

A WELL-PLANNED TRANSITION TO SECURE CONTINUITY



THE BOARD OF DIRECTORS APPOINTED ANDREAS UMBACH CHAIRMAN OF THE BOARD OF DIRECTORS AS OF APRIL 1, 2017. IN PARALLEL, THE BOARD OF DIRECTORS PROMOTED RICHARD MORA TO THE POSITION OF CHIEF EXECUTIVE OFFICER OF LANDIS+GYR GROUP AG. SINCE THE COMPANY'S SUCCESSFUL INITIAL PUBLIC OFFERING (IPO) AND LISTING ON THE SIX SWISS EXCHANGE ON JULY 21, 2017, LANDIS+GYR IS AN INDEPENDENT PUBLIC COMPANY.

Andreas, after 18 years of management responsibility at Landis+Gyr, during which time you built the Company into a leading provider of integrated energy management solutions and worked with multiple owners to bring Landis+Gyr to the next development stage, you are handing over your responsibilities as CEO to Richard Mora. How do you feel?

This is a very emotional moment for me. It fills me with great joy to see the Company in such a strong position with industry-leading intelligent solutions for current and future social and technological challenges in the energy markets. Landis+Gyr possesses tremendous know-how and experience and its entire staff lives the Company's vision to help energy utilities and consumers manage energy better. I am very proud and honored to remain part of the leadership team. In my new position as Chairman, I will deal with shareholder-related matters, represent – in conjunction with the CEO – the Company externally and lead strategic projects that will help Richard push the Company to the next stage. I am deeply convinced that high aspirations and unwavering dedication are key drivers for healthy and sustainable growth.

During your tenure, you successfully navigated the Company through up and down cycles. How have the business landscape and customer requirements changed?

The most significant change was the transformation of the electricity distribution system from a one-way power flow system to a two-way communication network that turned the concept of liberalized markets and distributed generation into reality and made it possible to use data for a wide range of applications. As a result of this seismic shift, the energy sector and the global meter market have been in a state of flux. In response to growing demand for renewable energy sources, increased competition and pricing pressure on household bills, technological breakthroughs and the advent of Big Data and the IoT, utilities today are crafting new business models based on solutions that enable a more efficient management of their assets and greater consumer engagement by utilizing the vast pools of data created through digitalization.

Landis+Gyr has undergone a transformation as well. What were the most drastic changes?

Evolving markets and new customer needs required multiple realignments of our priorities to keep pace with technological innovation and adapt the organization and its footprint to ongoing structural change in the markets. That's why we enlarged our core competencies from metrology to communication technology and software, boosted our investments in R&D and transformed the traditional product business into a comprehensive solution business with a very strong focus on service activities. Management launched various initiatives, designed

to improve time-to-market and the competitiveness of the product portfolio. In parallel, Landis+Gyr redefined its innovation processes with a particular focus on the alignment of the Group's research and development capabilities across the globe, driving simplicity and ensuring proximity to the business while improving day-to-day management.

SUPPORTING UTILITIES' TRANSFORMATION

«Keeping the pace with technological innovation and continuously adapt to changing customer requirements was challenging but opened up great opportunities to Landis+Gyr.»

Andreas Umbach, Chairman



During this period, Landis+Gyr was also owned by various companies, ranging from Siemens, KKR and Bayard Capital to Toshiba. Now, Landis+Gyr is again a publicly listed company. Does this latest transition keep you awake at night?

On the contrary, it marks the beginning of an exciting new chapter in the long history of Landis+Gyr. What's decisive for Landis+Gyr's future success are our dedicated and committed people who create and promote our unique portfolio of intelligent solutions for mastering the opportunities and challenges ahead in the energy sector. Our priority will be maintaining and further strengthening the close partnerships with our many customers worldwide through our commitment to innovation and quality. This approach has proven successful regardless of who owned Landis+Gyr and will remain our approach for future success. Fostering the Group's excellent market position will be in the greatest interest of our

shareholders. With Richard as the new CEO, a man who has already proven himself as a successful Chief Operating Officer and Executive Vice President for the Americas with a tenure of more than 17 years, I can't imagine a better successor to take on these tasks. I am absolutely convinced that in cooperation with his experienced leadership team and our highly motivated staff, he will be able to add another chapter to Landis+Gyr's success story.

Richard, how does it feel to be the new CEO of Landis+Gyr?

First and foremost, I am extremely proud and grateful. Being entrusted with the position to lead this 121-year-old icon and its 6,000 incredibly talented staff is a great honor and a huge responsibility. Of course, I'd also like to thank Andreas for his passion and vision as the leader of the Company for 16 years, making Landis+Gyr the leading global provider of integrated energy management solutions for the utility sector.

What is the essence of Landis+Gyr?

