AD HOC ANNOUNCEMENT
pursuant to Art. 53 LR

Landis+Gyr

Landis+Gyr Announces FY 2023 Financial Results

Cham, Switzerland – May 8, 2024 – Landis+Gyr Group AG (SIX: LAND), a leading global provider of integrated energy management solutions, today announced unaudited financial results for financial year 2023 (April 1, 2023 – March 31, 2024).

- **Continued strong order intake of USD 1,977.6 million corresponding to a book-to-bill ratio of 1.01 and resulting in record committed backlog of USD 3,769.0 million**
- **FY 2023 net revenues rose strongly by 15.6% year-over-year (YoY) in constant currency to a new record of USD 1,963.0 million, driven by component availability improvement to convert backlog and catch-up on pent-up demand**
- **Adjusted EBITDA* up 60.0% YoY to USD 223.9 million, equivalent to a margin of 11.4% (up 310 basis points), driven by operating leverage and steady recovery of supply chain cost**
- **Net income of USD 110.0 million or USD 3.78 per share (diluted) – a 112.4% like-for-like increase versus previous year (excl. Intellihub divestment gain)**
- **Free Cash Flow (excl. M&A) of USD 91.1 million (up USD 113.1 million YoY), with backlog conversion leading to lower inventory levels in H2**
- **Distribution from statutory capital reserves of CHF 2.25 per share will be proposed to the Annual General Meeting in line with progressive dividend policy**
- **Guidance for FY 2024 with low single-digit revenue growth and Adjusted EBITDA margin in the range between 11% to 13%**
- **Further, Landis+Gyr has strategically invested in Brusa Elektronik, Switzerland, and SPAN.io, USA, to expand its end-to-end solution offering**

"We are proud of the strong partnerships we continue to develop and strengthen with our customers and would like to thank them for their continued trust, which allowed us to deliver a strong FY 2023. Delivering significant margin improvement and a new record backlog, on the back of strong growth, I would also like to extend my thanks to our dedicated teams around the world for working tirelessly on our customers' behalf. In FY 2024, we will continue to focus strongly on expanding our leading position in the market and driving profitability," said Werner Lieberherr, Chief Executive Officer of Landis+Gyr.

"Over the last four years, we have invested heavily in transforming our Company and are thrilled to see these efforts bearing fruit. Our end-to-end solutions portfolio is a true differentiator to enable customers and end consumers to manage resources better. Investing in SPAN and Brusa, smart panels for home electrification and inductive as well as DC electric vehicle charging applications respectively, we are further strengthening our offering and commitment to innovate solutions for grid resilience. Motivated every day by our customers' challenges to drive the energy transition forward, we are proud to deliver carbon reductions as part of the Science Based Target initiative (SBTi) and remain passionate about decarbonizing the grid," Lieberherr concluded.

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

Order Intake and Committed Backlog

Group order intake for FY 2023 was USD 1,977.6 million, an increase of 1.6% in constant currency, when compared to FY 2022, and corresponding to a book-to-bill ratio of 1.01. The sustained strong order intake was driven by major contract wins in the Americas region. Committed backlog was up by 0.5% YoY, reaching a new record level of USD 3,769.0 million.

The Americas region recorded an order intake of USD 1,238.1 million (book-to-bill of 1.1), driven by wins in North America and Japan, and the committed backlog rose by 4.2% to USD 2,981.1 million. In the EMEA region, supported by contract wins in Switzerland and Israel, orders of USD 600.7 million (book-to-bill of 0.9) were booked, resulting in a 9.8% lower committed backlog of USD 698.4 million. In Asia Pacific, order intake amounted to USD 138.8 million (book-to-bill of 0.8), leading to a 21.4% lower committed backlog of USD 89.5 million, driven by the discontinuation of manufacturing activities in India.

Net Revenue

In FY 2023, net revenue rose by 15.6% in constant currency to a new record of USD 1,963.0 million from USD 1,681.4 million in FY 2022. The strong net revenue growth was driven by component availability improvement and catch-up on pent-up demand of approximately USD 120 million.

