
across the region



Strong

customer relationships/
service drives continued
long-term success



4+ million

connected
intelligent devices
in the field



Leading Supplier

in smart metering¹
with deployments
in Australia, Hong Kong
and India



“Through close customer relationships and a strong partner network, we will solidify increasing opportunities across the Asia Pacific region.”

Steve Jeston
Executive Vice-President, Asia Pacific

¹ excluding China except Hong Kong.



HK Electric Selects Landis+Gyr for AMI roll-out

Landis+Gyr supports Hong Kong's transformation into a smart city. The Group has been awarded an Advanced Metering Infrastructure (AMI) contract by The Hongkong Electric Co., Ltd. (HK Electric) comprising smart meters, communication infrastructure, a head-end system and

meter data management all combined in Landis+Gyr's Gridstream® solution platform.

Benefits for Utility and Consumers

- Facilitated monitoring and control of the grid, getting closer to a smart grid
- Enabling better management of electricity consumption for customers
- Helping HK Electric to meet its future sustainable development goals



Invincible Women and Bushfire Donations

In Australia, the bushfires marked the year-end 2019 and the start into 2020. Landis+Gyr's teams contributed to reducing the consequences of the fires: In Melbourne, they held a barbecue to raise donations to support those affected. In Sydney, Landis+Gyr employees

sold raffle tickets to collect donations for the Port Macquarie Koala Hospital, which cares for the koalas affected by the bushfires.

In India, a program to empower women was launched. Landis+Gyr created the Women Invincible Forum (WIN) to help women interact with each other more often and share their experiences. WIN promotes the personal and professional growth of women in technology and encourages leadership, mentorship and career development of women in the community.