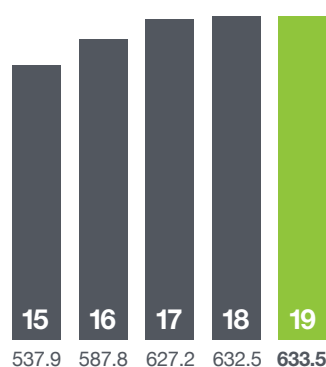


Net Revenue

633.5

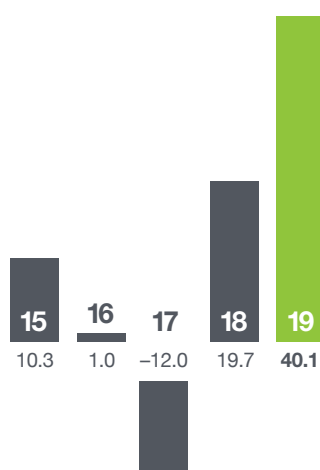
in million USD



Adjusted EBITDA

40.1

in million USD



Performance Review Europe, Middle East and Africa

The region recorded slight revenue growth while significantly improving performance and profitability in 2019.

Upward Trend in Figures

Driven by the UK, sales in the EMEA region increased to USD 633.5 million, up 3.9% compared to FY 2018 on a constant currency basis. roll-out of Linky meters in France as well as the Netherlands' smart meter installation efforts continued. In 2019, the EMEA region reaped the rewards of the efficiency and performance programs initiated in preceding years. Thanks to the lower cost base, Adjusted EBITDA more than doubled to USD 40.1 million, with the Adjusted EBITDA margin increasing from 3.1% to 6.3%.

The region recorded an order intake of USD 556.1 million and the committed backlog was down to USD 649.4 million in 2019 from USD 754.6 million in FY 2018.

New Contracts in 2019

Landis+Gyr won its first European customer for the new Utility IoT platform Gridstream® Connect, with E.ON in Sweden (see text on page 29). In addition, the business has concluded a Software as a Service (SaaS) contract with Liechtensteinische Kraftwerke (LKW) for its first Software as a Service (SaaS) contract outside the Nordics. The contract is an expansion of an existing partnership with LKW, which has been using Landis+Gyr's advanced metering infrastructure solution since 2011.

Landis+Gyr is also supplying the technology for the first wave of the smart meter roll-out of the Swiss energy supplier Wasserwerke Zug (WWZ). In addition to the cutting-edge meters, the contract includes communication technology and an as-a-service meter data processing system, which Landis+Gyr is implementing in cooperation with a third-party supplier.

Solid Positioning in UK and France

In the UK and France, where large roll-out continue to take place, Landis+Gyr has further strengthened its position. In the UK, the most critical market in the region, a total of 53 million smart electricity and gas meters are to be deployed before 2024 as part of the country's plans to upgrade their energy infrastructure. 21 million of these meters have already been awarded to or delivered by Landis+Gyr. In 2019 Landis+Gyr signed further significant contracts and contract extensions with energy retailers, such as E.ON UK.

In France, Enedis' roll-out (with 35 million meters one of the largest projects worldwide) is in full swing with 30,000 Linky smart meters being installed per day in the country prior to the COVID-19 outbreak, a quarter of which are produced locally and supplied by Landis+Gyr.

Improving operating performance

Following a strong top line and profitability improvements, EMEA has levers to further improve Adjusted EBITDA margin. Three levers will be utilized for the region's continued margin progression; First, improved margin quality based on product cost reductions. Landis+Gyr has already completed cost reductions on high-volume AMI products, which have led to savings in the region.

Second, the conclusion of Project Lightfoot rationalizing the business's manufacturing and supply chain setup resulted in USD 20 million savings in FY 2019 and is expected to deliver further savings in the future.

The third and biggest factor in the region's growth is the operating leverage, as higher net revenue volumes have led to economies of scale. Based on its existing market presence and client relationships, as well as targeted investments in solutions, software and managed services, Landis+Gyr expects further efficiency gains.

