

## Landis+Gyr Announces First Half FY 2022 Financial Results

Cham, Switzerland – October 27<sup>th</sup>, 2022 – Landis+Gyr (SIX: LAND) today announced unaudited financial results for the first half of financial year 2022 (April 1<sup>st</sup> – September 30<sup>th</sup>, 2022). Key highlights included:

- **Sustained solid order intake of USD 773.2 million corresponding to a book-to-bill ratio of 1.06**
- **Committed backlog at record-high level of USD 3,479.7 million, up 7.5% year-over-year**
- **Net revenues increased in H1 FY 2022 by 10.3% in constant currency to USD 728.7 million driven by the Americas region and despite supply chain headwinds**
- **Adjusted EBITDA\* declined 31.2% to USD 48.7 million equivalent to a margin of 6.7% due to higher supply chain cost, and USD strength**
- **Net income was USD 186.5 million in H1 FY 2022 including a one-off gain related to divestment of minority stake in Intellihub; Diluted EPS of USD 6.57**
- **Significant inventory build-up in anticipation of strong shipments in H2 results in negative Free Cash Flow (excl. M&A) of USD (38.9) million in H1 FY 2022**
- **Strong balance sheet with low net debt of USD 79.3 million and net debt / trailing twelve months adjusted EBITDA ratio of 0.63x**
- **Confirmation of FY 2022 guidance with expected significant volume ramp up in H2 as supply chain situation is expected to start easing**
- **Well positioned to support utilities and end customers through energy crisis with solutions enabling grid intelligence, driving energy efficiency and grid stability**

“We see a favorable environment for energy efficiency technologies and solutions, which is reflected in our continued solid order intake, and further amplified by the current energy crisis. While the first half of FY 2022 continues to be impacted by ongoing supply chain challenges, we expect to see improvements in the second half. Due to the volatile availability of components needed to convert our high order backlog, we have temporarily higher inventories. While this impacts our cash position in the short-term, we are well positioned for a production ramp up in the second half of the current fiscal year”, said Werner Lieberherr, Chief Executive Officer of Landis+Gyr.

“Due to the continuation of deployments of critical infrastructure even during economic cooldowns, Landis+Gyr is recession-resilient, and paired with our strategic transformation, we feel confident about the future”, Lieberherr concluded.

### Order Intake, Committed Backlog and Net Revenue

Group order intake for the first half of FY 2022 was USD 773.2 million, a book-to-bill ratio of 1.06 and a decrease of 56.7% when compared to the extraordinarily strong H1 FY 2021. The solid order intake development was driven by contract wins across all three regions. Committed backlog was up 7.5% year-over-year reaching a new record level of USD 3,479.7 million.

The Americas region recorded an order intake of USD 409.3 million (book-to-bill of 1.04) and the committed backlog rose by 12.2% to USD 2,604.2 million. In EMEA, orders of USD 264.4 million (book-to-bill of 1.07) were booked leading to a 12.7% lower committed backlog of USD 702.1 million due to FX rate movements. At constant currencies, the EMEA committed backlog increased by 3.5% year-over-year. In Asia Pacific, order intake amounted to USD 99.5 million (book-to-bill of 1.12) leading to a year-over-year 56.4% higher committed backlog of USD 173.3 million.

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

In the first six months of FY 2022, net revenue rose 10.3% in constant currency to USD 728.7 million (4.0% reported) despite the ongoing supply chain challenges from USD 700.9 million in H1 FY 2021. The difficult supply chain situation led to an estimated USD 80 million of net revenues being pushed out during the period. The businesses acquired during FY 2021 contributed approximately USD 23 million incrementally to net revenues year-over-year.

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

Segment	H1 FY 2022 Net revenue	H1 FY 2021 Net revenue	Percentage change	Percentage change in constant currencies
Americas	391.7	325.4	20.4%	20.4%
EMEA	248.0	300.1	(17.4%)	(6.0%)
Asia Pacific	89.0	75.4	18.0%	23.8%
<b>Group</b>	<b>728.7</b>	<b>700.9</b>	<b>4.0%</b>	<b>10.3%</b>

The Americas region delivered higher net revenue, up 20.4% in constant currency, of USD 391.7 million. Growth was driven by the conversion of the strong backlog and the performance in North America and Japan and despite the continued challenging component availability situation.

Net revenue in the EMEA region was down compared to the prior year's period by 6.0% in constant currency to USD 248.0 million. The decline was mainly driven by the non-availability of critical components with the French and UK markets being most affected.

