






























The Clean Air Group
Driving the Future

**Landi Renzo Group Presentation
STAR Conference 2019**

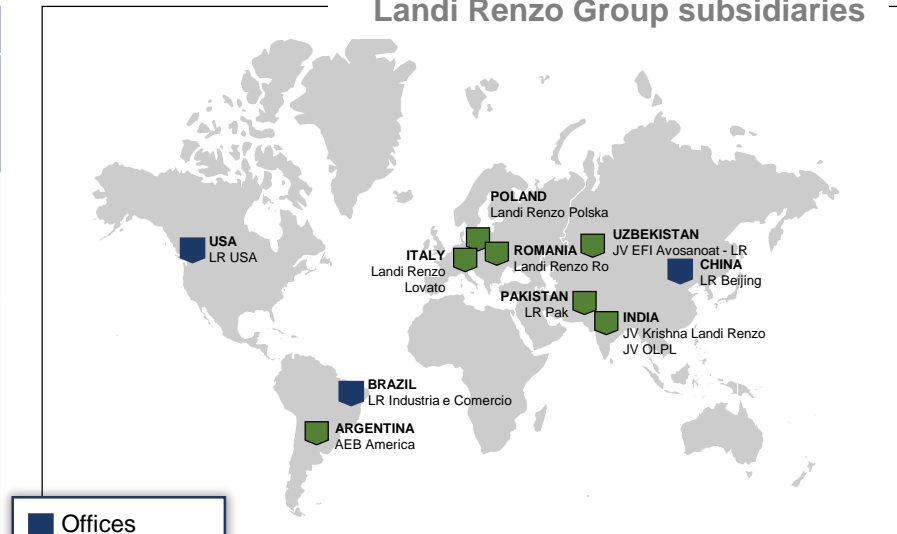
Milan, March 20th 2019

Landi Renzo Group designs, produces and distributes at worldwide level highly advanced integrated solutions, from gas distribution infrastructures to alternative fuel systems

Automotive sector		Infrastructures
OEM	After Market	Natural gas distribution and compression
 <ul style="list-style-type: none"> • Full CNG and LPG systems • LPG, CNG and LNG components • R&D to support Alternative Fuel evolution 	    <ul style="list-style-type: none"> • Full CNG and LPG conversion kits • Components and systems for CNG and LPG conversion • Diesel Dual Fuel technology for Bus&HD 	  <ul style="list-style-type: none"> • Landi Renzo owns 51% (49% owned by Clean Energy Fuels, NASDAQ: CLNE) of the Joint Venture • Equipment for Biomethane and CNG infrastructure • Ready to enter LNG distribution business

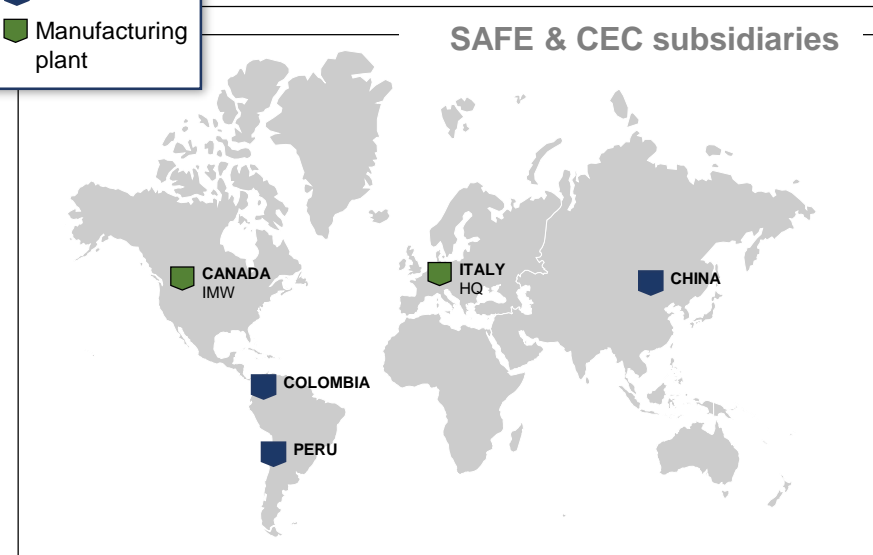
<ul style="list-style-type: none"> • World largest OEM Tier 1 supplier          	<ul style="list-style-type: none"> • More than 300 distributors and 4000 workshops worldwide • Partnership with Uber in Brazil to convert drivers' cars 	<ul style="list-style-type: none"> • Installed base of more than 5500 compressors         
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Landi Renzo Group subsidiaries



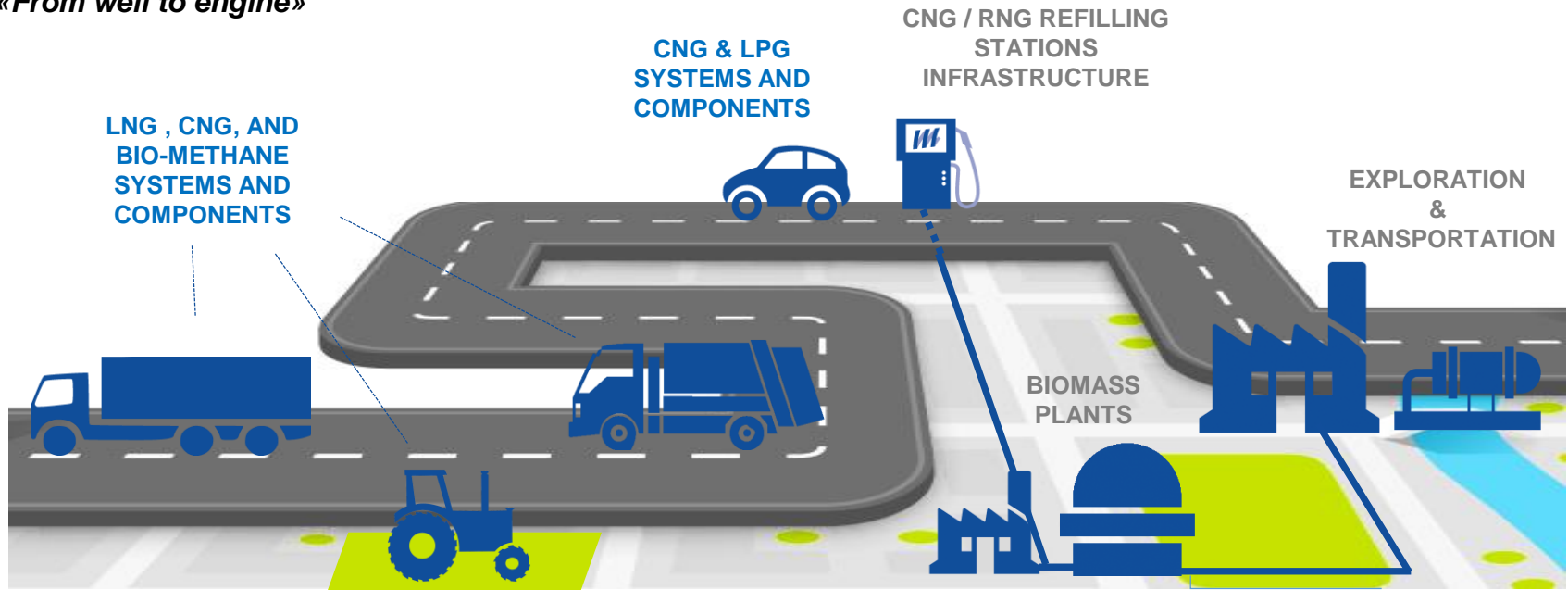
 Offices
 Manufacturing plant

SAFE & CEC subsidiaries



In a world that demands sustainable development, LRG is at the forefront with concrete solutions to create a cleaner environment today and in the future

