

# Extracts from the Financial Report 2021

# Consolidated Statements of Operations (unaudited)

USD in thousands, except per share data	FINANCIAL YEAR ENDED MARCH 31,	
	2022	2021
<b>Net revenue</b>	<b>1,463,961</b>	<b>1,357,448</b>
Cost of revenue	981,231	966,780
<b>Gross profit</b>	<b>482,730</b>	<b>390,668</b>
<b>Operating expenses</b>		
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
<b>Operating income (loss)</b>	<b>88,771</b>	<b>(365,129)</b>
Other income (expense), net	3,261	(3,472)
<b>Income (loss) before income tax expense</b>	<b>92,032</b>	<b>(368,601)</b>
Income tax benefit (expense)	7,002	(19,422)
<b>Net income (loss) before noncontrolling interests and equity method investments</b>	<b>99,034</b>	<b>(388,023)</b>
Net loss from equity investments	(19,596)	(4,636)
<b>Net income (loss) before noncontrolling interests</b>	<b>79,438</b>	<b>(392,659)</b>
Net income (loss) attributable to noncontrolling interests, net of tax	35	(267)
<b>Net income (loss) attributable to Landis+Gyr Group AG Shareholders</b>	<b>79,403</b>	<b>(392,392)</b>
<b>Earnings per share:</b>		
Basic	2.59	(13.61)
Diluted	2.59	(13.61)
<b>Weighted-average number of shares used in computing earnings per share:</b>		
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
<b>ASSETS</b>		
<b>Current assets</b>		
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
<b>Total current assets</b>	<b>611,248</b>	<b>598,873</b>
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
<b>TOTAL ASSETS</b>	<b>2,288,017</b>	<b>2,159,419</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
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
<b>Total current liabilities</b>	<b>626,510</b>	<b>518,554</b>
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
<b>Total liabilities</b>	<b>890,461</b>	<b>783,669</b>
Redeemable noncontrolling interests	11,969	–
<b>Shareholders' equity</b>		
<b>Landis+Gyr Group AG shareholders' equity</b>		
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)
<b>Total Landis+Gyr Group AG shareholders' equity</b>	<b>1,384,230</b>	<b>1,374,452</b>
Noncontrolling interests	1,357	1,298
<b>Total shareholders' equity</b>	<b>1,385,587</b>	<b>1,375,750</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,288,017</b>	<b>2,159,419</b>

# Consolidated Statements of Cash Flows (unaudited)

USD in thousands	FINANCIAL YEAR ENDED MARCH 31,	
	2022	2021
<b>Cash flow from operating activities</b>		
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
<b>Net cash provided by operating activities</b>	<b>115,778</b>	<b>123,941</b>
<b>Cash flow from investing activities</b>		
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
<b>Net cash used in investing activities</b>	<b>(184,174)</b>	<b>(38,094)</b>
<b>Cash flow from financing activities</b>		
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)
<b>Net cash provided by (used in) financing activities</b>	<b>14,224</b>	<b>(271,413)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(54,172)</b>	<b>(185,566)</b>
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
<b>Cash and cash equivalents at end of period, including restricted cash</b>	<b>85,539</b>	<b>140,549</b>

# Supplemental Reconciliations and Definitions (unaudited)

## Adjusted EBITDA

The reconciliation of Operating income to Adjusted EBITDA is as follows for the financial year ended March 31<sup>st</sup>, 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
<b>Operating income (loss)</b>	<b>88.8</b>	<b>(365.1)</b>	<b>78.5</b>	<b>(330.1)</b>	<b>12.1</b>	<b>(51.1)</b>	<b>2.3</b>	<b>4.3</b>	<b>(4.1)</b>	<b>11.7</b>
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	–	–	–	–	–	–
<b>EBITDA</b>	<b>170.3</b>	<b>113.7</b>	<b>121.8</b>	<b>113.6</b>	<b>37.3</b>	<b>(27.7)</b>	<b>7.1</b>	<b>8.5</b>	<b>4.1</b>	<b>19.3</b>
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	–	–
<b>Adjusted EBITDA</b>	<b>147.0</b>	<b>139.6</b>	<b>109.4</b>	<b>105.7</b>	<b>25.7</b>	<b>2.2</b>	<b>7.8</b>	<b>11.3</b>	<b>4.1</b>	<b>20.3</b>
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 31<sup>st</sup>, 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
<b>Gross Profit</b>	<b>482.7</b>	<b>390.7</b>	<b>270.8</b>	<b>249.6</b>	<b>178.1</b>	<b>102.5</b>	<b>40.7</b>	<b>38.2</b>	<b>(6.9)</b>	<b>0.3</b>
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	–	–
<b>Adjusted Gross Profit</b>	<b>494.9</b>	<b>449.3</b>	<b>274.3</b>	<b>257.6</b>	<b>183.7</b>	<b>149.0</b>	<b>43.8</b>	<b>42.4</b>	<b>(6.9)</b>	<b>0.3</b>
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 31<sup>st</sup>, 2022 and 2021:

USD in millions, unless otherwise indicated	FY 2021	FY 2020
<b>Research and development</b>	<b>160.3</b>	<b>148.7</b>
Depreciation	(3.7)	(3.9)
Restructuring charges	(0.1)	(3.0)
<b>Adjusted Research and development</b>	<b>156.5</b>	<b>141.8</b>
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)
<b>Adjusted Sales, General and Administrative</b>	<b>191.4</b>	<b>167.7</b>
<b>Adjusted Operating Expenses</b>	<b>347.9</b>	<b>309.5</b>