Net revenue in the Asia Pacific region was up 23.8% in constant currency to USD 89.0 million with Australia & New Zealand (ANZ) being the main driver.

#### **Adjusted Gross Profit and Adjusted and Reported EBITDA\***

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

Segment	H1 FY 2022 Adjusted EBITDA	H1 FY 2022 Percentage of net revenue	H1 FY 2021 Adjusted EBITDA	H1 FY 2021 Percentage of net revenue
Americas	47.7	12.2%	50.2	15.4%
EMEA	(9.4)	(3.8%)	13.1	4.4%
Asia Pacific	6.8	7.6%	3.3	4.4%
Corporate unallocated	3.6	N/A	4.2	N/A
<b>Group</b>	<b>48.7</b>	<b>6.7%</b>	<b>70.8</b>	<b>10.1%</b>

Adjusted gross profit decreased by 6.7% to USD 226.9 million or by 358 basis points to a margin of 31.1%. Favorability due to higher volume was more than offset by increased supply chain costs. Transactional FX pressure due to the strong US Dollar was partially mitigated through hedging.

Adjusted operating expenses in H1 FY 2022 increased by USD 5.6 million or 3.2% versus the previous year period to USD 178.2 million. This increase is mainly attributable to ramp-up investments to support current and future backlog conversion in Americas, acquisitions in EMEA and strategic initiatives. Adjusted R&D expenses increased to 11.4% of net revenues in H1 FY 2022.

Overall, the Adjusted EBITDA in H1 FY 2022 was USD 48.7 million (down 31.2% YoY) and the Adjusted EBITDA margin was 6.7% compared to 10.1% in H1 FY 2021. Adjusted EBITDA decreased due to significantly higher supply chain costs of approximately USD 29 million year-over-year and higher adjusted operating expenses.

In H1 FY 2022, operating income was USD 10.5 million, a decrease of 77.3% compared to USD 46.3 million in H1 FY 2021. Reported EBITDA for the first six months of FY 2022 was USD 51.0 million versus USD 86.2 million in the same period in FY 2021, a decline of 40.8%.

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

	H1 FY 2022	H1 FY 2021
<b>Reported EBITDA</b>	<b>51.0</b>	<b>86.2</b>
Adjustments		
Restructuring charges	6.5	0.2
Warranty normalization adjustments	(2.5)	(7.2)
Timing difference on FX derivatives	(6.3)	(8.5)
<b>Adjusted EBITDA</b>	<b>48.7</b>	<b>70.8</b>

In H1 FY 2022, adjustments were made in three categories. First, with respect to restructuring charges, the USD 6.5 million related mostly to the discontinuation of manufacturing activities in India. Secondly, the warranty normalization adjustments of USD (2.5) 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 H1 FY 2022 were again below historical levels. Thirdly, the timing difference on FX derivatives adjustment was USD (6.3) million in H1 FY 2022, which 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 attributable to Landis+Gyr Group shareholders for H1 FY 2022 was USD 186.5 million compared to USD 35.0 million in the prior year period. Diluted EPS was USD 6.57 compared to USD 1.21 in H1 FY 2021. Net income includes a gain on the sale of the minority stake in Intellihub of USD 229.7 million pre-tax and approximately USD 161 million after current and deferred taxes which closed on April 1<sup>st</sup>, 2022.

### Cash Flow and Net Debt

Cash provided by operating activities was USD (82.9) million in H1 FY 2022, including a USD (52.8m) tax payment related to the Intellihub divestment, compared to USD 50.4 million in the prior year period. Free Cash Flow (excl. M&A) was USD (38.9) million, a decrease of USD 80.5 million compared to the prior year. The decrease is mainly due to the significant build-up of inventories, up USD 76.3 million in H1 FY 2022, in anticipation of a production ramp up in H2. In H1 FY 2022, capital expenditure amounted to USD 8.9 million and remained unchanged versus the previous year period.

As of September 30<sup>th</sup>, 2022, the ratio of net debt to trailing twelve months Adjusted EBITDA was 0.63 times, with net debt of USD 79.3 million, after the dividend payment in June 2022 and the sale of the Intellihub minority stake.