Landis+Gyr shipped 20 million devices globally in FY 2023, an increase of 19% year-over-year, further strengthening the installed base for future software revenues.

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

Segment	FY 2023 Net revenue	FY 2022 Net revenue	Percentage change	Percentage change in constant currencies
Americas	1,131.3	887.9	27.4%	27.4%
EMEA	668.1	602.3	10.9%	7.0%
Asia Pacific	163.6	191.2	(14.4%)	(12.1%)
Group	**1,963.0**	**1,681.4**	**16.7%**	**15.6%**

The Americas region delivered very strong net revenue growth of 27.4% YoY in constant currency to USD 1,131.3 million, breaking the USD 1 billion mark for the first time. Growth was led by the conversion of the strong backlog in North America and Japan and catch-up on revenues pushed-out in 2021/22.

The business in the EMEA region also grew, compared to the prior year, with net revenue up 7.0% in constant currency to USD 668.1 million. Growth was driven by France, South Africa, Switzerland and Germany, offsetting the softening in the United Kingdom.

Net revenue in the Asia Pacific region declined by 12.1% in constant currency to USD 163.6 million, driven by the discontinuation of manufacturing activities in India, and was partially offset by growth in the Philippines and in Hong Kong.

Adjusted Gross Profit, Adjusted and Reported EBITDA*

Adjusted gross profit increased by 22.0% to USD 627.6 million with the corresponding margin improving to 32.0%, compared to 30.6% in FY 2022. Main drivers for the increase were the significantly stronger revenue level and a steady recovery of elevated supply chain costs of approximately USD 28 million in FY 2023, compared to FY 2022.

Adjusted operating expenses in FY 2023 increased by USD 29.0 million or 7.7% year-over-year to USD 403.7 million. Despite investments in strategic initiatives including grid edge intelligence and software solutions as well as smart ultrasonic gas and water technology, and EV charging solutions, adjusted R&D expenses increased slightly to USD 174.2 million and correspond to 8.9% of net revenue in the financial year 2023. Adjusted Sales, General and Administrative (SG&A) expenses rose 13.7% to USD 229.5 million, driven by investments to support growth and backlog execution as well as higher variable compensation, and were equivalent to 11.7% of net revenue.

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

Segment	FY 2023 Adjusted EBITDA	FY 2023 Percentage of net revenue	FY 2022 Adjusted EBITDA	FY 2022 Percentage of net revenue
Americas	185.4	16.4%	119.0	13.4%
EMEA	17.5	2.6%	(14.1)	(2.3%)
Asia Pacific	18.0	11.0%	13.3	6.9%
Corporate unallocated	3.0		21.7	
Group	**223.9**	**11.4%**	**139.9**	**8.3%**

Overall, the Adjusted EBITDA in FY 2023 was USD 223.9 million, an increase of USD 84.0 million or 60.0% when compared to FY 2022. The Adjusted EBITDA margin increased by 310 basis points from 8.3% in FY 2022 to 11.4% in FY 2023. The strong increase in Adjusted EBITDA was mainly attributable to significantly higher volume resulting in operating leverage combined with operational efficiencies and steady recovery of supply chain cost and partially offset by higher adjusted operating expenses.

In FY 2023, operating income was USD 144.1 million, compared to USD 51.0 million in FY 2022. Reported EBITDA in the period under review was USD 216.8 million versus USD 133.2 million in the same period in FY 2022, an increase of 62.8%.

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

	FY 2023	FY 2022
Reported EBITDA	**216.8**	**133.2**
Adjustments		
Restructuring charges	12.6	11.8
Warranty normalization adjustments	(4.6)	(5.1)
Timing difference on FX derivatives	(0.9)	0.0
Adjusted EBITDA	**223.9**	**139.9**

In FY 2023, consistent with the prior year, Adjusted EBITDA excluded three distinct expense categories. By excluding these expenses, the Company believes that it is easier for management and investors to compare the financial results over multiple periods and analyze trends in the Company's operations. First, restructuring charges were USD 12.6 million related predominantly to a global restructuring program (known as Project Horizon), which has been successfully concluded at the end of FY 2023. The program was aimed at streamlining the organization and optimizing the indirect labor cost structure with a targeted workforce reduction of approximately 200 positions. Secondly, the warranty normalization adjustments of USD (4.6) million represent the difference between the warranty provision made in the period and the average actual warranty utilization for the last three years. Warranty provisions in FY 2023 and FY 2022 were below historical levels. Thirdly, the timing difference on FX derivatives adjustment was USD (0.9) million in FY 2023, which relates to mark to market differences on hedges.

