



H1-2022 Financial Results

Cavriago, 9th September 2022



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Landi Renzo has strongly reinforced its capital structure to sustain the Transformation Journey of the Group

Capital increase

- In July 2022 the Landi Renzo's Board of Directors approved the terms, the final conditions and the timetable of the capital increase for consideration, for a maximum total amount of 59,6M€
- The offering to shareholders of New Shares ended in September, with subscription at 98.360% of the issued shares in the Capital Increase framework, for a total value of €58,647,294.16, confirming both the credibility and soundness of the Group's business model
- The Board of Directors has the right to assess the opportunity to offer the remaining newly issued shares by December 31, 2023
- This operation is part of the strategic deal with Itaca Equity Holding, a leading Italian PE, backed by Tamburi Investment Partners and by major Italian family offices. With a new shareholder and a very successful Capital Increase operation, Landi Renzo is ready to pursue the journey to execute the Group's strategic plan and become one of the leading global players in the Energy Transition market

Debt refinancing

On June 29, 2022, Landi Renzo and the financing banks signed an agreement to refinance the entire debt of Landi Renzo:

- The maturity of SACE's loan has been postponed by further 5 years, with an interest-only period of two years
- An original financing of 65M€, of which 46M€ left to be paid, has been replaced with a new contract for 52M€, lasting 5 years with a 24 months interest-only period, to be operational by September 30, 2022

The Group is working on several fronts to capture the benefits offered by the market and build sustainable growth, with expected improvements already in H2 2022

Green Transportation (Automotive)

- After Market global demand increase
- M&HD market is stable, with China sales still affected by LPG prices and lower logistics demand
- The Indian CNG maintains a constant growing trend, with large ongoing investments to build the distribution network

Clean Tech Solutions (Infrastructure)

- The order book remains solid with good perspective for the year and the coming future
- Growing demand for RNG applications in both Europe and US
- Growing investments in CNG infrastructure along the full value chain

Hydrogen (Group)

- Landi Renzo announced an agreement with FPT Industrial for the development of an innovative solution that will allow mixing hydrogen and natural gas (i.e.: Hydro-methane) directly on-engine
- There is a growing demand for hydrogen applications for different vehicle types (LCV, M&HD)
- SAFE&CEC is consolidating its positioning in a growing Hydrogen infrastructure market, with different strategic commercial agreements and new applications ready for release

Operational improvement (Group)

- The Group has started reinforcing its Management Team to speed up operational improvement and strategic plan execution, focusing on business development, Ebitda improvement and cash generation, with positive impact expected by end of 2022
- Several projects have been launched to reduce the impact of supply chain constraints, with focus on electronics as well as working capital optimization
- The integration of newly acquired businesses (Metatron and Idro Meccanica) is proceeding at a rapid pace, with expected synergy benefits to be caught in the short term

In H1 both revenues and adj. Ebitda grow by about 50%, thanks to the expanded perimeter

M€; %	Green Transportation	Clean Tech Solutions	LRG	H1 2021	delta	delta %
	H1 2022	H1 2022	H1 2022			
Revenues	93,8	50,6	144,4	96,0	+48,5	+50,5%
Adj. EBITDA	3,3	3,2	6,5	4,5	+2,0	+46,1%
<i>% on rev.</i>	<i>3,5%</i>	<i>6,4%</i>	<i>4,5%</i>	<i>4,7%</i>		
EBITDA	2,2	3,1	5,3	3,6	+1,7	+49,0%
<i>% on rev.</i>	<i>2,3%</i>	<i>6,2%</i>	<i>3,7%</i>	<i>3,7%</i>		
EBIT	-5,1	1,7	-3,4	-3,5	+0,1	+2,8%
<i>% on rev.</i>	<i>-5,5%</i>	<i>3,4%</i>	<i>-2,4%</i>	<i>-3,7%</i>		
EBT			-6,1	2,7	-8,7	<i>n.a.</i>
<i>% on rev.</i>			<i>-4,2%</i>	<i>2,8%</i>		
Net Result			-6,6	2,1	-8,7	<i>n.a.</i>

Highlights

- **Revenues** growth by more than 50% thanks to the new perimeter, as well as to the increase of the infrastructure business segment. On a comparable basis, Group's turnover increased by 12,5% YoY
- **Adj. EBITDA growth by almost 50%, even if** affected by supply chain shortages, raw materials and energy cost increases on all businesses

Green Transportation business results improve even if in a difficult economic and geopolitical context

Green Transportation (Automotive)

M€ ; %	H1 2022	H1 2021 ⁽¹⁾	delta	delta %
Revenues	93,8	76,9	+16,9	+22,0%
Adj. EBITDA	3,3	1,7	+1,6	+90,4%
% on rev.	3,5%	2,3%		
EBIT	-5,1	-5,7	+0,6	+9,6%
% on rev.	-5,5%	-7,4%		
NWC	49,4	44,1 (*)	+5,3	
NFP ⁽²⁾	118,5	91,1 (*)	+27,4	

