Landis+Gyr
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Landis+Gyr Announces FY 2021 Financial Results

Cham, Switzerland – May 5th, 2022 – Landis+Gyr (SIX: LAND) today announced unaudited financial results for financial year 2021 (April 1st, 2021–March 31st, 2022). Key highlights included:

- **Strong order intake of USD 2,665.5 million corresponding to a book-to-bill ratio of 1.82 driven by contract wins across all regions**
- **Record committed backlog of USD 3,388.6 million, an increase of 56.5% year-over-year (YoY)**
- **FY 2021 net revenues increased 6.9% YoY in constant currency to USD 1,464.0 million (5.1% organic) in all regions, primarily driven by the recovery in the EMEA region**
- **Adjusted EBITDA* up 5.3% to USD 147.0 million equivalent to a margin of 10.0% (10.6% organic)**
- **Supply chain related constraints negatively impacted net revenues and costs impacted Adjusted EBITDA**
- **Net income of USD 79.4 million or USD 2.59 per share compared to a net loss in the previous year**
- **Free Cash Flow (excl. M&A) was USD 89.0 million compared to USD 97.6 million in FY 2020**
- **Net debt of USD 143.6 million as per financial year-end – Intellihub divestment on April 1st, 2022 resulting in proceeds of more than USD 220 million before tax in FY 2022**
- **Distribution from statutory capital reserves of CHF 2.15 per share for FY 2021 will be proposed to the Annual General Meeting**
- **FY 2022 to be a transition year with high degree of uncertainty from external factors – expecting reported net revenue growth of 6% to 10% and an Adjusted EBITDA margin between 5% to 8%**
- **Large installed base of more than 130 million connected intelligent devices helped avoid 9 million tons of CO_2 emissions**
- **Dave Geary will not stand for re-election to the Board of Directors at the upcoming AGM 2022**

"FY 2021 was a transformative year for us as we expand our reach in smart infrastructure and grid edge intelligence solutions. We have closed a number of important acquisitions, adding a cost-competitive metering platform and solidifying our position in the EV charging solutions market, while leveraging our co-innovation partnerships to expand our portfolio of holistic data analytics solutions and services", said Werner Lieberherr, Chief Executive Officer of Landis+Gyr.

"While delivering a strong performance in FY 2021, as a result of the ongoing global supply chain challenges, we saw an impact of about USD 100 million of revenues being pushed out as well as additional costs of approximately USD 30 million. We expect FY 2022 to be a transition year with continued high investments and increasing supply chain and inflation headwinds before we see the benefits of our transformative initiatives in FY 2023. In this context, I would like to thank our customers and shareholders for their continued trust and our employees for their tireless efforts and outstanding level of commitment. Looking ahead, we are well positioned to drive our transformation forward and continue to take on a key role in decarbonizing the grid", Lieberherr concluded.

Sustainability Update

Sustainability has been part of Landis+Gyr's DNA, expressed in Sustainable Impact being one of its shared values. 20% of the Company's short-term incentive targets are ESG driven. Having made the commitment to become carbon neutral by 2030 for scope 1 and 2, the Company is proud to be a part of the global efforts to decarbonize the grid and convinced that it is driving the right priorities to continue to support sustainable resource management all over the world. In FY 2021, Landis+Gyr's Smart Metering base ensured the avoidance of 9 million tons of CO_2 – the equivalence of 2,460 wind turbines running for a year, while the percentage of products shipped as part of the Company's Eco-Portfolio remained stable at 74%. To further drive measurable progress in its Environmental, Social and Governance (ESG) areas, Landis+Gyr has committed to the Science Based Target initiative.

* For a reconciliation of non-GAAP measures, see chapter "Supplemental Reconciliations and Definitions (unaudited)" in this ad hoc announcement.

Order Intake, Committed Backlog and Net Revenue

Order intake for FY 2021 more than doubled YoY to USD 2,665.5 million, representing a book-to-bill ratio of 1.82. The positive development was driven by major contract wins in the Americas and EMEA regions but also Asia Pacific contributed positively. Committed backlog was up 56.5% reaching a new record level of USD 3,338.6 million.