### Outlook for FY 2022

While customer demand for Landis+Gyr's products and solutions remains high, the sustained supply chain constraints combined with an unstable geopolitical and economic situation result in considerable uncertainties. Barring any unforeseen circumstances, Landis+Gyr confirms its guidance for FY 2022 provided in May 2022 with net revenue growth in FY 2022 of between 6% and 10% including FY 2021 acquisitions. As announced earlier, Landis+Gyr will continue to make significant additional strategic transformation investments of approximately 2% of net revenues in FY 2022. Together with higher expected cost from supply chain and cost inflation, the Adjusted EBITDA margin for FY 2022 is expected to be between 5% and 8% of net revenues. Due to higher operating working capital needs, the Free Cash Flow (excluding M&A) for FY 2022 is expected to come in towards the lower end of the guided range of between USD 30 million and USD 60 million.

The H1 FY 2022 earnings presentation, which forms part of this ad hoc announcement, as well as the Half Year Report 2022 are available on the Company's website at [www.landisgyr.com/investors/results-center/](http://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: October 27<sup>th</sup>, 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/](http://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 first half year results 2022".

#### **Media Contact**

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#### **Key Dates**

Capital Markets Day	January 31 <sup>st</sup> , 2023
Release of Results for Financial Year 2022	May 2 <sup>nd</sup> , 2023
Publication of Annual Report 2022 and Invitation to AGM 2023	May 26 <sup>th</sup> , 2023
Annual General Meeting 2023	June 22 <sup>nd</sup> , 2023
Publication of Half Year Results 2023	October 25 <sup>th</sup> , 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<sub>2</sub> in FY 2021, Landis+Gyr manages energy better – since 1896. With sales of USD 1.5 billion in FY 2021, Landis+Gyr employs around 6,800 talented people across five continents. For more information, please visit our website [www.landisgyr.com](http://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 2022 on our website at [www.landisgyr.com/investors](http://www.landisgyr.com/investors).*

**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: 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 energy or 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 Half Year Report 2022

# Interim Consolidated Statements of Operations (unaudited)

USD in thousands, except per share data and number of shares	SIX MONTHS ENDED SEPTEMBER 30,	
	2022	2021
<b>Net revenue</b>	<b>728,711</b>	<b>700,884</b>
Cost of revenue	510,851	460,119
<b>Gross profit</b>	<b>217,860</b>	<b>240,765</b>
<b>Operating expenses</b>		
Research and development	84,409	79,883
Sales and marketing	35,963	33,658
General and administrative	67,099	64,098
Amortization of intangible assets	19,848	16,843
<b>Operating income</b>	<b>10,541</b>	<b>46,283</b>
Other income (expense), net	18,348	2,367
<b>Income before income tax expense</b>	<b>28,889</b>	<b>48,650</b>
Income tax expense	(72,375)	(8,927)
<b>Net income (loss) before noncontrolling interests and equity method investments</b>	<b>(43,486)</b>	<b>39,723</b>
Net income (loss) from equity investments	229,717	(4,793)
<b>Net income before noncontrolling interests</b>	<b>186,231</b>	<b>34,930</b>
Net loss attributable to noncontrolling interests	(248)	(45)
<b>Net income attributable to Landis+Gyr Group AG Shareholders</b>	<b>186,479</b>	<b>34,975</b>
<b>Earnings per share:</b>		
Basic	6.58	1.21
Diluted	6.57	1.21
<b>Weighted average number of shares used in computing earnings per share:</b>		
Basic	28,837,007	28,829,394
Diluted	28,846,280	28,829,394

