



Star Conference 2021

Cristiano Musi – CEO
Paolo Cilloni – CFO

March 25th, 2021



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We bring the clean energy of the future, providing solutions for the energy transition



As the world asks for more sustainable transportation, we deliver clean energy solutions along the entire value chain, from RNG and Hydrogen production to engine

Automotive



Sustainable solutions for transportation



- OEM Heavy Duty and Off Road components and systems for CNG/LNG and H2



- CNG, RNG and LPG solutions for OEM and AM passenger car applications



Worldwide leader, with global footprint, 80% export



2018	2019	2020
188,1 M€	191,9 M€	142,5 M€



Market leader (~30% MS)



Infrastructure / Gas Distribution⁽¹⁾



Infrastructure for the energy transition



- RNG and Hydrogen solutions from production to distribution



- CNG transportation and distribution



Worldwide presence, 85% export



2018	2019	2020
58,9 M€	73,4 M€	79,5 M€



Market leader (~25% MS)

Last five years CO₂ reduction

- ~3,3M Conversion Systems sold
- ~ 1,4 billion Kg CO₂ saved
- ~ 35 million tree equivalent

Note (1) consolidated at equity
 LPG: Liquid Petroleum Gas; CNG: Compressed Natural Gas; LNG: Liquid Natural Gas; RNG: Renew able Natural Gas; H2: Hydrogen

LRG provides best-in-class alternative fuel mobility and infrastructures solutions for the energy decarbonization

Automotive

Heavy Duty & Off-road

OEM

- Full portfolio of CNG and LNG components and solutions and launch of new products for H2
- Different agreements signed as a basis for future developments
- Continue and strengthen collaboration with leading OEMs and fuel cell engine producers worldwide

• **Market growing worldwide, LRG starts increasing revenues in 2021, exponential growth from 2022** 

Passenger & LCV

AM & OEM

- CNG and LPG as unique solution to reduce emission in many geographies, from Europe to Russia, India, LatAm and North Africa with 4.000 workshops worldwide
- CNG and LPG as cost advantage solution, even more appreciated considering the economic situation and the need to use more cars