The Americas region recorded an order intake of USD 1,701.9 million (book-to-bill of 2.41) and the committed backlog rose by 70.6% to USD 2,435.0 million. In EMEA orders of USD 724.6 million (book-to-bill of 1.23) were booked leading to a 22.7% higher committed backlog of USD 781.1 million. In Asia Pacific order intake increased by 43.5% to USD 239.0 million (book-to-bill of 1.43) resulting in a 68.9% higher committed backlog of USD 172.5 million.

In FY 2021, net revenue rose 6.9% in constant currency to USD 1,464.0 million (5.1% organic) from reported USD 1,357.4 million in FY 2020. The businesses acquired during FY 2021 contributed USD 24.8 million to net revenues. In H2 FY 2021, net revenues were USD 763.1 million, up 8.9% from USD 700.9 million in H1 FY 2021 despite the ongoing supply chain challenges.

Net revenue per segment was as follows (in USD million, except where indicated):

Segment	FY 2021 Net revenue	FY 2020 Net revenue	Percentage change	Percentage change in constant currencies
Americas	706.7	700.0	0.9%	0.8%
EMEA	590.1	494.4	19.4%	17.4%
Asia Pacific	167.2	163.0	2.6%	1.0%
Group	**1,464.0**	**1,357.4**	**7.8%**	**6.9%**

The Americas region delivered higher net revenue, up 0.8% in constant currency, of USD 706.7 million driven by the strong performance in Brazil and Japan and despite a challenging component availability situation impacting predominantly North America.

Business in the EMEA region recovered strongly compared to prior year with net revenue up 17.4% in constant currency to USD 590.1 million. The growth was driven by the UK market recovery post COVID-19, the Nordics markets and further supported by the acquisitions.

Net revenue in the Asia Pacific region was up 1.0% in constant currency to USD 167.2 million with ANZ being the main driver and despite non-availability of certain components.

Adjusted Gross Profit and Adjusted and Reported EBITDA*

The Adjusted EBITDA by segment was as follows (in USD million, except where indicated):

Segment	FY 2021 Adjusted EBITDA	FY 2021 Percentage of net revenue	FY 2020 Adjusted EBITDA	FY 2020 Percentage of net revenue
Americas	109.4	15.5%	105.7	15.1%
EMEA	25.7	4.4%	2.2	0.4%
Asia Pacific	7.8	4.7%	11.3	6.9%
Corporate unallocated	4.1		20.3	
Group	**147.0**	**10.0%**	**139.6**	**10.3%**

Adjusted gross profit expanded by 10.2% to USD 494.9 million or by 71 basis points to a margin of 33.8%. This expansion was a result of favorable product mix in Americas and EMEA partially offset by increased supply chain cost.

Overall, the FY 2021 Adjusted EBITDA was USD 147.0 million (up 5.3% YoY) and the Adjusted EBITDA margin was 10.0% compared to 10.3% in FY 2020. Adjusted EBITDA increased due to higher volumes mainly in EMEA and the improved gross profit margin partially offset by higher adjusted operating expenses. Adjusted EBITDA in H2 FY 2021 was USD 76.2 million at a margin of 10.0% compared to USD 70.8 million in H1 at a margin of 10.1%.

Adjusted operating expenses in FY 2021 increased by USD 38.4 million versus FY 2020 to USD 347.9 million. This increase is mainly attributable to continued investments in R&D, the strategic transformation and acquisitions. Specifically, as part of that, Adjusted R&D expenses increased to 10.7% of net revenues.

In FY 2021, operating income was USD 88.8 million, a strong increase compared to a loss of USD 365.1 million in FY 2020 which included a goodwill impairment related to legacy Toshiba goodwill. Reported EBITDA for the period under review was USD 170.3 million versus USD 113.7 million in FY 2020, an increase of 49.7% YoY.