Smart Market

Landis+Gyr is currently number two in the EMEA region for smart electricity meters, smart gas meters and heat meters and is confident it will be able to increase its footprint in the future.



The European market for smart metering is forecast to grow in the coming years mainly due to a European Union directive implemented in 2012, requiring each member state to fit 80% of households with smart meters.

In total, the installed smart meter base in EMEA amounted to 145 million at the end of 2019 and Landis+Gyr expects that number to reach 200 million in 2022, with 55 million new AMI and 14 million 2nd-wave meters to be installed. In 2019, Landis+Gyr contracted over 1 million 2nd-wave deployments in Sweden alone, and expects to capture a large share of the upcoming smart meter deployments across the wider EMEA region.

In Germany, a very large market with 45 million meters, the overall energy transition plan as well as the smart meter roll-out have been delayed. However, Landis+Gyr is well-positioned and continues to ship substantial amounts of meters into the market. With partners for financing and software, the company is additionally piloting a new end-to-end solution (so-called Infrastructure as a

Service (IaaS)) targeted at small and medium-size utilities. In Switzerland, where Landis+Gyr has been a leader for many years both with its residential and industrial / commercial / grid portfolio, the regulator expects to have 80% smart meter coverage by 2027. In this very fragmented market, 600 utilities follow their own, individual roll-out strategy and timeline. In 2019 Landis+Gyr was able to secure contracts with first movers (WWZ, Stadtwerk Winterthur).

A focus of Landis+Gyr's future will be on targeting small and medium Distribution Service Operators (DSOs) with the Group's end-to-end solutions. Landis+Gyr will leverage its installed base and existing customer relationships and grow services through geographic expansion and valued-added services. Moreover, the business is well-positioned to grow in the Software and Services space, which will gain significance as the need for data handling and processing increases.

“In EMEA, our teams have delivered visible results in terms of net revenue growth and bottom line improvement. Our recently launched Gridstream Connect solution will further enable our customers' to manage energy better in the future”

Susanne Seitz
Executive Vice-President, EMEA

18 countries

Sales offices in
18 countries across
the EMEA region



1,300+ utilities

served as trusted
partner



35+ million

Installed base in Europe
of 35+ million connected
intelligent devices



160

end-to-end smart
metering solutions
in the field



1.6+ million

meter points under
Managed Services



“We will leverage our installed base and expand our customer relationships to grow our services activities and offering.”

Susanne Seitz
Executive Vice-President, EMEA



Landis+Gyr Secures Major Contract with E.ON in Sweden

Landis+Gyr will deliver its Gridstream® Connect solution for one million metering points with NB-IoT/M1 communication technology and a Gridstream® Connect platform to E.ON

in Sweden. The contract will see E.ON transition to second-generation smart metering technology, delivering excellent customer service and grid efficiency.

Benefits for Utility and Consumers

- Increased transparency and control in E.ON's distribution grid
- Enhanced customers' experience through reliable and precise data
- Enabling of the introduction of extended applications and further services in the next phase



#EachforEqual and Cycling for a Good Cause

On International Women's Day on March 8, 2020, Landis+Gyr's UK sites celebrated #EachforEqual. The schedule of events included a roundtable with Executive Vice-President EMEA Susanne Seitz, who shared her experiences in business and discussed equality in the workplace and in society.

In Greece, Landis+Gyr sponsored a team of cyclists around one of the Group's employees. They pedaled 830 kilometers from Milan over the Alps to Munich as part of the European tour of the Global Biking Initiative (GBI). GBI is a global community which organizes cycling events to raise funds for charities in more than twenty countries. The team sponsored by Landis+Gyr donated to a SOS Children's Village based in Athens.

Landis+Gyr's employees in Zug, Switzerland, participated in the "Bike to Work" health initiative: Ten teams of four persons cycled a combined distance of 6490 kilometers in June 2019.