• **Double digit market recovery in 2021** 

Infrastructure

Clean Energy Infrastructure

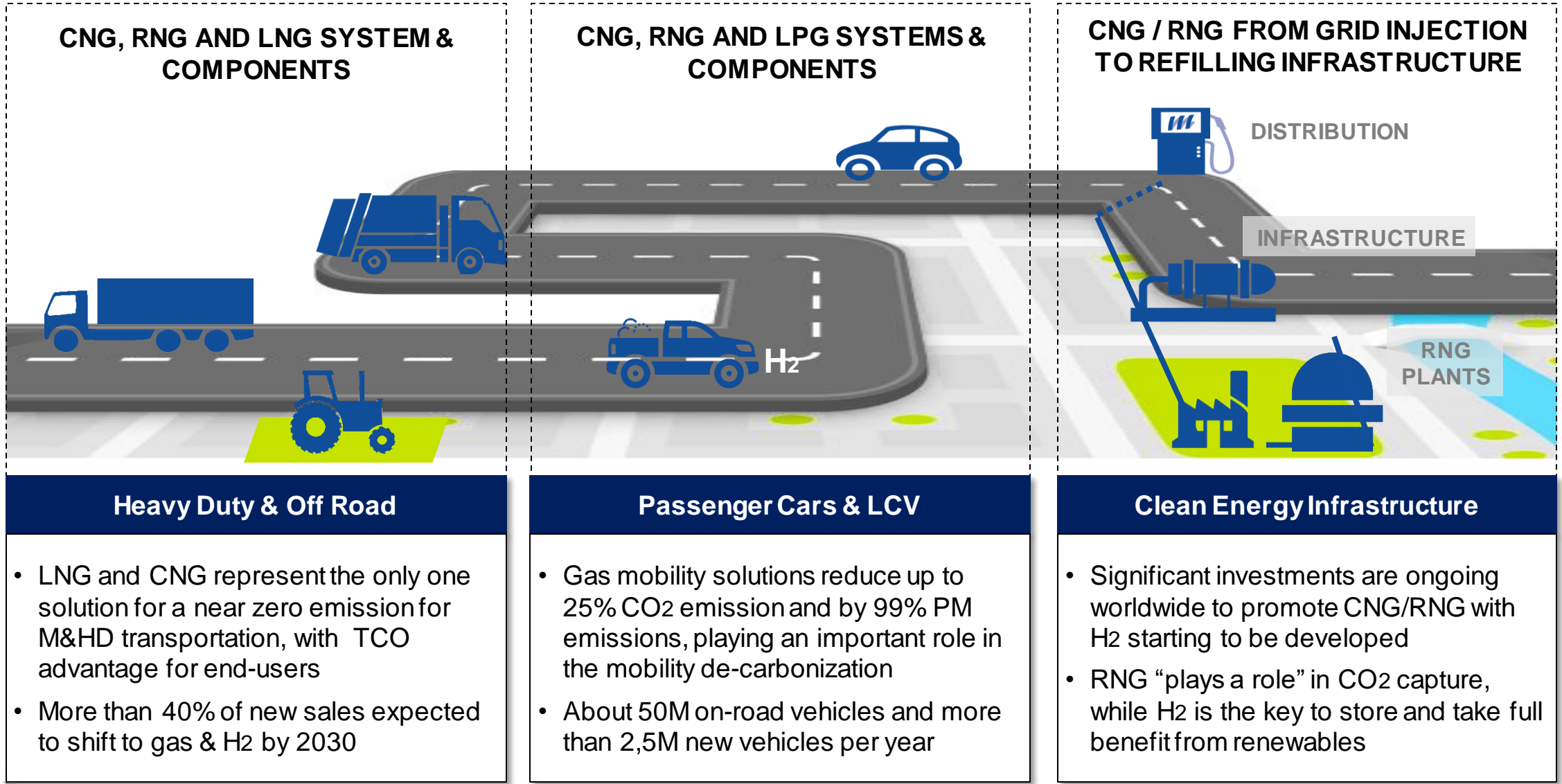
RNG, CNG & H2

- Special Compressors suitable for biogas upgrading plants /grid reinjection
- New 700bar Compressor under testing, with solutions from production to distribution, and with opportunities for M&A
- Skid/ Whole package system includes compressor, skid, dryer for CNG distribution

• **Increasing market growth in 2021** 



Landi Renzo Group and SAFE&CEC have been playing a leading role in the gas mobility evolution, from “well to engine”...



Heavy Duty & Off Road

- LNG and CNG represent the only one solution for a near zero emission for M&HD transportation, with TCO advantage for end-users
- More than 40% of new sales expected to shift to gas & H2 by 2030