# Interim Consolidated Balance Sheets (unaudited)

USD in thousands, except share data	September 30, 2022	March 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	82,299	84,850
Accounts receivable, net of allowance for doubtful accounts of USD 5.3 million and USD 6.2 million	287,165	323,612
Inventories, net	204,425	143,106
Prepaid expenses and other current assets	81,087	59,680
<b>Total current assets</b>	<b>654,976</b>	<b>611,248</b>
Property, plant and equipment, net	104,386	116,310
Intangible assets, net	237,545	270,593
Goodwill	1,044,054	1,048,404
Deferred tax assets	26,375	43,557
Other long-term assets	176,996	197,905
<b>TOTAL ASSETS</b>	<b>2,244,332</b>	<b>2,288,017</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Trade accounts payable	160,893	163,323
Accrued liabilities	45,134	34,928
Warranty provision – current	34,321	33,433
Payroll and benefits payable	40,980	62,017
Loans payable	158,341	228,831
Operating lease liabilities – current	13,775	13,068
Other current liabilities	86,725	90,910
<b>Total current liabilities</b>	<b>540,169</b>	<b>626,510</b>
Warranty provision – noncurrent	11,335	14,892
Pension and other employee liabilities	23,463	29,157
Deferred tax liabilities	33,526	36,546
Tax provision	28,892	26,529
Operating lease liabilities – noncurrent	83,453	90,588
Other long-term liabilities	53,951	66,239
<b>Total liabilities</b>	<b>774,789</b>	<b>890,461</b>
<b>Redeemable noncontrolling interests</b>	<b>7,343</b>	<b>11,969</b>
<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 September 30, 2022, and March 31, 2022, respectively)	302,756	302,756
Additional paid-in capital	1,096,405	1,156,312
Retained earnings (Accumulated deficit)	154,650	(31,829)
Accumulated other comprehensive loss	(86,529)	(36,596)
Treasury shares, at cost (70,345 and 74,344 shares at September 30, 2022, and March 31, 2022, respectively)	(6,172)	(6,413)
<b>Total Landis+Gyr Group AG shareholders' equity</b>	<b>1,461,110</b>	<b>1,384,230</b>
Noncontrolling interests	1,090	1,357
<b>Total shareholders' equity</b>	<b>1,462,200</b>	<b>1,385,587</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,244,332</b>	<b>2,288,017</b>



# Interim Consolidated Statements of Cash Flows (unaudited)

USD in thousands	SIX MONTHS ENDED SEPTEMBER 30,	
	2022	2021
<b>Cash flow from operating activities</b>		
Net income	186,231	34,930
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:		
Depreciation and amortization	40,503	39,967
Net loss (income) from equity investments	(229,717)	4,793
Share-based compensation	1,856	997
Gain on sale of investments	–	(2,530)
Loss on disposal of property, plant and equipment	90	120
Loss (income) on foreign exchange, net	(24,426)	(965)
Change in allowance for doubtful accounts	(881)	(552)
Deferred income tax	10,686	358
Change in operating assets and liabilities, net of effect of businesses acquired and effect of changes in exchange rates:		
Accounts receivable	5,998	29,934
Inventories	(76,315)	(10,627)
Trade accounts payable	25,794	(10,626)
Other assets and liabilities	(22,699)	(36,317)
<b>Net cash provided by (used in) operating activities</b>	<b>(82,880)</b>	<b>49,482</b>
<b>Cash flow from investing activities</b>		
Payments for property, plant and equipment	(8,921)	(8,875)
Payments for intangible assets	(17)	(1)
Proceeds from the sale of property, plant and equipment	72	98
Business acquisitions, net of cash received	–	(43,956)
Proceeds from the sale of investments	237,842	2,530
Net cash from settlement of foreign currency derivatives to hedge investing activities	(3,005)	–
<b>Net cash proved by (used in) investing activities</b>	<b>225,971</b>	<b>(50,204)</b>
<b>Cash flow from financing activities</b>		
Proceeds from third party facility	173,755	45,594
Repayment of borrowings to third party facility	(243,469)	(33,342)
Dividends paid	(64,700)	(65,908)
Net cash from settlement of foreign currency derivatives to hedge financing activities	1,289	–
<b>Net cash used in financing activities</b>	<b>(133,125)</b>	<b>(53,656)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>9,966</b>	<b>(54,378)</b>
Cash and cash equivalents at beginning of period, including restricted cash	85,539	140,549
Effects of foreign exchange rate changes on cash and cash equivalents	(12,650)	(911)
<b>Cash and cash equivalents at end of period, including restricted cash</b>	<b>82,855</b>	<b>85,260</b>
<b>Reconciliation of cash, cash equivalents, and restricted cash reported in the Interim Consolidated Balance Sheet</b>		
Cash and cash equivalents	82,299	85,560
Restricted cash included in other long-term assets	556	665
<b>Total cash, cash equivalents, and restricted cash shown in the Interim Consolidated Statement of Cash Flows</b>	<b>82,855</b>	<b>86,225</b>
<b>Supplemental cash flow information</b>		
Cash paid for income tax	66,289	12,515
Cash paid for interest	2,164	1,343

# Supplemental Reconciliations and Definitions (unaudited)

## Adjusted EBITDA

The reconciliation of Operating income to Adjusted EBITDA is as follows for the six months period ended September 30, 2022 and 2021:

USD in millions, unless otherwise indicated	L+G GROUP AG		AMERICAS		EMEA		ASIA PACIFIC		CORPORATE AND ELIMINATIONS	
	H1 22	H1 21	H1 22	H1 21	H1 22	H1 21	H1 22	H1 21	H1 22	H1 21
<b>Operating (loss) income</b>	<b>10.5</b>	<b>46.3</b>	<b>32.2</b>	<b>35.7</b>	<b>(20.9)</b>	<b>9.5</b>	<b>(0.4)</b>	<b>1.0</b>	<b>(0.4)</b>	<b>0.1</b>
Amortization of intangible assets	28.4	24.3	15.1	15.4	9.2	4.7	0.7	0.8	3.4	3.4
Depreciation	12.1	15.7	5.4	6.3	4.9	6.7	1.2	1.9	0.6	0.7
<b>EBITDA</b>	<b>51.0</b>	<b>86.2</b>	<b>52.7</b>	<b>57.4</b>	<b>(6.8)</b>	<b>21.0</b>	<b>1.5</b>	<b>3.7</b>	<b>3.6</b>	<b>4.2</b>
Restructuring charges	6.5	0.2	0.2	–	0.4	0.2	5.9	–	–	–
Warranty normalization adjustments	(2.5)	(7.2)	(5.2)	(7.3)	2.6	(0.1)	0.1	0.2	–	–
Timing difference on FX derivatives	(6.3)	(8.5)	–	–	(5.6)	(8.0)	(0.7)	(0.6)	–	–
<b>Adjusted EBITDA</b>	<b>48.7</b>	<b>70.8</b>	<b>47.7</b>	<b>50.2</b>	<b>(9.4)</b>	<b>13.1</b>	<b>6.8</b>	<b>3.3</b>	<b>3.6</b>	<b>4.2</b>
Adjusted EBITDA margin (%)	6.7%	10.1%	12.2%	15.4%	(3.8%)	4.4%	7.6%	4.4%		

### Adjusted Gross Profit

The reconciliation of Gross Profit to Adjusted Gross Profit is as follows for the six months period ended September 30, 2022 and 2021:

USD in millions, unless otherwise indicated	L+G GROUP AG		AMERICAS		EMEA		ASIA PACIFIC		CORPORATE AND ELIMINATIONS	
	H1 22	H1 21	H1 22	H1 21	H1 22	H1 21	H1 22	H1 21	H1 22	H1 21
<b>Gross Profit</b>	<b>217.9</b>	<b>240.8</b>	<b>137.9</b>	<b>131.3</b>	<b>59.1</b>	<b>94.4</b>	<b>22.6</b>	<b>19.3</b>	<b>(1.8)</b>	<b>(4.2)</b>
Amortization of intangible assets	8.5	7.4	2.6	2.7	5.2	4.0	0.7	0.7	–	–
Depreciation	9.1	10.7	4.6	5.2	3.9	4.8	0.6	0.7	–	–
Restructuring charges	0.3	0.1	–	–	0.2	0.1	0.1	–	–	–
Warranty normalization adjustments	(2.5)	(7.2)	(5.2)	(7.3)	2.6	(0.1)	0.1	0.2	–	–
Timing difference on FX derivatives	(6.3)	(8.5)	–	–	(5.6)	(8.0)	(0.7)	(0.6)	–	–
<b>Adjusted Gross Profit</b>	<b>226.9</b>	<b>243.3</b>	<b>139.9</b>	<b>131.9</b>	<b>65.4</b>	<b>95.3</b>	<b>23.4</b>	<b>20.3</b>	<b>(1.8)</b>	<b>(4.2)</b>
Adjusted Gross Profit margin (%)	31.1%	34.7%	35.7%	40.5%	26.4%	31.8%	26.3%	26.9%		

### Adjusted Operating Expenses

The reconciliation of Operating Expenses to Adjusted Operating Expenses is as follows for the six months period ended September 30, 2022 and 2021:

USD in millions, unless otherwise indicated	H1 2022	H1 2021
<b>Research and development</b>	<b>84.4</b>	<b>79.9</b>
Depreciation	(1.4)	(2.1)
Restructuring charges	(0.1)	–
<b>Adjusted Research and Development</b>	<b>82.9</b>	<b>77.8</b>
Sales and Marketing	36.0	33.7
General and administrative	67.1	64.1
Depreciation	(1.6)	(2.9)
Restructuring charges	(6.2)	(0.1)
<b>Adjusted Sales, General and Administrative</b>	<b>95.3</b>	<b>94.8</b>
<b>Adjusted Operating Expenses</b>	<b>178.2</b>	<b>172.6</b>