«From well to engine»



Automotive

- **Unique expertise in modifying powertrains and vehicles lay-out (Passenger cars, LCV and HDs) to make it running on gas (CNG, LNG, LPG, Biomethane)**
- **Full system integration** of gas components into the system
- **Development and production** of CNG / LNG / LPG **components** for passenger cars and Medium & Heavy Duty vehicles

Infrastructure

- **Gas treatment** (reinjection, gas flare, ...) during all upstream process phases, including gas transportation along pipelines
- **Bio-methane production** from biogas at biomass plant, and grid reinjection
- **Refueling stations** full infrastructure

Gas, in its different forms, brings consistent advantage over conventional fossil fuels

LPG

PROPANE & BUTANE

- It is a mixture of propane and butane in different %
- **Cost-efficient solution** compared to gasoline, easy-to-install equipment in vehicles
- **CO₂ emissions reduced** up to 12-15% compared to petrol, reduction of PM del 90%
- Broadly **available refueling infrastructure** in selected markets (mainly Eu, Russia & CIS, North Africa and Turkey)

CNG

COMPRESSED NATURAL GAS

- Composed exclusively by **methane**, which can be directly extracted from the large reserves around the globe
- **CO₂ emissions reduced** up to more than 20% compared to petrol and gasoline, strong **reduction up to 99% of PM and NOx**
- **Widespread refueling infrastructure** rapidly increasing in countries such as Eu, India, Russia, and Mexico

LNG

LIQUEFIED NATURAL GAS

- It is the **obtained through CNG liquefaction**, stored at -160° C
- It allows **efficient transportation** and to make Gas available in regions not reached by pipelines
- Much more **convenient in terms of energy density**, it is the preferred choice for **long-range transportation** (HD, but also ships or trains)

RNG

RENEWABLE NATURAL GAS

- Composed by **methane produced by renewable sources**, such as biomasses
- Can be **consumed at the production site** (eg.: for transportation or energy production) **reinject**ed in the grid or **liquefied** into LNG
- It represents the best choice to create a circular economy with virtually no carbon footprint impact

H₂

HYDROGEN

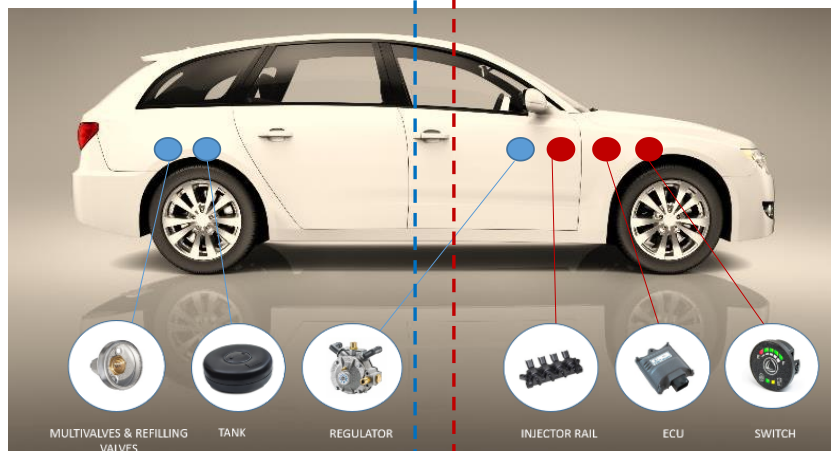
- Hydrogen gas does not contain any carbon and it is therefore the **most efficient fuel for decarbonization**
- It can be produced using renewable energy, and used as a fuel for transportation and energy production
- Stored in compressed form, it is a very efficient mean of conservation – and transport – of energy
- Considered the fuel of the future and a less impacting alternative to battery electric vehicles

LRG is a global provider of highly engineered clean fuel solutions for Heavy Duty and Passenger Car

Passenger Car – LPG & CNG

High Pressure

Low Pressure



Heavy Duty – LNG & CNG

Low Pressure

High Pressure



- Landi Renzo has a consolidated expertise on the integrated development of clean fuel solutions:
 - **Know-how of complete fuel system layout for different technologies and applications** (Passenger cars, Bus & Heavy Duty, Off-road vehicles)
 - **Deep understanding of engine control strategy and system**, to optimize the performance-to-consumption ratio
 - Constant upgrade to **lead clean automotive evolution and full compliance to the most stringent emission regulations**
- Landi Renzo Group is **entering the Hydrogen - Fuel Cell segment with integrated systems and components**, collaborating with leading companies in the segment

Safe-CEC produces and sells CNG compression's applications for CNG and RNG, starting to enter into LNG

CNG Infrastructure



High flow rate CNG stations for trailers. Solution based on heavy duty compressors, high efficiency and performances. Driven by EM or GE.



Mechanical or hydraulic compressors are suitable for daughter stations to meet the customer needs.



Turn-key equipment for trailer installations that doesn't need external power supply.

Application for RNG



Raw gas booster for biogas boosting integrated in the upgrading plant able to manage very low pressure. Special materials suitable for wet and corrosive gas applications.

