

Extracts from the Financial Report 2023

Consolidated Statements of Operations (unaudited)

USD in thousands, except per share data	FINANCIAL YEAR ENDED MARCH 31,	
	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:

USD in millions, unless otherwise indicated	L+G GROUP AG		AMERICAS		EMEA		ASIA PACIFIC		CORPORATE AND ELIMINATIONS	
	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:

USD in millions, unless otherwise indicated	L+G GROUP AG		AMERICAS		EMEA		ASIA PACIFIC		CORPORATE AND ELIMINATIONS	
	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

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