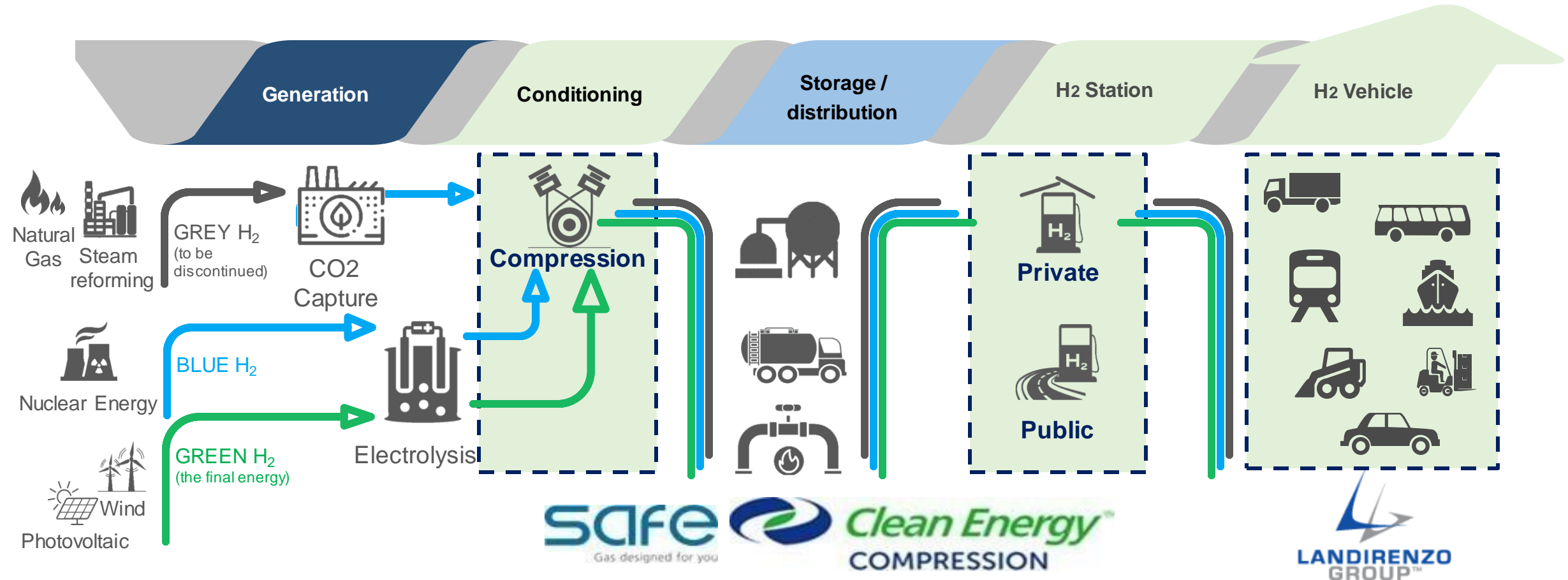
Passenger Cars & LCV

- Gas mobility solutions reduce up to 25% CO2 emission and by 99% PM emissions, playing an important role in the mobility de-carbonization
- About 50M on-road vehicles and more than 2,5M new vehicles per year

Clean Energy Infrastructure

- Significant investments are ongoing worldwide to promote CNG/RNG with H2 starting to be developed
- RNG “plays a role” in CO2 capture, while H2 is the key to store and take full benefit from renewables

... and are now active to support the Hydrogen evolution, from compression at production site, to distribution and on vehicles installations








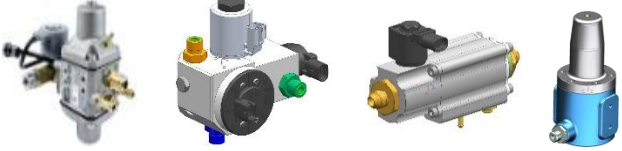



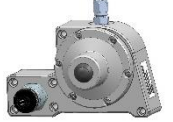


LANDIRENZO GROUP ROLE

New reciprocating-diaphragm compressors up to 800/900bar to be launched by end of 2021

Hydraulic Compressor up to 350/700bar

Components and system for H₂ transportation

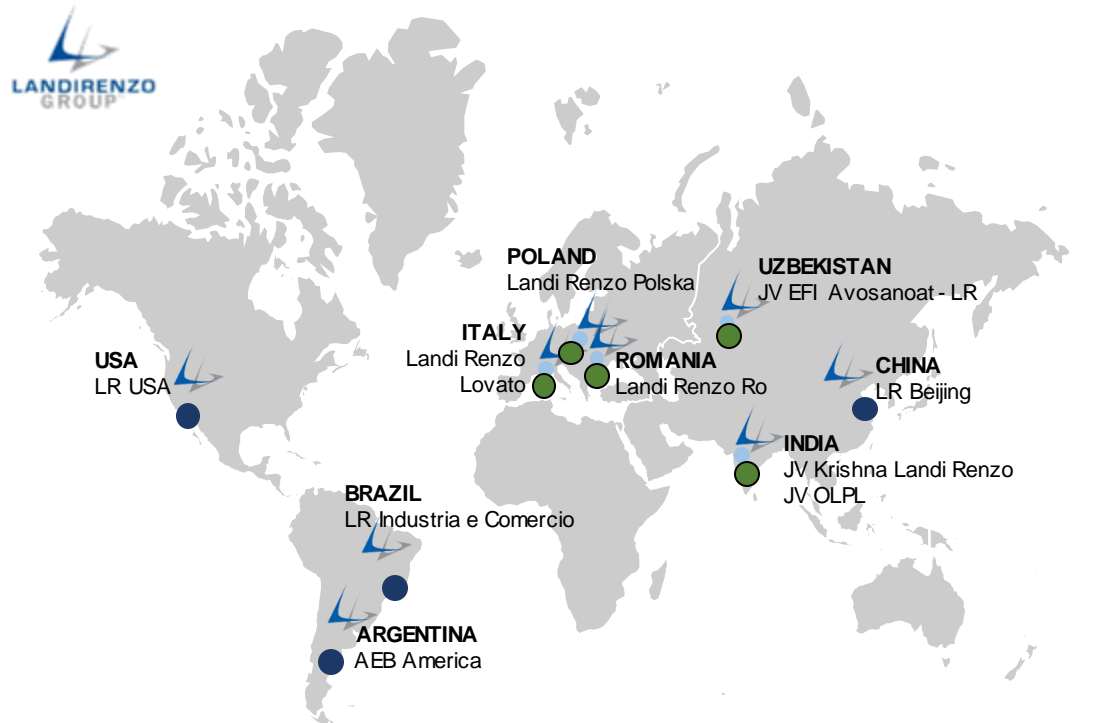
Our product portfolio for decarbonizing transportation, from passenger cars to M&HD applications