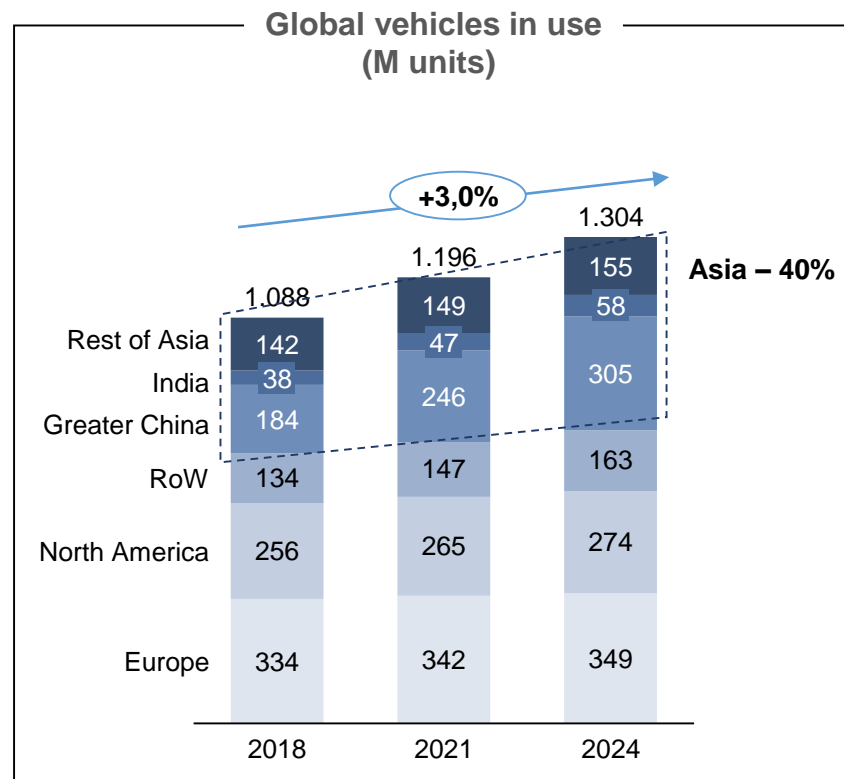
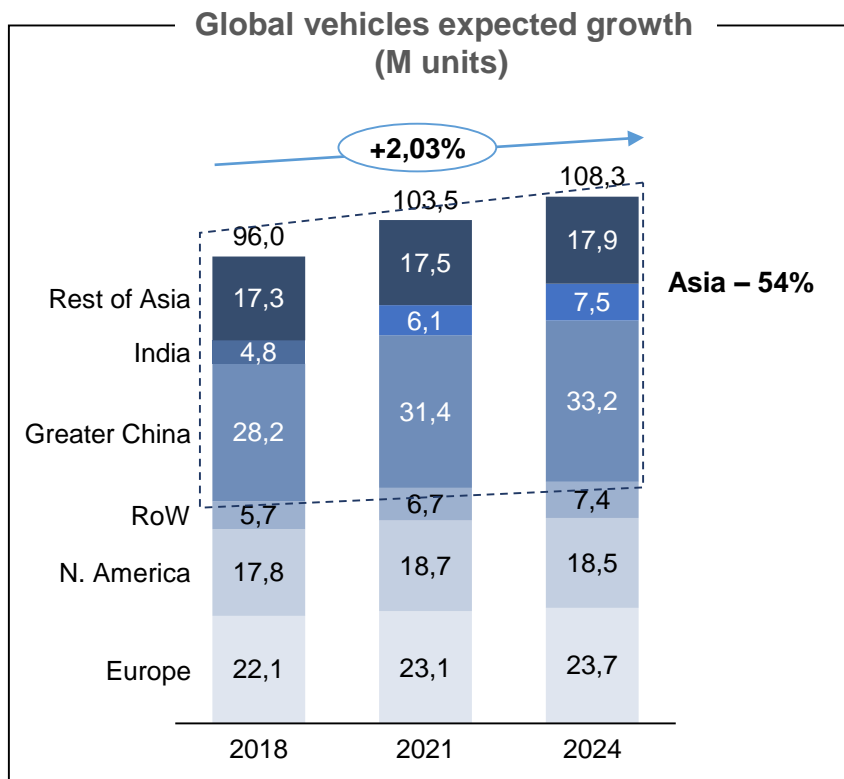


Grid injection Compression system able to work with all different biogas upgrading plant in term of technologies and performances. Heavy duty compressors suitable for 24/7 applications.



RNG stations for trailers refilling and public or private fleets. Solution based on heavy duty compressors for the highest performances and efficiency. Driven by electric motor with variable speed.

World Passenger Vehicles sales are steadily growing, expected to reach 108M by 2024, with more than 1,3bn circulating cars in 2024 with diesel declining



- Many European OEMs are seeing **gas-mobility a reliable “bridge”** towards EVs but also are funding a consistent part of their **next year sales on alternative fuels** (mainly LPG but also CNG). Until now **LPG has played a leading role** in gas-mobility for passenger cars and it is foreseen it will continue in the next 5 years
- In other parts of the world, like **India, Russia, Rest of Asia, LatAm & Mexico**, passenger car gas-mobility is considered even more as one of the main fuel for future mobility, also supported by incentives and investment on the infrastructure
- Vehicles in use keep constantly growing, offering a **large market potential for After Market sales**

The automotive industry is facing a transformational time with different challenges and opportunities for suppliers



Environmental protection awareness

- Tighter Emission limits requires **expensive systems**, even for OEMs
- **Declining sales of diesel** vehicles forcing OEMs to find quick, efficient and cost-competitive solutions



New technologies are transforming the automotive sector

- Regulations are pushing technology towards alternative powertrain configurations (BEV, Hybrid, CNG-LNG, Hydrogen/fuel cell), requiring dedicated **infrastructure developments**
- Buying decision will be affected by **different factors** based on **geographical area** (US, Europe, China and RoW), **consumer segments** (mass, premium) and **habits, with a specific attention to TCO**



Transformation of the automotive value chain

- Upcoming Automotive Industry “disruption” will fundamentally **change the Industry** requiring the need to rethink overall strategy
- **OEMs** will need to sustain historical higher level of investment in R&D, with **Suppliers success factors** will be the **capacity to innovate** and add value to OEMs, while implementing a lower operating cost base

Gas-mobility will play a key role in this changing scenario, representing a real & “ready-to-use” in all vehicles segments

Gas-Mobility as a “ready-to-use” solution	Main Evidences	<ul style="list-style-type: none"> • Gas-mobility (CNG / LNG / LPG / RNG) represents for Passenger Cars and Heavy Duty segments a the key technological solution for the very next future of automotive evolution, with long-term perspectives, along with other alternative fuel technologies (Hybrids, BEVs, FCEVs, ...). • Gas-mobility represents for OEMs a ready-to-use solution, with no specific need of high level of R&D investments • Gas-mobility helps (i) OEMs, to immediate average emission reduction (ii) users, thanks the most favourable TCO, compared to existing technologies
	Critical Success Factors	<ol style="list-style-type: none"> 1. End User Acceptance - Passenger Cars and Heavy Duty End Users are valuing the TCO (efficiency) the first criteria for choosing G-Mobility 2. OEMs Offering - Nowadays OEMs are offering a large set of models both in Passenger Cars and Heavy Duty segments: every day we assist to new gas-powered heavy duty powertrains and cars launches 3. Oil Price - Oil price plays an important role for maximizing End Users purchasing propensity towards Alternative Fuel vehicles: current forecast projects oil price stable 4. Gas Distribution Infrastructure - availability / evolution is the fundamental element enabling G-Mobility affirmation both in Passenger Cars and Heavy Duty segments CNG / LNG networks present important evolution plan in most of worldwide regions

Alternative Fuelled (LPG & CNG) Passenger Cars sales are still a niche, expected to grow in the next years

OEM Segment

- Currently estimated in **1-1,5% of total new sales**, to reach up to 5%, and even more depending on the development of infrastructure in specific markets (eg. India)
- Almost all main OEMs have CNG / LPG cars in the catalogue, with strong growth in emerging market
- Current OEMs CNG / LPG programs cover 2022 – 2025 horizon: **next years' demand is expected to grow having OEMs leveraging Alternative Fuels Cars offering as important part of their own offering**

Strategic Approach:

- **Europe**: mature market but with potential growth, **consolidate LPG leadership**; follow closely work with other stakeholders to **boost CNG evolution** and evaluating also hybrid-gas solution as a potential evolution
- **LatAm, India, Russia and MEA**, achieve leadership position through organic growth; while also consolidating JV in India

After Market Segment Overview

- **Estimated market size of 2,1 – 2,3 million conversions / years**, it will benefit from the ageing of the car fleet in use and from infrastructure development, with **LR market share estimated in 25%**
- **Very profitable business**, a “cash cow” for alternative fuel solutions providers **with low costs of evolution but entry barriers represented by technology and dealers/workshops networks** (more than 300 and 4000 for LRG)
- **Stable business** in terms of volume having, in the mid term (5 years), **areas with decreases compensated by areas with high increase**
- **Increasing competition at global level**

Strategic approach

- Consolidate position in Europe, while growing organically in LatAm, India and MEA
- Innovate to offer new products (eg. sensing, AM hybrid system, ...)