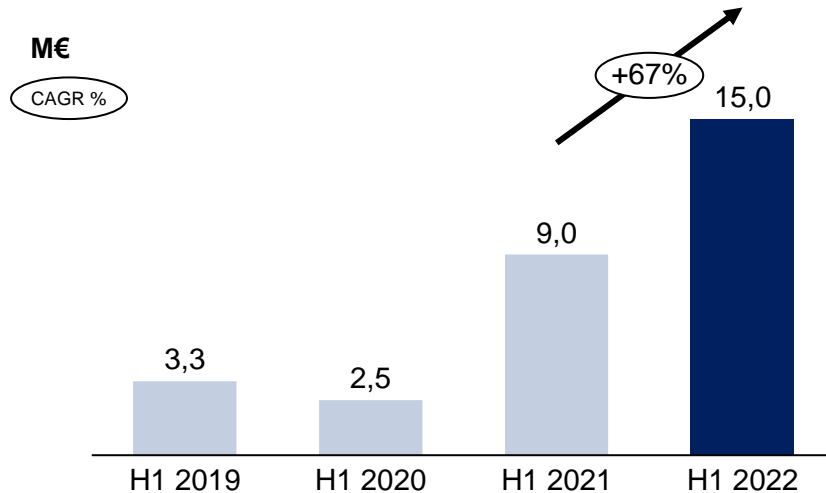
(*) at 31.12.2021, including Metatron

Highlights

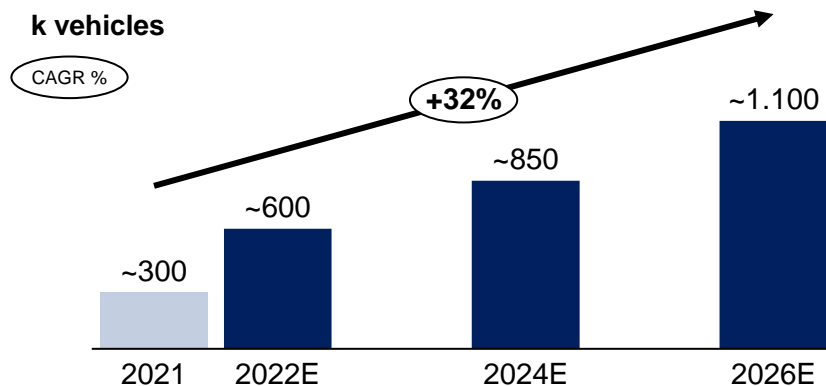
- **Revenues increase by 16,9M€ YoY:**
 - AM: growth of the LPG segment driven by the price difference with petrol, while the conflict in Ukraine has negatively impacted on CSI market performance
 - M&HD: strong performance in the US, while the high price of LNG hampers sales in China
- **Adj. EBITDA** is improving thanks to higher margin from M&HD sales, even if still affected by the increased cost of raw materials not fully transferred to final customers, especially in the OEM segment. New plan launched to consistently improve adj. Ebitda in H2
- **NWC** increase is mainly due to the new consolidation perimeter and to the need to stock difficult to source components. New initiatives launched to reduce NWC in H2, with expected positive impact on cash generation
- Results do not include performance of the Indian JV KLR

Revenues of the Indian JV KLR, not consolidated, growing by almost 70% YoY thanks to positive local market conditions

KLR revenues



Growth potential of the Indian CNG market



Highlights

- The **Indian CNG market keeps flourishing**, as Natural Gas infrastructure is being developed all over the Country
- **KLR revenues** grow even faster than the market, thanks to a very strong positioning with leading OEM customers, and the addition of new carlines

SAFE&CEC revenues grow by 18,8%

Clean Tech Solutions	M€ ; %	H1 2022	H1 2021 ⁽¹⁾	delta	delta %
	Revenues		50,6	42,6	+8,0
Adj. EBITDA		3,2	3,4	-0,2	-5,9%
% on rev.		6,4%	7,9%		
EBIT		1,7	1,4	+0,3	+21,4%
% on rev.		3,4%	3,4%		
NWC		18,0	9,6 (*)	+8,4	
NFP ⁽²⁾		17,1	4,0 (*)	+13,1	

(*) at 31.12.2021

Highlights

- **Revenue increased 18,3% YoY, thanks** to the growth on CNG (+14%), RNG (+127%) and new revenues in Hydrogen thanks to Idro Meccanica
- **Adj. EBITDA** reduction due to the increased cost of raw materials and to the postponement of deliveries caused by electronic components shortages
- **NWC** increase mainly due to the need of stocking larger quantities of low-availability components and by the increased volumes. All WIPs are covered by orders
- **NFP** impacted by the acquisition of Idro Meccanica and by the NWC increase
- A plan to **improve operational effectiveness** and reduce time to market has been launched, with expected results on both margin, NWC and cash

Landi Renzo Group's net debt increase primarily linked to extraordinary activities