	HD & Off-road applications	M&HD System integration	Passenger & LCV applications
Fuel Type	<p>CNG, RNG, LNG, H2</p> 	<p>CNG & RNG</p> 	<p>CNG, RNG, LPG</p> 
Product Portfolio	<p>Injectors</p> 	<ul style="list-style-type: none"> • Complete system Integration • Layout definition • Calibration • Test • Homologation 	<p>Injectors</p> 
	<p>Pressure regulators</p> 		<p>Pressure regulators</p> 
<p>Control Unit</p> 	<p>Valves</p> 	<p>Feeding System for H2</p> 	<p>Kit conversion systems</p> 
			<p>Valves</p> 

Technical assistance and spare parts
Tanks, Pipes, Harnesses, Brackets

We focus on R&D innovation and best quality standard to partner with best-in-class customers worldwide

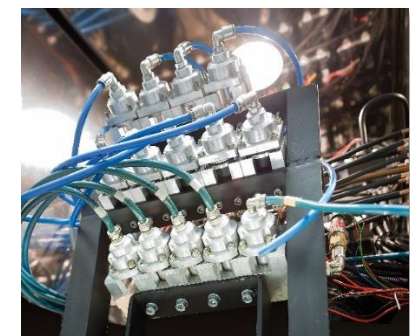
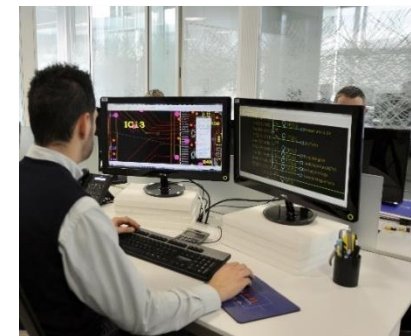
Group Structure and Global presence



- **Localization in growing markets** with a world class manufacturing status
- **Proximity to end-markets** to optimize logistics flows and improve service level
- **Local supply chain** to increase cost control and profitability

Strong focus on R&D

- **5% of revenues** invested in R&D
- **Strong internal competences** embrace fluid dynamics, mechanical & electronics engineering and system application for powertrains
- **Electronic and Mechanical engineers** able to design a **full range of CNG, LNG, LPG and H2 components**
- **Application engineers** able to calibrate HD CNG-LNG-H2 engines with more than 20 years of former experiences also c/o OEM
- Expertise in CNG base engine **CNG after treatment systems** able to support OEMs defining specifications & validation procedures
- Tight cooperation with other **research centers and Universities**



SAFE&CEC offers a broad range of product fundamental to sustain the green energy transition

Renewable Natural Gas



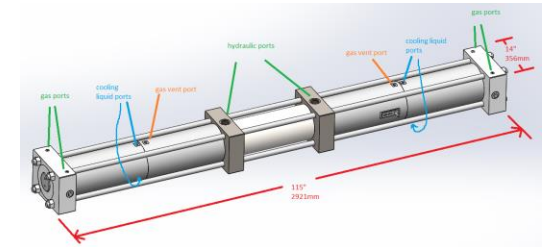
- **Oil free Compression systems** able to work with all different biogas upgrading plants and performances both for local consumption as well as for **grid injection**

RNG&CNG Distribution



- **Tailored solutions for distribution and industrial use**, including “cleaning system” with innovative “crank-case” solution to avoid methane emission
- Turn-key equipment for **mobile trailers** to serve transportation in different areas
- Customized solutions able to dispatch **high flow rate** in **low time** (5' to fill a truck)

Hydrogen



- Hydrogen technology with management of pressure up to **700bar with SOP expected by June 2021**
- **Ongoing M&A to accelerate** go to market with a leading provider of full range of **hydrogen applications from 200bar up to 900bar**



- **Singles compressors / skid / Whole package system** includes, skid, dryers, control panel and accessories to process and measure gas
- **After sales** include service, maintenance and spare parts

SAFE&CEC have production facilities in Europe and North America, focused on different product and applications