Heavy Duty is the only alternative fuel to diesel with expected strong increase in the next years, due to emission and TCO

Heavy Duty Segment Overview

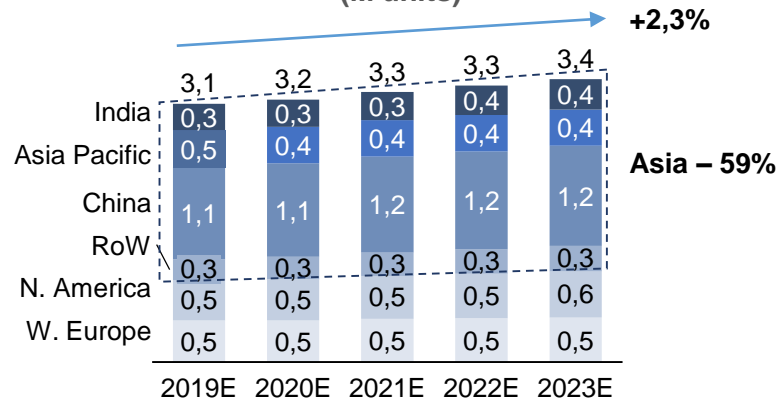
- CNG/LNG solutions are the **unique way to reduce emissions and reduce transportation cost**
- Further emission reduction will be fostered by the growth of RNG
- Almost all the OEMs have **already developed ready-to-use dedicated monofuel gas-powered-engine**, for both on-road and off-road application
- An increasing number of Bus and Refuse Collectors fleets worldwide will run on gas, with other public transportation vehicles
- **Only for commercial vehicles “last mile” transportation battery electrical engines** are a potential solution

Advantages of gas for the Heavy Duty Segment

- In the **Heavy Duty** segment, Gas represents the **unique solution**
- Gas engine gives **advantage**:
 - to vehicle owners in **terms of TCO**
 - to OEM in terms of **emission reduction**
- Gas network is the **most complete among Alternative Fuels** with LNG and CNG networks under development in many countries, with **development of Biomethane and bio-LNG** to strengthen the use of GAS to reduce emission (CO₂, NOx and GHC)
- Probable development of Hybridization, in combination with gas-powered engines, with LR potentially active in this market niche
- **Starting from 2030 Hydrogen** is seen as another alternative to diesel, much more than BEVs

Natural Gas Heavy Duty market rapidly growing, with strong potential for Landi Renzo

Global M&HD expected sales (M units)



CNG / LNG Fueled Heavy Duty Components Business segment

	2019E	2023E
CNG / LNG HD Sales (units)	0,15 M	0,5/0,6 M
CNG / LNG HD market value (€; 1,1–1,2KEur / Vehicle)	€ 155 M	€ 500-680 M

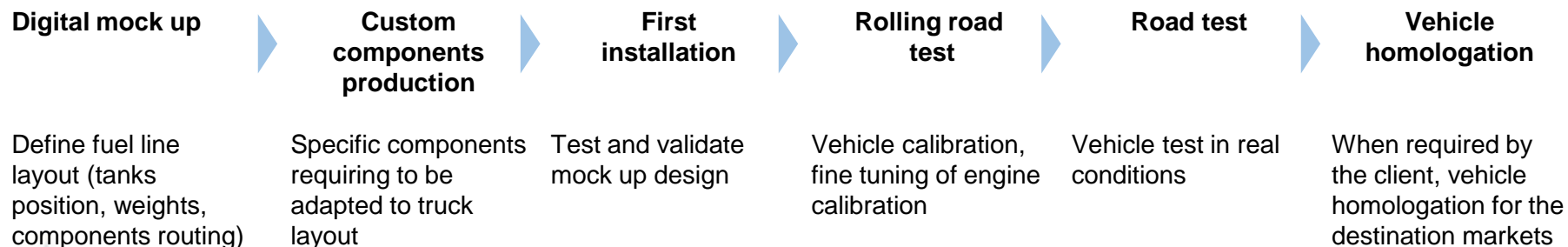
Landi Renzo highlights

- Gas-fuelled HD vehicles expected to reach **15-20% of total sales by 2021-2022**
 - **Rapidly growing market**, especially in **China** (35% of total), follow by Europe and US, but with also increasing demand from India, Russia and LatAm
 - **LNG represent ~75%** of gas fuelled Heavy Duty vehicles
- Alternative fuels components price estimated at 1,1-1,2 K€ per vehicle
- **Landi Renzo market share** targeting to reach up to **25% by 2021**
- LRG strategic approach:
 - Become **market reference** investing on its historical capabilities as a system integrator and powertrain components **even through inorganic growth**
 - Value opportunities to **expand product offering** to «full system integration and packaging customization» even through partnership

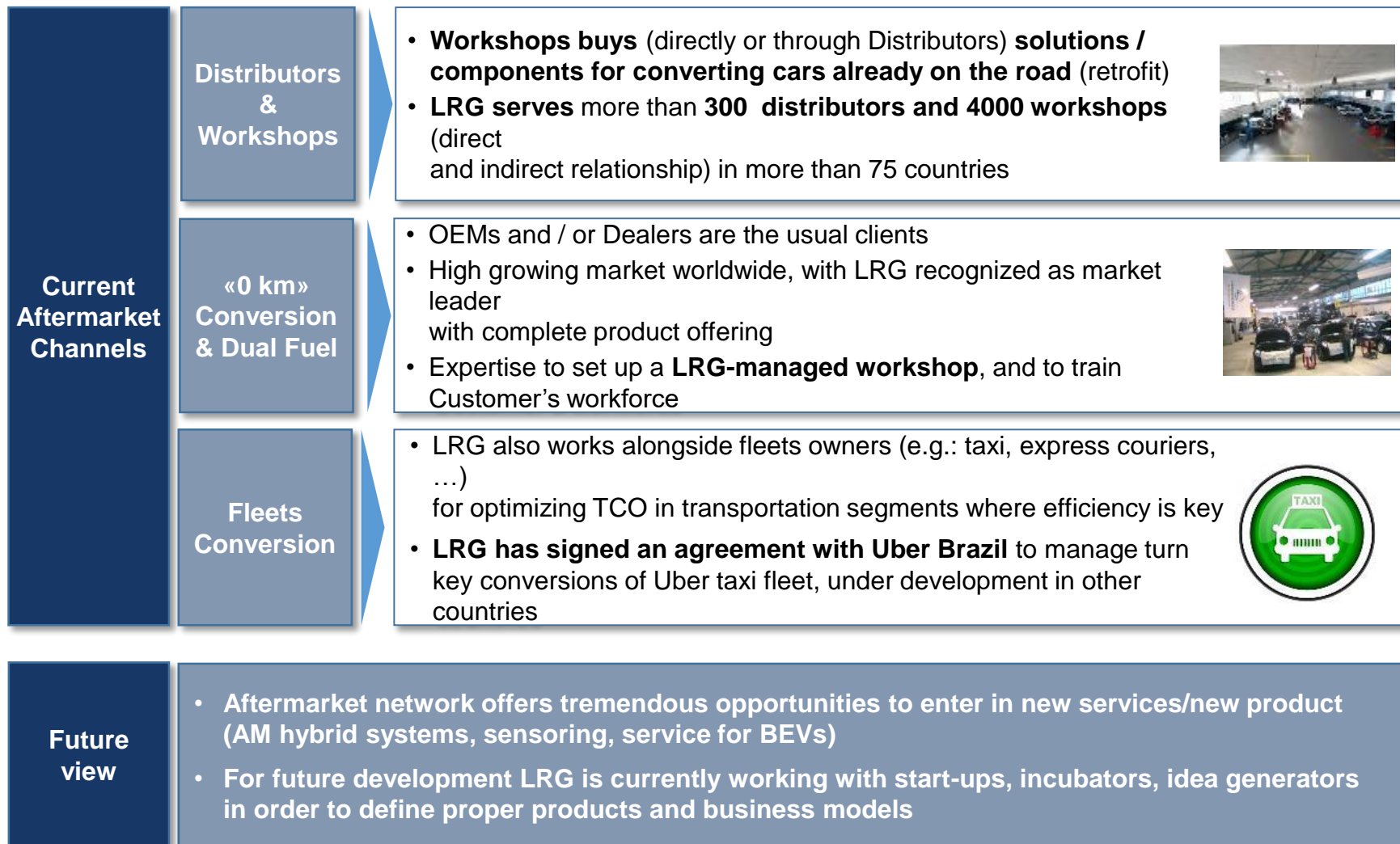
Heavy-Duty fuel system integration: create value offering tailor-made system technology for HD vehicles powered by natural gas