The adjustments to bridge between reported EBITDA in the Group's financial statements and Adjusted EBITDA are as follows (in USD million):

	FY 2021	FY 2020
Reported EBITDA	**170.3**	**113.7**
Adjustments		
Restructuring charges	2.9	15.3
Warranty normalization adjustments	(13.8)	(13.2)
Timing difference on FX derivatives	(12.4)	23.8
Adjusted EBITDA	**147.0**	**139.6**

In FY 2021, the adjustments were in three categories. First, with respect to restructuring charges no major restructuring occurred in FY 2021 whereas restructuring charges in FY 2020 were related to the global restructuring project Hermes. Secondly, the warranty normalization adjustments of USD (13.8) million represents the amount of warranty provisions made relative to the average actual warranty utilization for the last three years. This means warranty provisions in FY 2021 were again significantly below historical levels. Thirdly, the timing difference on FX derivatives adjustment was USD (12.4) million in FY 2021 and relates to mark to market differences on hedges, primarily as a result of the stronger US Dollar versus the British Pound and the Euro.

Net Income and EPS
Net income for FY 2021 was USD 79.4 million, or USD 2.59 per share, and compares to USD 3.6 million before the goodwill impairment, or USD 0.13 per share, for FY 2020.

Cash Flow and Net Debt
Cash provided by operating activities was USD 115.8 million in FY 2021 compared to USD 123.9 million in the prior year. Free Cash Flow (excl. M&A) was USD 89.0 million, a decrease of USD 8.6 million compared to prior year. While operating working capital developed in line with volume, impacts from derivative financial instruments were unfavorable YoY. In FY 2021, capital expenditure amounted to USD 27.1 million, a small increase of 1.9% versus FY 2020 and consistent with the Company's asset-light business model.

As of March 31st, 2022, the ratio of net debt to Adjusted EBITDA was 0.98 times, with net debt of USD 143.6 million, after the dividend payment in June 2021 and several acquisitions during the fiscal year. On April 1st, 2022, the divestment of the minority stake in Intellihub was successfully closed resulting in proceeds of more than USD 220 million (before taxes) to be accounted for in FY 2022. The proceeds will be reinvested in organic and inorganic growth areas.

Distributions to Shareholders
The Board of Directors will propose a distribution of CHF 2.15 per share to the Annual General Meeting on June 24th, 2022. The proposal equals a payout of approximately USD 67 million and equivalent to a payout of Free Cash Flow (excl. M&A) of approx. 76%. If approved, the distribution will be paid out entirely from statutory capital reserves and is exempt from Swiss withholding tax.

Outlook for FY 2022
While demand among customers remains high, the ongoing global supply chain constraints and the unstable geopolitical situation result in considerable uncertainties and low visibility for financial year 2022. Barring any unforeseen circumstances, Landis+Gyr expects net revenue growth in FY 2022 of between 6% and 10%, including FY 2021 acquisitions.

As announced at the Capital Markets Day in January 2021, Landis+Gyr will continue to make significant additional strategic transformation investments of approximately 2% of net revenues in FY 2022. Together with higher expected costs from supply chain and cost inflation, the Adjusted EBITDA margin is expected to be between 5% and 8% of net revenues.

Free Cash Flow (excluding M&A) is expected to be between USD 30 million and USD 60 million.

Mid-term targets through FY 2023 are reconfirmed, assuming the supply chain situation normalizes.

Change to the Board of Directors
For the upcoming Annual General Meeting of Shareholders on June 24th, 2022, Dave Geary has decided he will not stand for re-election as member of the Board of Directors. As a result, the Board of Directors will be reduced to seven members. Andreas Umbach, Chairman of Landis+Gyr, said: "On behalf of my colleagues, I would like to thank Dave for his great dedication and valuable contribution to Landis+Gyr over the last five years. He played a key role in shaping Landis+Gyr's development since the IPO, and we wish him all the best for his future."

The FY 2021 earnings presentation, which forms part of this ad hoc announcement, is available on the Company's website at www.landisgyr.com/investors/results-center/.

Investor Webcast and Telephone Conference

The management of Landis+Gyr will host an investor/analyst call to discuss the Company's results.

Date and time:	May 5th, 2022, at 10:00 am CET
Speakers:	Werner Lieberherr (Chief Executive Officer) Elodie Cingari (Chief Financial Officer)
Audio webcast:	www.landisgyr.com/investors/results-center/
Telephone:	Europe: +41 (0) 58 310 5000 UK: +44 (0) 207 107 0613 US: +1 (1) 631 570 5613

Please dial in 10 minutes before the start of the presentation and ask for "Landis+Gyr's financial year 2021 results".