Net Income and Earnings per Share (EPS)
Net income attributable to Landis+Gyr Group shareholders for FY 2023 was USD 110.0 million or USD 3.78 per share (diluted EPS). In the prior year, net income of USD 207.9 million included a substantial gain from the divestment of the minority stake in Intellihub of USD 160.6 million. Like-for-like EPS, excluding the one-off gain in FY 2022, was USD 1.78 and the corresponding EPS increase in FY 2023 was 112.4%. Net income in FY 2023 benefited from lower income taxes, due to the partial release of valuation allowances on certain deferred tax assets.

Cash Flow and Net Debt
Free Cash Flow (excl. M&A) in FY 2023 was USD 91.1 million driven by strong backlog conversion and lower inventory levels in H2 FY 2023. The result is an improvement of USD 113.1 million, when compared to negative Free Cashflow of USD (22.0) million in FY 2022, which was impacted by strategic investments in inventory. Cash provided by operating activities was USD 121.2 million in FY 2023 compared to USD (45.8) million in the previous year. In the period under review, capital expenditure (PP&E) was USD 30.6 million, equivalent to 1.6% of net revenue, and consistent with the Company's asset-light business model.

As of March 31, 2024, the ratio of net debt to Adjusted EBITDA was 0.59 times, with net debt of USD 131.3 million after investments in strategic partners and the dividend payment in June 2023.

Distributions to Shareholders
In line with Landis+Gyr's progressive dividend policy, the Board of Directors proposes a distribution of CHF 2.25 per share to the Annual General Meeting on June 25, 2024. The proposal represents an increase of 5 cents compared to last year's distribution of CHF 2.20 per share. If approved, the distribution will be paid out entirely from statutory capital reserves and is exempt from Swiss withholding tax.

Outlook for FY 2024
Landis+Gyr expects low single-digit net revenue growth in FY 2024. With an anticipated further recovery of supply chain costs and due to the operational efficiency measures taken, the Adjusted EBITDA margin is expected to be between 11% and 13% of net revenue. Landis+Gyr will continue to actively manage operating working capital with a strong focus on cash conversion.

Investments in Strategic Partners
Recently, Landis+Gyr has made two minority investments in strategic partners. With these investments, the Company expands its end-to-end solution offering to enable grid resilience and further support electrification and decarbonization efforts. Brusa Elektronik is a leading provider of power electronics and the combined offering of the two companies will include Inductive and DC Charging solutions. SPAN.io is a leading provider of smart panel technology and together the two companies will provide a multi-asset virtual power plant, solving electrification and demand flexibility through a grid edge platform solution.

Commitment to Sustainability
The Science Based Targets initiative (SBTi) has assessed Landis+Gyr's near- and long-term emission reduction targets against their rigorous criteria and has approved these targets in FY 2023. As a Company committed to decarbonizing the grid, Landis+Gyr's targets are in line with the most ambitious pathway (1.5°C), as defined by the Paris Climate Accord. Landis+Gyr has committed to reach net-zero greenhouse gas emissions across the value chain by 2050. Furthermore, the Company has committed to reduce Scope 1 and 2 greenhouse gas (GHG) emissions by 42% until 2030 (versus 2021 base year) and to also reduce Scope 3 emissions by 42% until 2030.

Landis+Gyr is now part of a group of over 4,000 leading companies with approved targets who are taking action to combat climate change and move towards a greener, more sustainable future. As a leader in the decarbonization efforts, Landis+Gyr is part of the first group of companies to receive approval for net-zero targets.