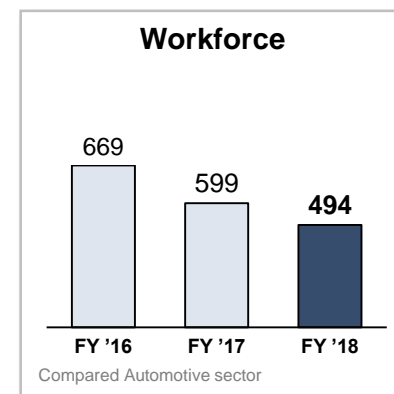
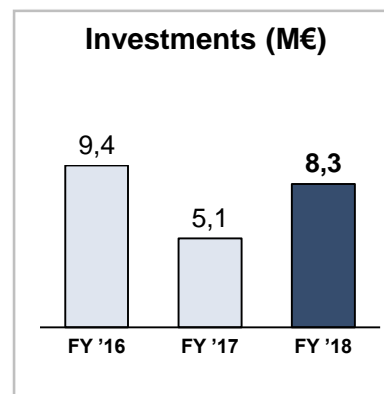
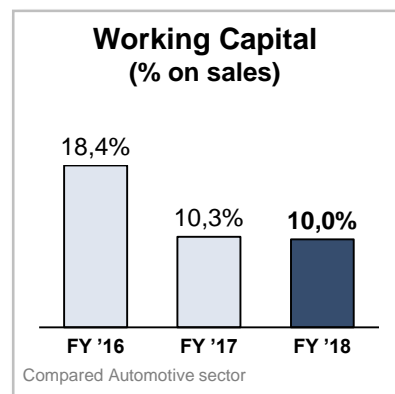
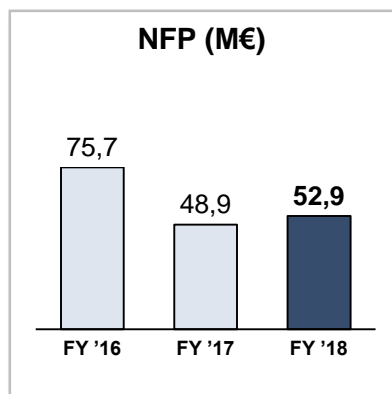
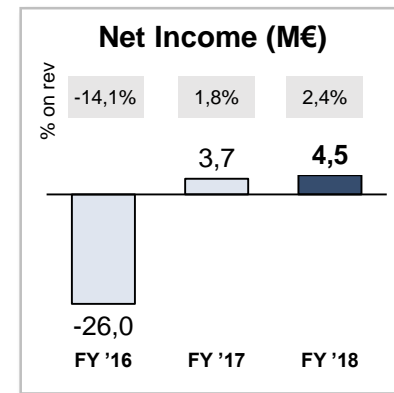
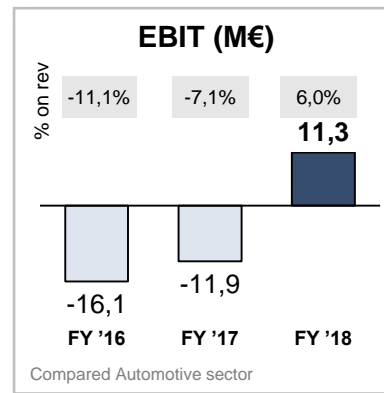
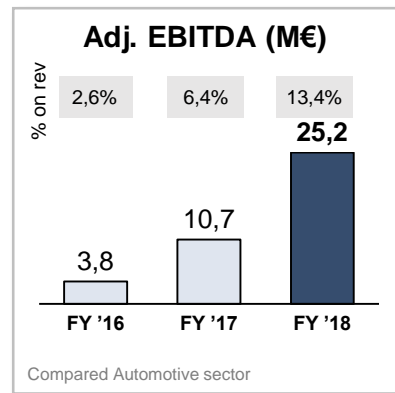
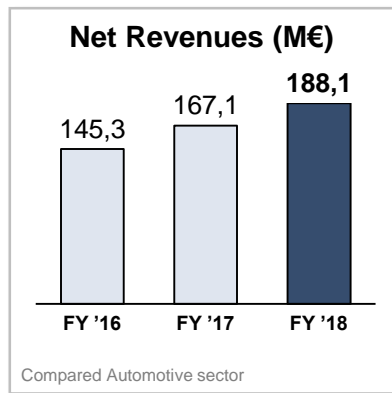
Complete system Integration of components and subsystems into a fully functional clean truck, from 3D design to homologation



After Market is the historical segment for Alternative Fuel vehicles embracing both LPG and CNG solutions

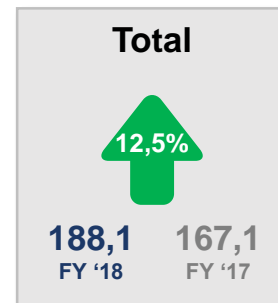
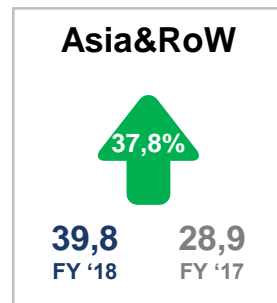
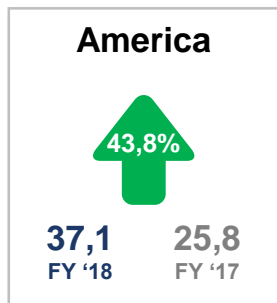
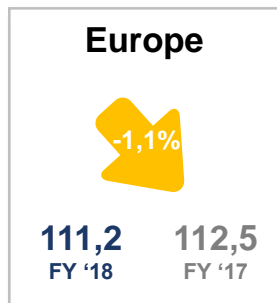