Media Contact

Melissa van Anraad
Head of PR
Phone +41 41 935 6398
Melissa.vanAnraad@landisgyr.com

Eva Borowski
SVP Investor Relations & Corporate Communications
Phone +41 41 935 6396
Eva.Borowski@landisgyr.com

Investor Contact

Christian Waelti
Head of Investor Relations
Phone +41 41 935 6331
Christian.Waelti@landisgyr.com

Key Dates

Publication of Annual Report 2021 and Invitation to AGM 2022	May 30th, 2022
Annual General Meeting 2022	June 24th, 2022
Ex-Dividend Date	June 28th, 2022
Dividend Record Date	June 29th, 2022
Dividend Payment Date	June 30th, 2022
Publication of Half Year Results 2022	October 27th, 2022
Release of Results for Financial Year 2022	May 1st, 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_2 in FY 2021 and committed to achieve carbon neutrality by 2030, Landis+Gyr manages energy better – since 1896. With sales of USD 1.5 billion in FY 2021, Landis+Gyr employs around 6,500 talented people across five continents.

Disclaimer
This release and information referred to herein contains (a) preliminary, unaudited numbers that may be subject to change and (b) information regarding alternative performance measures or non USGAAP 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 this release may be found on pages 28 to 30 of the Landis+Gyr Half Year Financial Report Fiscal Year 2021 on our website at www.landisgyr.com/investors.

Forward-looking Information
This release includes forward-looking information and statements, including statements concerning the outlook for Landis+Gyr Group AG's businesses. These statements are based on current expectations, estimates and projections about the factors that may affect the Company'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. There are numerous risks, uncertainties and other factors, many of which are beyond Landis+Gyr's control, that could cause the Company's actual results to differ materially from the forward-looking information and statements made in this presentation and which could affect the Company's ability to achieve its stated targets. The important factors that could cause such differences include, among others: the duration, severity, geographic spread and potential after effects of the COVID-19 pandemic, government actions to address or mitigate the impact of the COVID-19 pandemic, and the potential negative impacts of COVID-19 on the global economy, any of the Company's operations and those of its customers and suppliers; global shortage of supplied components as well as increased freight rates, business risks associated with the volatile global economic environment and political conditions, unrests and/or wars; costs associated with compliance activities; market acceptance of new products and services; changes in governmental regulations and currency exchange rates; estimates of future warranty claims and expenses and sufficiency of accruals; and other such factors as may be discussed from time to time in Landis+Gyr Group AG filings with the SIX Swiss Exchange. Although Landis+Gyr Group AG believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

Extracts from the Financial Report 2021

Consolidated Statements of Operations (unaudited)

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands, except per share data	**2022**	2021
Net revenue	**1,463,961**	**1,357,448**
Cost of revenue	981,231	966,780
Gross profit	**482,730**	**390,668**
Operating expenses		
Research and development	160,270	148,717
Sales and marketing	71,852	69,603
General and administrative	126,690	107,230
Amortization of intangible assets	35,147	34,247
Impairment of intangible assets	–	396,000
Operating income (loss)	**88,771**	**(365,129)**
Other income (expense), net	3,261	(3,472)
Income (loss) before income tax expense	**92,032**	**(368,601)**
Income tax benefit (expense)	7,002	(19,422)
Net income (loss) before noncontrolling interests and equity method investments	**99,034**	**(388,023)**
Net loss from equity investments	(19,596)	(4,636)
Net income (loss) before noncontrolling interests	**79,438**	**(392,659)**
Net income (loss) attributable to noncontrolling interests, net of tax	35	(267)
Net income (loss) attributable to Landis+Gyr Group AG Shareholders	**79,403**	**(392,392)**
Earnings per share:		
Basic	2.59	(13.61)
Diluted	2.59	(13.61)
Weighted-average number of shares used in computing earnings per share:		
Basic	28,831,212	28,824,039
Diluted	28,831,212	28,824,039

Consolidated Balance Sheets (unaudited)