Group Structure and Global presence



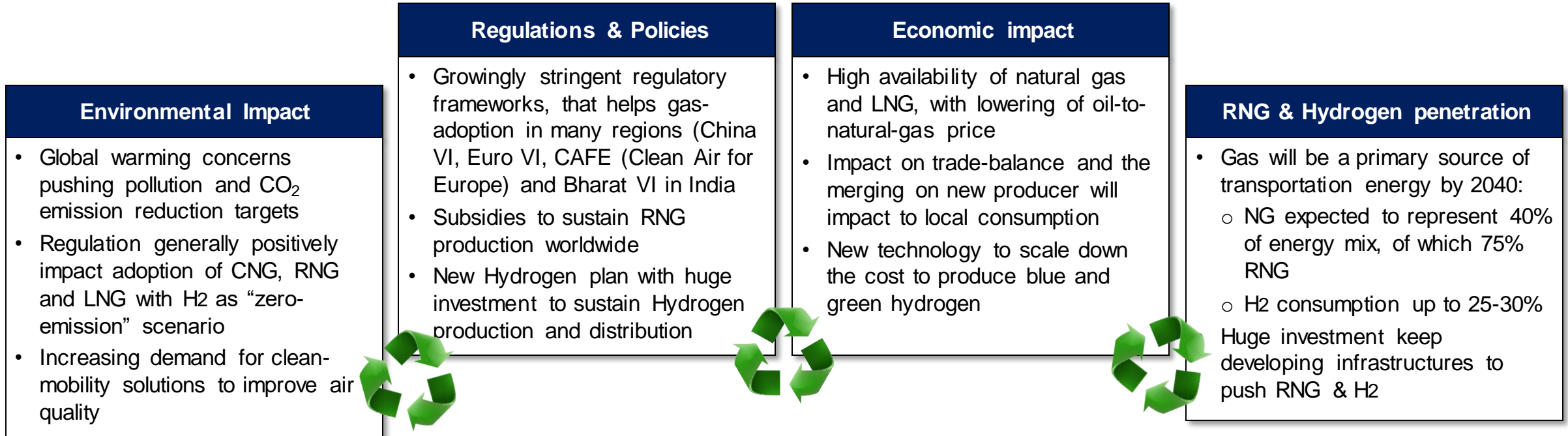
- **International presence** to better serve customer worldwide, with Canada manufacturing strategic to serve North America
- Italian plant focus on EMEA and Asia

SAFE production system highlights

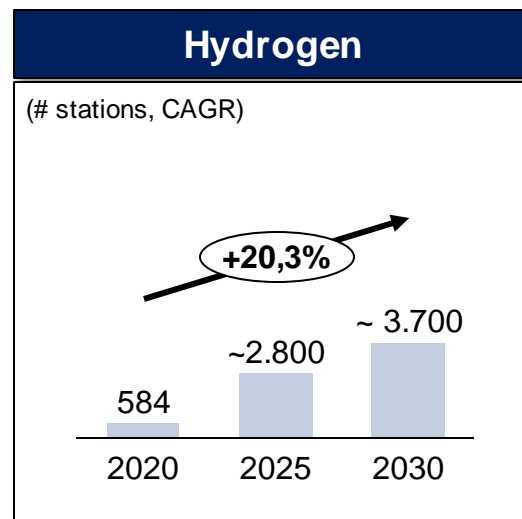
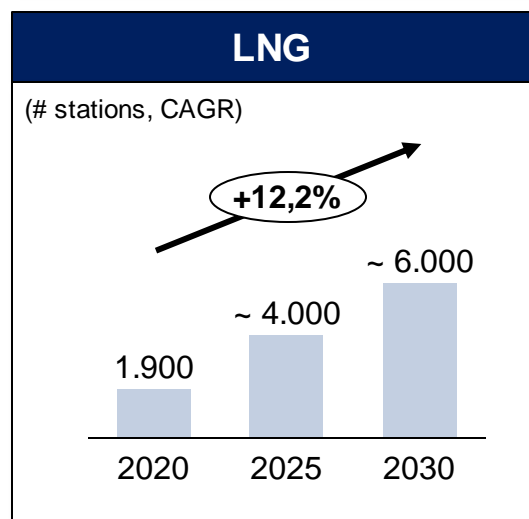
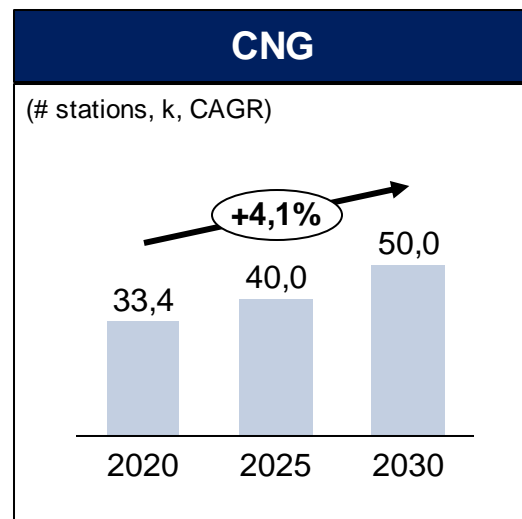
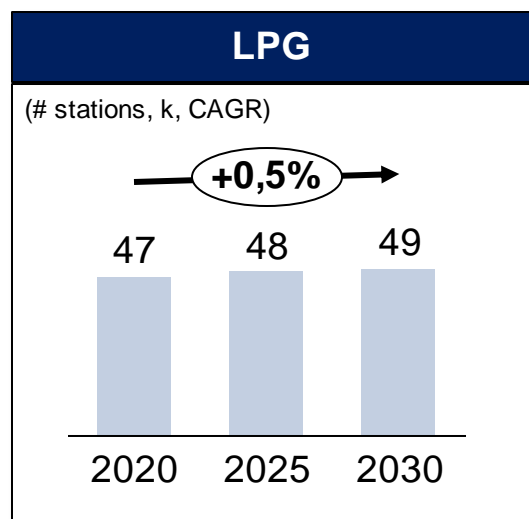