M€	2021		30.6.2022
	28,0	Cash liquidity (+)	20,7
		Current Financial Assets (+)	
	-103,7	Short-term debt (-)	-70,1
	-19,5	Long-term debt (-)	-86,2
	-95,1		
		NFP net of IFRS 16 and derivatives and of debt for the acquisition of Metatron and Idro Meccanica	-135,6
	-25,4	Debt for share capital acquisitions (-)	-8,0
	-12,8	Financial Lease (-)	-16,0
	-0,1	Derivatives (+/-)	+0,9
	-133,5	NFP(1)	-158,7

Highlights

- NFP grew mainly because of the increase in working capital related to the need of stocking components to counter supply chain disruptions, and the acquisition of Idro Meccanica. Capex in line with 2021
- Short-term debts of 2021 have been reclassified under long-term debts upon request to the financing banks through consent letter
- The debt for share capital acquisitions consist in residual 7,3M€ for Metatron and 0,7M€ for Idro Meccanica
- Net debt does not include the effect of the capital increase
- In H2 the NPF is expected to decrease due to the impact of the operational improvement plans as well as to the effect of the capital increase

Landi Renzo S.p.A.
Headquarter

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Landi Renzo - Company profile

BOARD OF DIRECTORS

Stefano Landi – Chairman
Sergio Iasi – Deputy Chairman
Cristiano Musi - CEO
Andrea Landi - Director
Silvia Landi - Director
Massimo Lucchini – Director
Anna Maria Artoni – Independent Director
Sara Fornasiero - Independent Director
Pamela Morassi – Independent Director

TOP MANAGERS



INVESTOR RELATIONS

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SHARE INFORMATION

Euronext STAR Milan segment of Borsa Italiana

N. of shares outstanding: 220.281.064

Price as of 09/09/2022: €0,526

CONSOLIDATED P&L

(thousands of Euro)

CONSOLIDATED INCOME STATEMENT	30/06/2022	30/06/2021
Revenues from sales and services	144,446	95,962
Other revenues and income	484	874
Cost of raw materials, consumables and goods and change in inventories	-87,949	-59,643
Costs for services and use of third-party assets	-26,836	-17,841
Personnel costs	-22,515	-14,436
Allocations, write downs and other operating expenses	-2,322	-1,534
Gross Operating Profit	5,308	3,562
Amortization, depreciation and impairment	-8,724	-7,076
Net Operating Profit	-3,416	-3,514
Financial income	55	86
Financial expenses	-3,531	1,937
Exchange gains (losses)	826	-595
Income (expenses) from equity investments	-138	8,783
Income (expenses) from joint venture measured using the equity method	143	-138
Profit (Loss) before tax	-6,061	2,685
Taxes	-557	-627
Net profit (loss) for the Group and minority interests, including:	-6,618	2,058
Minority interests	214	517
Net profit (loss) for the Group	-6,832	1,541
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0.0607	0.0137
Diluted earnings (loss) per share	-0.0607	0.0137

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

ASSETS	30/06/2022	31/12/2021 restated
Non-current assets		
Land, property, plant, machinery and other equipment	14,376	14,977
Development expenditure	11,432	12,222
Goodwill	80,707	73,256
Other intangible assets with finite useful lives	18,544	19,543
Right-of-use assets	15,105	11,991
Equity investments measured using the equity method	2,171	2,028
Other non-current financial assets	813	882
Other non-current assets	1,988	2,556
Deferred tax assets	12,392	12,694
Assets for derivative financial instruments	888	0
Total non-current assets	158,416	150,149
Current assets		
Trade receivables	64,074	66,048
Inventories	80,697	68,896
Contract work in progress	29,256	15,653
Other receivables and current assets	15,050	14,443
Cash and cash equivalents	20,694	28,039
Total current assets	209,771	193,079
TOTAL ASSETS	368,187	343,228

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

SHAREHOLDERS' EQUITY AND LIABILITIES	30/06/2022	31/12/2021 restated
Shareholders' Equity		
Share capital	11,250	11,250
Other reserves	45,078	44,615
Profit (loss) for the period	-6,832	-1,020
Total Shareholders' Equity of the Group	49,496	54,845
Minority interests	6,530	5,738
TOTAL SHAREHOLDERS' EQUITY	56,026	60,583
Non-current liabilities		
Non-current bank loans	59,467	10,174
Other non-current financial liabilities	26,724	9,320
Non-current liabilities for right-of-use	12,775	10,197
Provisions for risks and charges	5,126	4,535
Defined benefit plans for employees	3,740	3,977
Deferred tax liabilities	1,327	1,452
Liabilities for derivative financial instruments	0	99
Total non-current liabilities	109,159	39,754
Current liabilities		
Bank financing and short-term loans	49,849	103,408
Other current financial liabilities	20,298	274
Current liabilities for right-of-use	3,190	2,624
Trade payables	88,344	82,886
Tax liabilities	3,456	3,758
Other current liabilities	37,865	49,941
Total current liabilities	203,002	242,891
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	368,187	343,228