FY 2018 summary – automotive sector

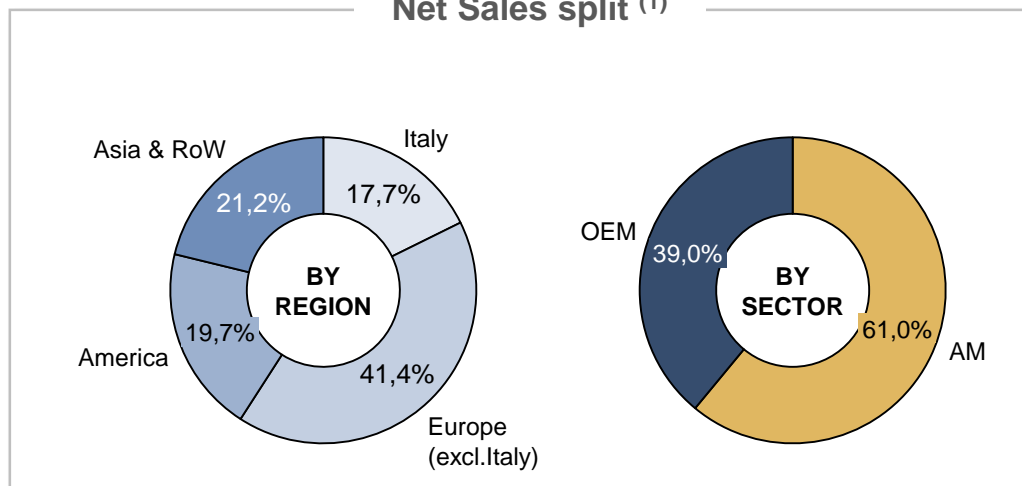


Net Sales summary

M€; %



Net Sales split ⁽¹⁾

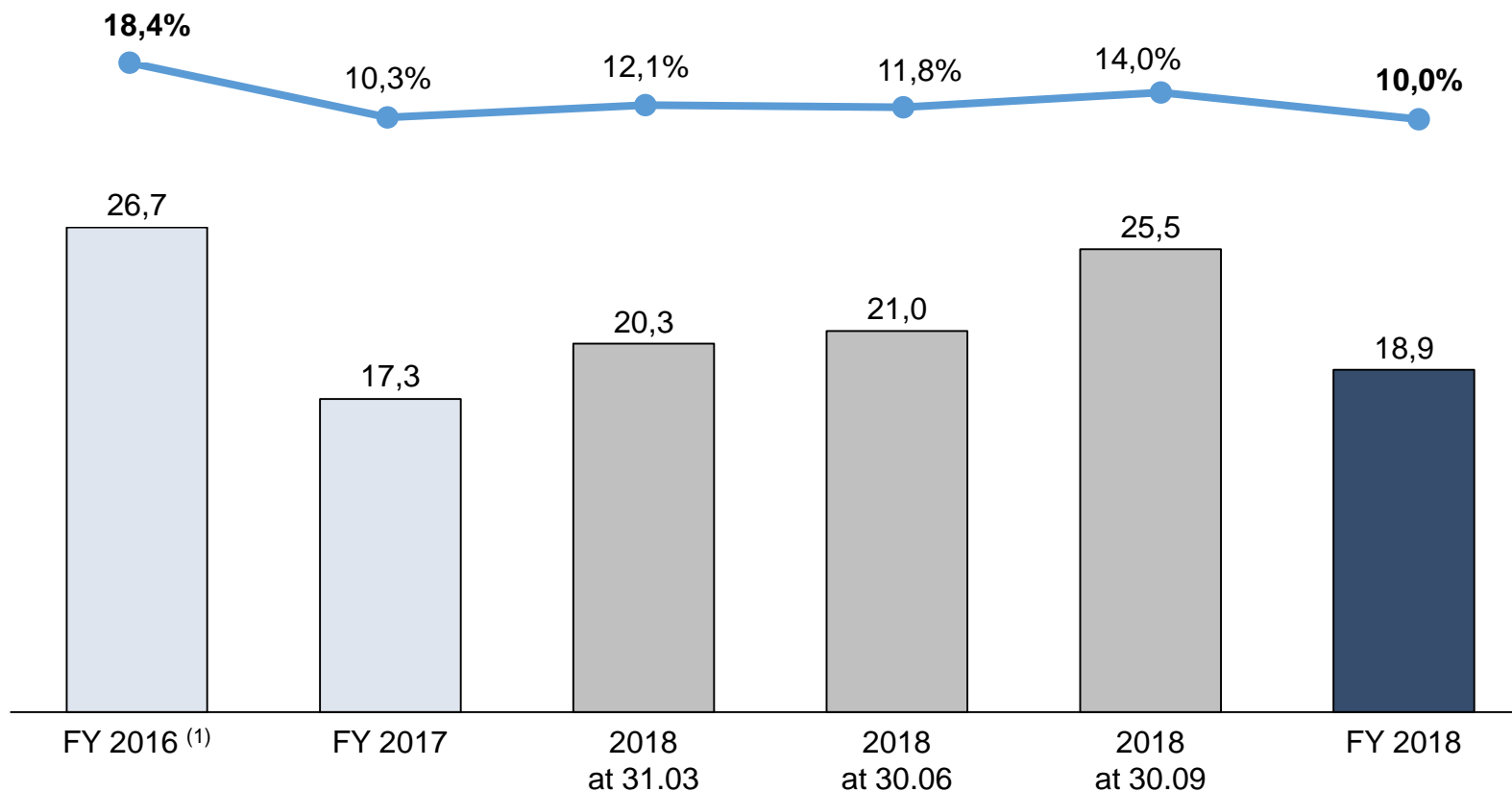


Highlights

- **Growth** concentrated in **LatAm** and **N. Africa** in the After Market segment
- **Good performance of the European OEMs**, with LPG keeping momentum
- Europe revenue decrease mostly due to Turkey currency situation, despite a **strong performance in Poland**