USD in thousands, except share data	March 31, 2022	March 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	84,850	140,549
Accounts receivable, net of allowance for doubtful accounts of USD 6.2 million and USD 6.7 million	323,612	282,132
Inventories, net	143,106	110,550
Prepaid expenses and other current assets	59,680	65,642
Total current assets	**611,248**	**598,873**
Property, plant and equipment, net	116,310	118,514
Intangible assets, net	270,593	251,342
Goodwill	1,048,404	966,823
Deferred tax assets	43,557	18,039
Other long-term assets	197,905	205,828
TOTAL ASSETS	**2,288,017**	**2,159,419**
LIABILITIES AND EQUITY		
Current liabilities		
Trade accounts payable	163,323	127,758
Accrued liabilities	34,928	45,123
Warranty provision – current	33,433	37,255
Payroll and benefits payable	62,017	51,626
Loans payable	228,831	147,672
Operating lease liabilities – current	13,068	15,187
Other current liabilities	90,910	93,933
Total current liabilities	**626,510**	**518,554**
Warranty provision – non current	14,892	20,315
Pension and other employee liabilities	29,157	32,286
Deferred tax liabilities	36,546	14,543
Tax provision	26,529	32,109
Operating lease liabilities – non current	90,588	95,289
Other long-term liabilities	66,239	70,573
Total liabilities	**890,461**	**783,669**
Redeemable noncontrolling interests	11,969	–
Shareholders’ equity		
Landis+Gyr Group AG shareholders’ equity Registered ordinary shares (28,908,944 and 28,908,944 issued shares at March 31, 2022 and March 31, 2021, respectively)	302,756	302,756
Additional paid-in capital	1,156,312	1,225,328
Accumulated deficit	(31,829)	(111,232)
Accumulated other comprehensive loss	(36,596)	(35,546)
Treasury shares, at cost (74,344 and 81,777 shares at March 31, 2022 and March 31, 2021, respectively)	(6,413)	(6,854)
Total Landis+Gyr Group AG shareholders’ equity	**1,384,230**	**1,374,452**
Noncontrolling interests	1,357	1,298
Total shareholders’ equity	**1,385,587**	**1,375,750**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,288,017**	**2,159,419**

Consolidated Statements of Cash Flows (unaudited)

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2022	2021
Cash flow from operating activities		
Net income (loss)	79,438	(392,659)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	81,500	82,861
Impairment of intangible assets	–	396,000
Net loss from equity investments	19,596	4,636
Share-based compensation	1,986	529
Gain on sale of investments	(2,488)	(2,260)
Loss on disposal of property, plant and equipment	44	209
Effect of foreign currencies translation on non-operating items, net	(1,979)	(152)
Change in allowance for doubtful accounts	(485)	(3,044)
Deferred income tax	(18,743)	(15,276)
Change in operating assets and liabilities, net of effect of businesses acquired and effect of changes in exchange rates:		
Accounts receivable	(32,585)	77,308
Inventories	(15,899)	38,794
Trade accounts payable	34,341	(64,370)
Other assets and liabilities	(28,948)	1,365
Net cash provided by operating activities	**115,778**	**123,941**
Cash flow from investing activities		
Payments for property, plant and equipment	(27,087)	(26,596)
Payments for intangible assets	(25)	(20)
Proceeds from the sale of property, plant and equipment	349	244
Business acquisitions, net of cash received	(150,699)	(13,982)
Purchase of investments	(5,000)	–
Net cash from settlement of foreign currency derivatives to hedge investing activities	(4,200)	
Proceeds from the sale of investments	2,488	2,260
Net cash used in investing activities	**(184,174)**	**(38,094)**
Cash flow from financing activities		
Proceeds from third party facility	154,023	1,909
Repayment of borrowings to third party facility	(73,891)	(207,411)
Purchase of noncontrolling interests	–	(100)
Debt issuance cost	–	(2,523)
Dividends paid	(65,908)	(63,288)
Net cash provided by (used in) financing activities	**14,224**	**(271,413)**
Net increase (decrease) in cash and cash equivalents	**(54,172)**	**(185,566)**
Cash and cash equivalents at beginning of period, including restricted cash	140,549	319,379
Effects of foreign exchange rate changes on cash and cash equivalents	(838)	6,736
Cash and cash equivalents at end of period, including restricted cash	**85,539**	**140,549**

Supplemental Reconciliations and Definitions (unaudited)