Landis+Gyr is a smart company – just like our products and services are. That means we are reliable, customer-focused and always committed to innovation and quality. Most importantly, we see ourselves as a partner for all our customers operating in countries worldwide under different regulations, with diverse infrastructure and geographies and varying sociodemographic characteristics and environmental requirements. Of central importance is our entire staff, who will always listen carefully to our customers and untiringly work on developing and upgrading our state-of-the-art solutions portfolio to meet their specific future-oriented needs. That's how we pursue our mission to help the world manage energy better. For more than 12 decades, Landis+Gyr has always been in a position to adjust its offering to the changing needs of its customers. This makes me very confident that our teams will demonstrate the necessary agility and flexibility to achieve new growth in the future.

DRIVING UTILITY VISIONS FORWARD

«A unique portfolio of intelligent solutions and the untiring commitment of the entire staff to be the best partner utilities can turn to are the key drivers of Landis+Gyr's success.»

Andreas Umbach, Chairman

What are the biggest challenges utilities are facing today?

Today, utilities must learn to embrace uncertainty and change and increase consumer-orientation – quite a challenge for companies that were used to operating and investing on a large scale and over long time frames. For a very long period, their business model has been to generate, transport and distribute electricity and collect payment for it. As the number of consumers and average consumption were always rising, the basic equation was simple: increasing consumption meant

higher revenues. Nowadays, evolving technologies, environmental standards and consumer requirements offer a wide range of new business opportunities along and across the value chain, allowing new players who provide new applications tailored to the specific needs of their customers and who support new business models or complementary services to enter the competitive field. The pressure on our customers' traditional business model is rising, but at the same time utilities have been given a historic opportunity to reinvent themselves.

Where is the journey heading to in the smart energy sector?

From a societal perspective, efficiency, environmental sustainability and inclusion will be the top priorities. An increasing number of people and devices will be connected with each other through the IoT. The Smart Grid offers the appropriate solutions that enable utilities to effectively manage increasing complexity in the system. It will enable the integration of distributed energy resources, enhance demand response and load control to balance fluctuating generation and consumption, optimize investments, offer consumers more transparency and help them save energy as well as money and hence contribute to an efficient, connected, more sustainable energy future.

And from a technological perspective?

Big Data, the IoT, predictive analytics and artificial intelligence are the revolutionizing forces. Digitalization allows utilities to be much more active participants in the energy market and makes them part of a larger ecosystem that benefits all stakeholders. Advantages of a digital Smart Grid include greater reliability, the ability to effectively manage intermittent energy sources of varying sizes, the inclusion of energy storage solutions, and the creation of new utility services capable of adding value to both the end user and the energy company. At the same time, stringent security safeguards that protect system integrity and data privacy need to be put in place. The potential combined result of these advances is a fully automated, highly efficient, resilient, "self-healing" and secure energy network.

TECHNOLOGIES AND TRENDS TRANSFORMING THE MARKETS

«Utilities have been given a historic opportunity to redefine their business models and reinvent themselves.»

Richard Mora, Chief Executive Officer

What will the utility of the future look like?

Change is being driven by an energy supply system that is becoming more and more data-driven and decentralized. These trends are paving the way for greater consumer engagement, empowering prosumers to engage as partners in increasingly complex and dynamic markets. This development is opening windows of opportunities for very different, more specialized business models that

PROVIDING SOLUTIONS TO NEW CHALLENGES

«The Smart Grid offers the appropriate solutions that empower utilities and distribution system operators to effectively manage increasing complexity in a system that is becoming more and more dynamic, data-driven and decentralized.»

Richard Mora, Chief Executive Officer



will complement and substitute traditional models in future. There will be many more and new actors in the field, such as smaller generators, storage operators, aggregators, retailers, energy management companies or infrastructure providers for electric vehicles. Business models will also depend on diverse local factors and on the future impact of global megatrends on society and the industry. Imagine a utility operating in a burgeoning Asian megacity and another in the vast prairies in North America – it is very conceivable that they will be confronted with quite different operational challenges. What unites them is the goal of supplying their customers with safe, reliable and affordable energy. That's why we address the underlying technologies and trends such as digitalization, distributed energy resources and consumer engagement and focus on offering flexible, scalable and reliable solutions that can be adapted to specific requirements and evolving needs.

Andreas and Richard, many thanks for providing our readers with these very valuable market insights and your views on future developments.

It is upon us to acknowledge our highly skilled and experienced teams and we express our gratitude to all our employees for their hard work and tremendous dedication. It is their know-how and expertise that built the Company's leading market position and that continues to drive the Group's success. We would also like to thank Hiroshi Kurihara, our former chairman, as well as our shareholders and customers for their support and trust. Let's continue the journey with our combined resources and common goals!