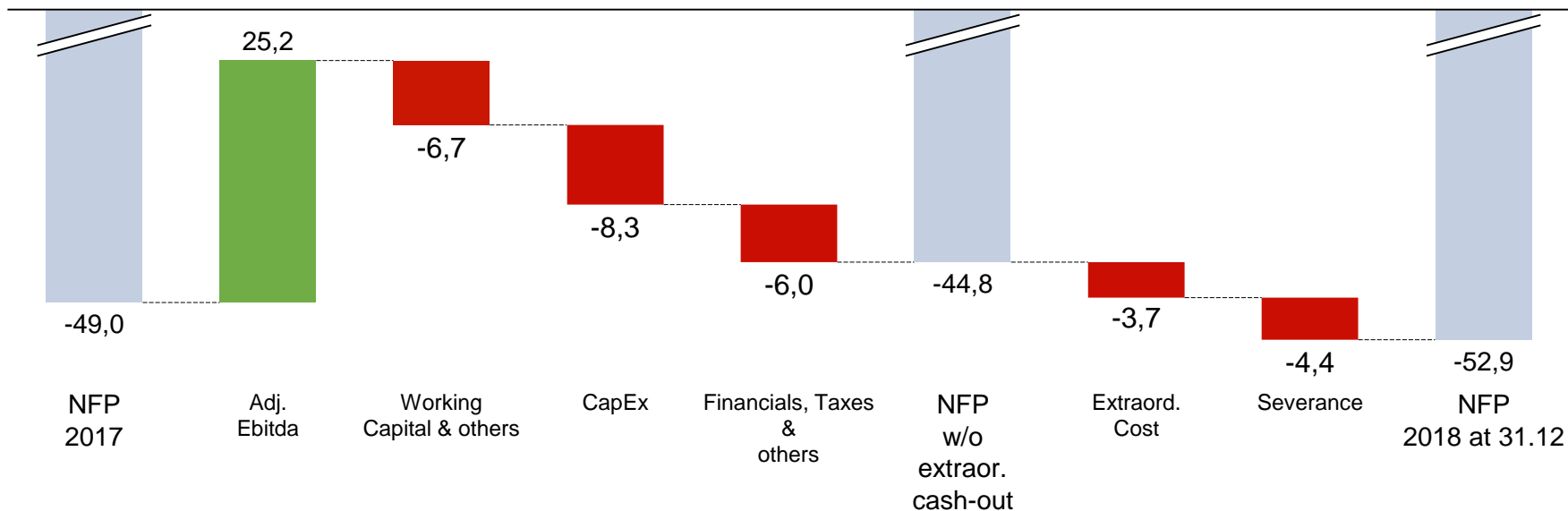
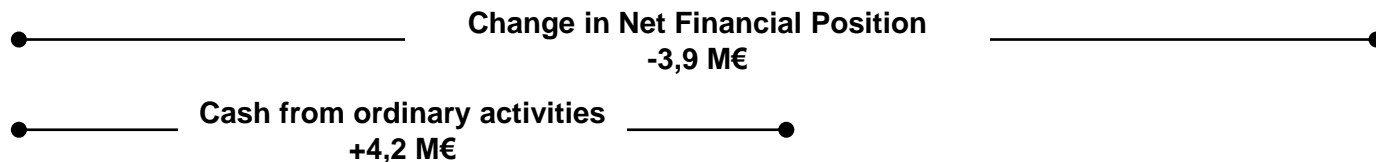
Working Capital remains stable as planned, in line with very-best practices in the Automotive sector

M€, % on rolling revenues 12M



FY '18 NFP walk: ordinary activities generated a positive cash flow of 4,2M€, after having invested 8,3M€ mainly on R&D

M€



Main events and market drivers with Gas-mobility to strengthen its importance in the years to come



Worldwide increasing focus on climate change, with high **investments in different areas** and growing attention to **Biomethane/RNG**. **Gas-mobility** is the **ready-to-use solution** to **reduce emission worldwide and improve users TCO**, with **high expected growth on HDs**



LPG and CNG as a solution for European **OEMs to respect CAFE** and as main solution for the **mobility of the future in India, LatAm and Russia** with growing interest by fleets to convert to gas with “UBER model” as a reference



HDs gas powertrain to increase its share on total sales, with LRG to strengthen its cooperation with some of the main players in the industry, complete product range and starting new SOP



LRG to strengthen the collaboration with top market players for the development of dedicated systems and components for **Hydrogen mobility**



Continue investments on the **infrastructure both for CNG, LNG and Biomethane** production and distribution, with **SAFE&CEC** engaged as **market leader on main projects worldwide**

We aspire to bring clean mobility towards the future, making it closer every day

Power to Innovate



- Be the technology leader by strengthening our **Power to Innovate** in the new mobility scenario
 - Be a **trusted partner for OEMs worldwide** by developing gas-powered and hydrogen solutions, exploiting deep knowledge on system integration and components development
 - Develop our network of 4.000 workshops worldwide to be the leading point of reference for **Clean Mobility AM**, enlarging our offering to include other service and technologies
-

Resource and talent



- Maintain a strong focus on **efficiency** and **continuous improvement in everything we do** as a company standard
 - Strengthen our current financial situation to **reduce average cost of funds**, and improve capital optimization having a **shareholder friendly approach**
 - Be a reference point for local **communities** wherever we operate, foster a **group culture of meritocracy**, engage and develop **talents** starting from our internal people
-

Accelerate growth and value creation

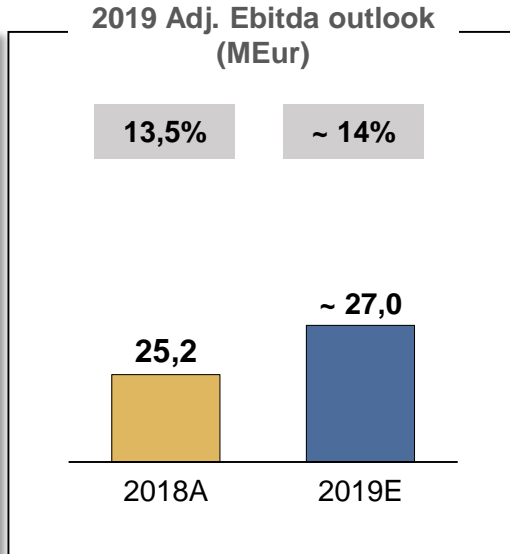
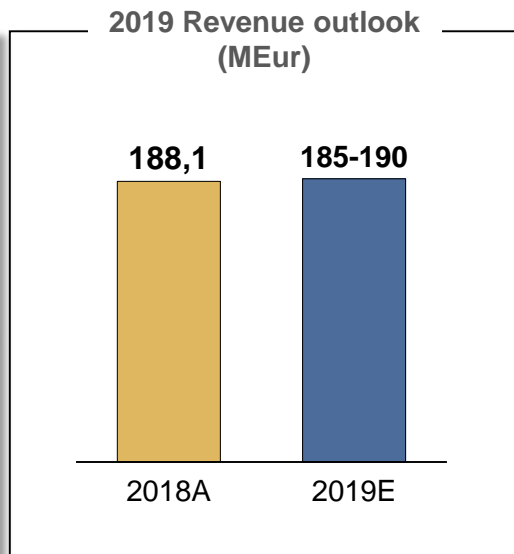


- Develop a **new strategic plan** within H1 2019 focusing on growth acceleration
- Explore potential for **inorganic growth opportunities**, to expand in new areas and/or accelerate go-to-market
- Accelerate the relaunch of the **Infrastructure Business**, exploring opportunities to boost its **shareholder value** also through organic and inorganic growth

2019 Outlook: Adj. Ebitda improves compared to 2018 and strategic plan, with SAFE&CEC reaching 8M€ Adj. Ebitda

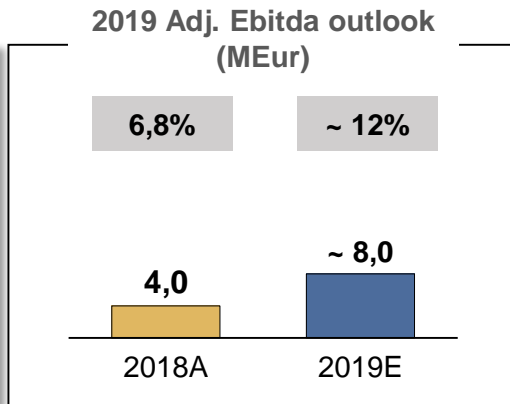
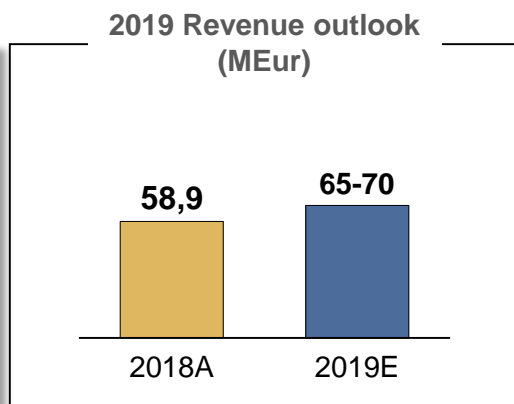
LRG