Adjusted EBITDA

The reconciliation of Operating income to Adjusted EBITDA is as follows for the financial year ended March 31st, 2022 and 2021:

	L+G GROUP AG		AMERICAS		EMEA		ASIA PACIFIC		CORPORATE AND ELIMINATIONS	
USD in millions, unless otherwise indicated	**FY 2021**	FY 2020	**FY 2021**	FY 2020	**FY 2021**	FY 2020	**FY 2021**	FY 2020	**FY 2021**	FY 2020
Operating income (loss)	**88.8**	**(365.1)**	**78.5**	**(330.1)**	**12.1**	**(51.1)**	**2.3**	**4.3**	**(4.1)**	**11.7**
Amortization of intangible assets	50.9	47.8	30.7	32.0	11.9	7.5	1.5	1.5	6.8	6.8
Depreciation	30.6	35.1	12.6	15.7	13.3	15.9	3.3	2.7	1.4	0.7
Impairment of intangible assets	–	396.0	–	396.0	–	–	–	–	–	–
EBITDA	**170.3**	**113.7**	**121.8**	**113.6**	**37.3**	**(27.7)**	**7.1**	**8.5**	**4.1**	**19.3**
Restructuring charges	2.9	15.3	0.2	6.2	2.3	6.4	0.4	1.6	–	1.1
Warranty normalization adjustments	(13.8)	(13.2)	(12.6)	(14.0)	(1.5)	(0.3)	0.3	1.1	–	–
Timing difference on FX Derivatives	(12.4)	23.8	–	–	(12.4)	23.7	–	0.1	–	–
Adjusted EBITDA	**147.0**	**139.6**	**109.4**	**105.7**	**25.7**	**2.2**	**7.8**	**11.3**	**4.1**	**20.3**
Adjusted EBITDA margin (%)	10.0%	10.3%	15.5%	15.1%	4.4%	0.4%	4.7%	6.9%		

Adjusted Gross Profit

The reconciliation of Gross Profit to Adjusted Gross Profit is as follows for the financial year ended March 31st, 2022 and 2021:

USD in millions, unless otherwise indicated	L+G GROUP AG		AMERICAS		EMEA		ASIA PACIFIC		CORPORATE AND ELIMINATIONS	
	FY 2021	FY 2020	**FY 2021**	FY 2020	**FY 2021**	FY 2020	**FY 2021**	FY 2020	**FY 2021**	FY 2020
Gross Profit	**482.7**	**390.7**	**270.8**	**249.6**	**178.1**	**102.5**	**40.7**	**38.2**	**(6.9)**	**0.3**
Amortization of intangible assets	15.7	13.6	5.4	5.5	8.9	6.7	1.4	1.4	–	–
Depreciation	21.4	26.8	10.6	13.3	9.4	12.2	1.4	1.3	–	–
Restructuring charges	1.3	7.7	0.2	3.2	1.1	4.2	–	0.3	–	–
Warranty normalization adjustments	(13.8)	(13.2)	(12.6)	(14.0)	(1.5)	(0.3)	0.3	1.1	–	–
Timing difference on FX derivatives	(12.4)	23.8	–	–	(12.4)	23.7	–	0.1	–	–
Adjusted Gross Profit	**494.9**	**449.3**	**274.3**	**257.6**	**183.7**	**149.0**	**43.8**	**42.4**	**(6.9)**	**0.3**
Adjusted Gross Profit margin (%)	33.8%	33.1%	38.8%	36.8%	31.1%	30.1%	26.2%	26.0%		

Adjusted Operating Expenses

The reconciliation of Operating Expenses to Adjusted Operating Expenses is as follows for the financial year ended March 31st, 2022 and 2021:

USD in millions, unless otherwise indicated	FY 2021	FY 2020
Research and development	**160.3**	**148.7**
Depreciation	(3.7)	(3.9)
Restructuring charges	(0.1)	(3.0)
Adjusted Research and development	**156.5**	**141.8**
Sales and marketing	71.9	69.6
General and administrative	126.7	107.2
Depreciation	(5.6)	(4.4)
Restructuring charges	(1.6)	(4.7)
Adjusted Sales, General and Administrative	**191.4**	**167.7**
Adjusted Operating Expenses	**347.9**	**309.5**