Further, in line with the recommendations of the Taskforce on Climate related Financial Disclosures (TCFD) framework, Landis+Gyr has considered two Intergovernmental Panel on Climate Change (IPCC) scenarios to assess the climate resilience of its strategy. On the one hand the Business-As-Usual scenario, predicting a 4–5° C temperature rise, and on the other hand a scenario aligning with the targets outlined in the Paris Agreement and Landis+Gyr's carbon reduction targets, as set forth in its SBTi goals. As a result, Landis+Gyr is ahead of the Swiss legal requirements by a full year.

In FY 2023, Landis+Gyr was able to help avoid more than 8.9 million tons of CO_2 through its large installed smart metering base and strives to further increase its positive impact on the environment through consistently high investments in innovative technologies and solutions.

Documents
The FY 2023 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 and webcast to discuss the Company's FY 2023 results.

Date and time:	May 8, 2024 at 14:00 pm CET
Speakers:	Werner Lieberherr (Chief Executive Officer) Elodie Carr-Cingari (Chief Financial Officer)
Audio webcast:	www.landisgyr.com/investors/results-center/
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Key Dates

Publication of Annual Report 2023 and Invitation to AGM 2024	May 30, 2024
Annual General Meeting 2024	June 25, 2024
Ex-Dividend Date	June 27, 2024
Dividend Payment Date	July 1, 2024
Release of Half Year Results 2024	October 30, 2024

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 around 9 million tons of CO_2 in FY 2023, Landis+Gyr manages energy better – since 1896. With sales of USD 2.0 billion in FY 2023, Landis+Gyr employs around 6,900 talented people across five continents. For more information, please visit our website www.landisgyr.com.

Disclaimer

This ad hoc announcement 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 announcement may be found on pages 28 to 30 of the Landis+Gyr Half Year Financial Report Fiscal Year 2023 on our website at www.landisgyr.com/investors.

Landis+Gyr

Forward-looking Information

This ad hoc announcement 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 announcement and which could affect the Company's ability to achieve its stated targets. The important factors that could cause such differences include, among others: possible effects of pandemics, global shortage of energy or supplied components as well as increased freight rates, business risks associated with the volatile global economic environment and political conditions, including wars or military actions; 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 2023

Consolidated Statements of Operations (unaudited)

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands, except per share data	**2024**	2023
Net revenue	**1,963,005**	**1,681,386**
Cost of revenue	1,364,192	1,206,169
Gross profit	**598,813**	**475,217**
Operating expenses		
Research and development	179,809	175,741
Sales and marketing	80,759	78,321
General and administrative	158,031	130,883
Amortization of intangible assets	36,065	39,237
Operating income	**144,149**	**51,035**
Other income (expense), net	(21,848)	7,249
Income before income tax expense	**122,301**	**58,284**
Income tax expense	(16,882)	(80,882)
Net income (loss) before noncontrolling interests and equity method investments	**105,419**	**(22,598)**
Net income from equity investments	3,232	229,717
Net income	**108,651**	**207,119**
Net loss attributable to noncontrolling interests, net of tax	(1,326)	(815)
Net income attributable to Landis+Gyr Group AG Shareholders	**109,977**	**207,934**
Earnings per share:		
Basic	3.79	7.35
Diluted	3.78	7.32
Weighted-average number of shares used in computing earnings per share:		
Basic	28,870,260	28,843,658
Diluted	28,945,232	28,958,880

Consolidated Balance Sheets (unaudited)