Automotive



- 2019 revenue outlook is expected to confirm 2018 performance, with **turnover higher than strategic plan guidelines**
- 2019 Adj. Ebitda outlook is expected to achieve ~ 27M€, thanks to full benefit of cost reduction implementation and further efficiency initiatives

SAFE &
CEC
Group ⁽¹⁾



- 2019 revenue outlook is expected to **increase by 14%** vs. 2018 results
- 2019 **Adj. Ebitda is expected to double**, also taking advantage from 2018 saving actions
- **Value of SAFE&CEC** participation to strongly increase compared to current book value

⁽¹⁾ joint ventures consolidated based on equity method

An aerial photograph of a modern residential complex. The complex features several high-rise buildings with white facades and balconies. In the foreground, there is a large green tennis court with white lines. The area is landscaped with numerous palm trees and green lawns. A multi-lane road with cars is visible on the left side of the image. The overall scene is bright and sunny.

The Clean Air Company

Driving The Future

APPENDIX

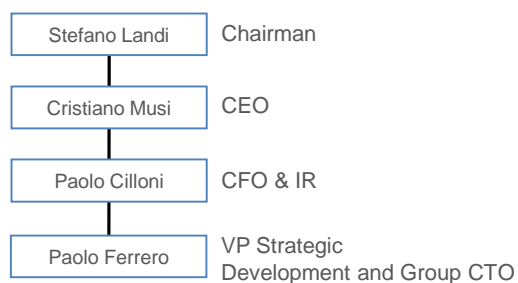


Landi Renzo - Company profile (18/03/2019)

BOARD OF DIRECTORS

Stefano Landi – Chairman
 Giovannina Domenichini – Honorary Chairman
 Cristiano Musi - CEO
 Angelo Iori – Director
 Silvia Landi - Director
 Anton Karl – Independent Director
 Sara Fornasiero - Independent Director
 Ivano Accorsi – Independent Director

TOP MANAGERS

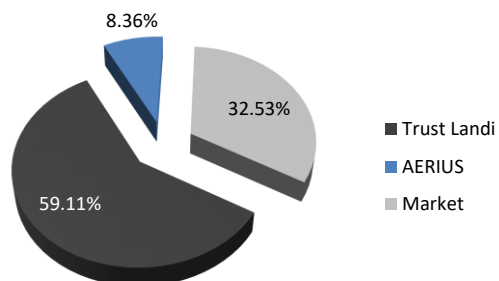


INVESTOR RELATIONS

Investor Relations Contacts:

Paolo Cilloni
 Tel: +39 0522 9433
 E-mail: ir@landi.it
www.landirenzogroup.com

SHAREHOLDING

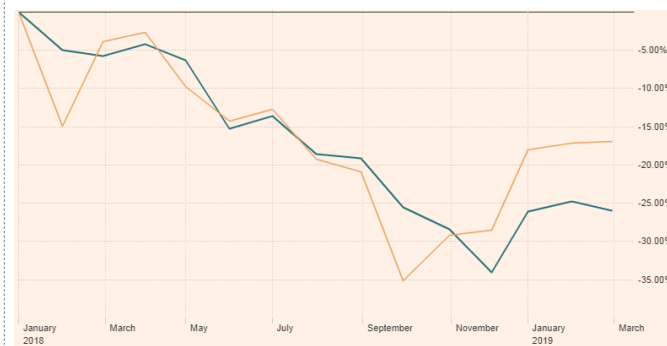


SHARE INFORMATION

N. of shares outstanding: 112.500.000
 Price as of 18/03/2019 € 1.306
 Capitalization: € 146.9 mln
 FTSE Italia STAR

STOCK VS MARKET

LandiRenzo – STOXX Europe 600 Automobiles



CONSOLIDATED P&L

(thousands of Euro)

INCOME STATEMENT	31/12/2018	31/12/2017
Revenues (goods and services)	188,079	206,294
Other revenue and income	1,482	4,222
Cost of raw materials, consumables and goods and change in inventories	-93,092	-100,527
Costs for services and use of third party assets	-44,100	-57,307
Personnel expenses	-28,150	-43,181
Accruals, impairment losses and other operating expenses	-2,707	-4,802
Gross Operating Profit	21,512	4,699
Amortization, depreciation and impairment losses	-10,243	-16,189
Net Operating Profit	11,269	-11,490
Financial income	138	91
Financial expenses	-4,058	-4,396
Gains (losses) on exchange rate	-1,573	-1,873
Gains (losses) on equity investments	0	21,134
Gains (losses) on joint venture accounted for using the equity method	-1,591	8
Profit (Loss) before tax	4,185	3,474
Current and deferred taxes	348	228
Profit (loss) of the period for the Group and minority interests, including:	4,533	3,702
Minority interests	-138	-437
Profit (Loss) of the period for the Group	4,671	4,139
Basic earnings (loss) per share (calculated on 112,500,000 shares)	0.0415	0.0368
Diluted earnings (loss) per share	0.0415	0.0368

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

ASSETS	31/12/2018	31/12/2017
Non-current assets		
Property, plant and equipment	12,745	14,583
Development expenditure	6,932	5,401
Goodwill	30,094	30,094
Other intangible assets with finite useful lives	14,039	15,769
Investments accounted for using the equity method	22,292	24,301
Other non-current financial assets	352	428
Other non-current assets	3,991	4,560
Deferred tax assets	10,538	8,016
Total non-current assets	100,983	103,152
Current assets		
Trade receivables	35,131	29,118
Inventories	38,895	36,562
Other receivables and current assets	8,016	7,529
Cash and cash equivalents	15,075	17,779
Total current assets	97,117	90,988
TOTAL ASSETS	198,100	194,140

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

EQUITY AND LIABILITIES	31/12/2018	31/12/2017
Group shareholders' equity		
Share capital	11,250	11,250
Other reserves	43,931	41,983
Profit (loss) of the period	4,671	4,139
Total equity attributable to the shareholders of the parent	59,852	57,372
Minority interests	-276	-669
TOTAL EQUITY	59,576	56,703
Non-current liabilities		
Non-current bank loans	23,055	26,906
Other non-current financial liabilities	24,427	29,308
Provisions for risks and charges	5,443	11,891
Defined benefit plans	1,646	2,446
Deferred tax liabilities	339	423
Total non-current liabilities	54,910	70,974
Current liabilities		
Bank overdrafts and short-term loans	16,203	7,741
Other current financial liabilities	4,262	2,792
Trade payables	55,166	47,829
Tax liabilities	2,385	3,003
Other current liabilities	5,598	5,098
Total current liabilities	83,614	66,463
TOTAL EQUITY AND LIABILITIES	198,100	194,140

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