USD in thousands, except share data	March 31, 2024	March 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	127,837	117,370
Accounts receivable, net of allowance for doubtful accounts of USD 6.1 million and USD 7.4 million	337,578	351,379
Inventories, net	237,525	242,340
Prepaid expenses and other current assets	108,641	109,018
Total current assets	**811,581**	**820,107**
Property, plant and equipment, net	121,550	117,215
Intangible assets, net	178,307	216,312
Goodwill	1,051,670	1,048,508
Deferred tax assets	64,888	43,789
Other long-term assets	216,396	178,291
TOTAL ASSETS	**2,444,392**	**2,424,222**
LIABILITIES AND EQUITY		
Current liabilities		
Trade accounts payable	155,171	214,822
Accrued liabilities	41,605	47,638
Warranty provision – current	30,206	30,862
Payroll and benefits payable	81,770	66,076
Short-term debt	4,404	180,661
Operating lease liabilities – current	14,794	13,504
Other current liabilities	96,354	102,037
Total current liabilities	**424,304**	**655,600**
Long-term debt	248,151	–
Warranty provision – non current	12,964	15,404
Pension and other employee liabilities	26,751	24,729
Deferred tax liabilities	33,562	37,465
Tax provision	20,128	23,747
Operating lease liabilities – non current	68,049	82,088
Other long-term liabilities	58,967	55,995
Total liabilities	**892,876**	**895,028**
Redeemable noncontrolling interests	**5,035**	**6,358**
Shareholders' equity		
Landis+Gyr Group AG Shareholders' equity Registered ordinary shares (28,908,944 and 28,908,944 issued shares at March 31, 2024 and March 31, 2023, respectively)	302,756	302,756
Additional paid-in capital	1,029,603	1,100,179
Retained earnings	285,858	176,105
Accumulated other comprehensive loss	(69,518)	(52,418)
Treasury shares, at cost (54,456 and 54,764 shares at March 31, 2024 and March 31, 2023, respectively)	(4,014)	(5,069)
Total Landis+Gyr Group AG shareholders' equity	**1,544,685**	**1,521,553**
Noncontrolling interests	1,796	1,283
Total shareholders' equity	**1,546,481**	**1,522,836**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,444,392**	**2,424,222**

Consolidated Statements of Cash Flows (unaudited)

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Cash flow from operating activities		
Net income	108,651	207,119
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	72,679	82,182
Net income from equity investments	(3,232)	(229,717)
Share-based compensation	4,509	5,105
Loss (gain) on disposal of property, plant and equipment	(460)	252
Loss (gain) on foreign exchange, net	8,297	(17,245)
Change in allowance for doubtful accounts	(1,321)	1,251
Deferred income tax	(23,687)	(1,706)
Change in operating assets and liabilities, net of effect of businesses acquired and effect of changes in exchange rates:		
Accounts receivable	13,238	(37,347)
Inventories, including advance payments	895	(139,227)
Trade accounts payable	(55,805)	60,033
Other assets and liabilities	(2,566)	23,526
Net cash provided by (used in) operating activities	**121,198**	**(45,774)**
Cash flow from investing activities		
Payments for property, plant and equipment	(30,600)	(28,300)
Payments for intangible assets	(1,030)	(971)
Proceeds from the sale of property, plant and equipment	1,570	214
Business acquisitions, net of cash received	(3,297)	–
Purchase of investments	(72,733)	–
Proceeds from the sale of investments	3,232	237,842
Net cash from settlement of foreign currency derivatives to hedge investing activities	–	(3,005)
Net cash provided by (used in) investing activities	**(102,858)**	**205,780**
Cash flow from financing activities		
Proceeds from third party facility	496,111	264,006
Repayment of borrowings to third party facility	(428,309)	(320,106)
Purchase of treasury shares	(3,509)	(409)
Debt issuance cost	(1,972)	–
Dividends paid	(70,780)	(64,700)
Net cash from settlement of foreign currency derivatives to hedge financing activities	2,211	1,289
Issuance of shares	897	1,046
Net cash used in financing activities	**(5,351)**	**(118,874)**
Net increase in cash and cash equivalents	**12,989**	**41,132**
Cash and cash equivalents at beginning of period, including restricted cash	117,986	85,539
Effects of foreign exchange rate changes on cash and cash equivalents	(2,467)	(8,685)
Cash and cash equivalents at end of period, including restricted cash	**128,508**	**117,986**

Supplemental Reconciliations and Definitions (unaudited)

Adjusted EBITDA

The reconciliation of Operating income to Adjusted EBITDA is as follows for the financial years ended March 31, 2024 and 2023:

	L+G GROUP AG		AMERICAS		EMEA		ASIA PACIFIC		CORPORATE AND ELIMINATIONS	
USD in millions, unless otherwise indicated	**FY 2023**	FY 2022	**FY 2023**	FY 2022	**FY 2023**	FY 2022	**FY 2023**	FY 2022	**FY 2023**	FY 2022
Operating income (loss)	**144.1**	**51.0**	**142.1**	**86.6**	**(5.7)**	**(48.3)**	**14.4**	**(0.9)**	**(6.7)**	**13.6**
Amortization of intangible assets	42.0	56.9	25.8	30.1	9.1	18.6	0.3	1.4	6.8	6.8
Depreciation	30.6	25.3	16.6	11.1	10.4	10.1	2.2	2.8	1.5	1.3
EBITDA	**216.8**	**133.2**	**184.5**	**127.8**	**13.8**	**(19.6)**	**16.9**	**3.3**	**1.7**	**21.7**
Restructuring charges	12.6	11.8	5.9	0.4	5.2	1.4	0.2	10.0	1.3	–
Warranty normalization adjustments	(4.6)	(5.1)	(4.9)	(9.2)	(0.6)	4.0	0.9	0.1	–	–
Timing difference on FX Derivatives	(0.9)	0.0	–	–	(1.0)	0.2	0.1	(0.2)	–	–
Adjusted EBITDA	**223.9**	**139.9**	**185.4**	**119.0**	**17.5**	**(14.1)**	**18.0**	**13.3**	**3.0**	**21.7**
Adjusted EBITDA margin (%)	11.4%	8.3%	16.4%	13.4%	2.6%	(2.3%)	11.0%	6.9%		

Due to rounding, numbers presented may not add to the totals provided.

Adjusted Gross Profit

The reconciliation of Gross Profit to Adjusted Gross Profit is as follows for the financial years ended March 31, 2024 and 2023:

	L+G GROUP AG		AMERICAS		EMEA		ASIA PACIFIC		CORPORATE AND ELIMINATIONS	
USD in millions, unless otherwise indicated	**FY 2023**	FY 2022	**FY 2023**	FY 2022	**FY 2023**	FY 2022	**FY 2023**	FY 2022	**FY 2023**	FY 2022
Gross Profit	**598.8**	**475.2**	**387.0**	**306.6**	**169.3**	**126.4**	**42.1**	**35.6**	**0.4**	**6.6**
Amortization of intangible assets	6.0	17.6	1.1	5.2	4.8	11.1	0.1	1.3	–	–
Depreciation	23.8	19.5	15.0	9.7	8.1	8.2	0.8	1.6	–	–
Restructuring charges	4.5	7.3	3.7	0.2	0.7	0.7	0.1	6.4	–	–
Warranty normalization adjustments	(4.6)	(5.1)	(4.9)	(9.2)	(0.6)	4.0	0.9	0.1	–	–
Timing difference on FX derivatives	(0.9)	0.0	–	–	(1.0)	0.2	0.1	(0.2)	–	–
Adjusted Gross Profit	**627.6**	**514.6**	**401.9**	**312.5**	**181.4**	**150.6**	**44.0**	**44.9**	**0.4**	**6.6**
Adjusted Gross Profit margin (%)	32.0%	30.6%	35.5%	35.2%	27.1%	25.0%	26.9%	23.5%		

Due to rounding, numbers presented may not add to the totals provided.

Adjusted Operating Expenses

The reconciliation of Operating Expenses to Adjusted Operating Expenses is as follows for the financial years ended March 31, 2024 and 2023:

USD in millions, unless otherwise indicated	FY 2023	FY 2022
Research and development	**179.8**	**175.7**
Depreciation	(2.9)	(2.7)
Restructuring charges	(2.7)	(0.1)
Adjusted Research and development	**174.2**	**172.9**
Sales and marketing	80.8	78.3
General and administrative	158.0	130.9
Depreciation	(3.9)	(3.1)
Restructuring charges	(5.4)	(4.3)
Adjusted Sales, General and Administrative	**229.5**	**201.8**
Adjusted Operating Expenses	**403.7**	**374.7**

Due to rounding, numbers presented may not add to the totals provided.