- **Production and assembly capacities**, from small compressors to large and complete solutions, applying lean manufacturing system
- Large production facilities to allow **parallel processing** of multiple jobs with over 13.000m² of production facilities in Italy and 7.000m² in Canada

Natural Gas, also mixed with H2 and RNG, is fundamental in the so-called “energy-transition”, with H2 as a new frontier towards 2050 “zero emission scenario”



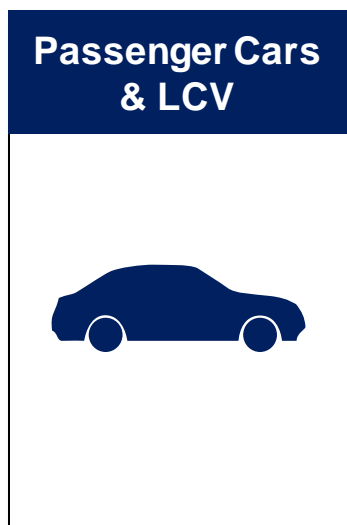
Many investments are ongoing to increase CNG, RNG and H2 production and distribution infrastructure, that will positively impact SAFE&CEC business



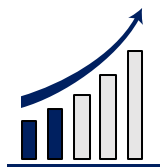
Highlights

- LPG well-consolidated infrastructure is expected to remain stable in the years to come
- CNG/RNG stations are constantly being built, with expansion plans announced worldwide and large Oil&Gas Companies strongly expanding their networks, for both passenger cars, buses and M&HDs
- LNG stations planned at global level for the development of LNG corridors along main Heavy Duty transportation routes
- The H2 fuelling station market is witnessing a dramatic acceleration in growth worldwide, also sustained by public funding
- As of today, over 50% of the hydrogen stations are in Asia-Pac, but Europe and US are expected to catch up by 2025
- Several project are planned worldwide (China, US, Western Europe) for RNG and Green&Blue H2 production

The market for gas-mobility has a very strong development potential: CNG/RNG and LNG are the most advantageous solutions, with H2 as a new frontier in advanced Economies



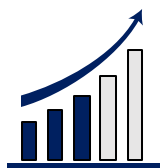
Aftermarket



- **Global CNG/LPG conversions are expected to grow steadily until 2030, with a CAGR of + 2%**

- Growth in LatAm, Africa, Russia and India
- CNG is expected to grow, while LPG remains stable

OEM

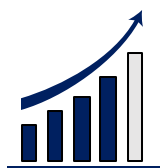


- **A significant growth is expected for global CNG/LPG vehicles until 2030, with a CAGR of +14%**

- India will be the fastest-growing market for CNG
- European OEMs have already confirmed programs up to 2025 and are working on Euro7 developments



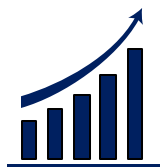
CNG / LNG



- **Global Heavy Duty & Off-Road sales are expected to grow rapidly until 2030, with a CAGR of +17%**

- Gas technologies (CNG and LNG) are the only effective and efficient alternatives to diesel in terms of emissions (respecting new EU regulation) and TCO advantages
- All geographies will be strongly impacted

Hydrogen



- **Hydrogen Heavy Duty & Off-Road will see an exponential penetration starting from 2025**

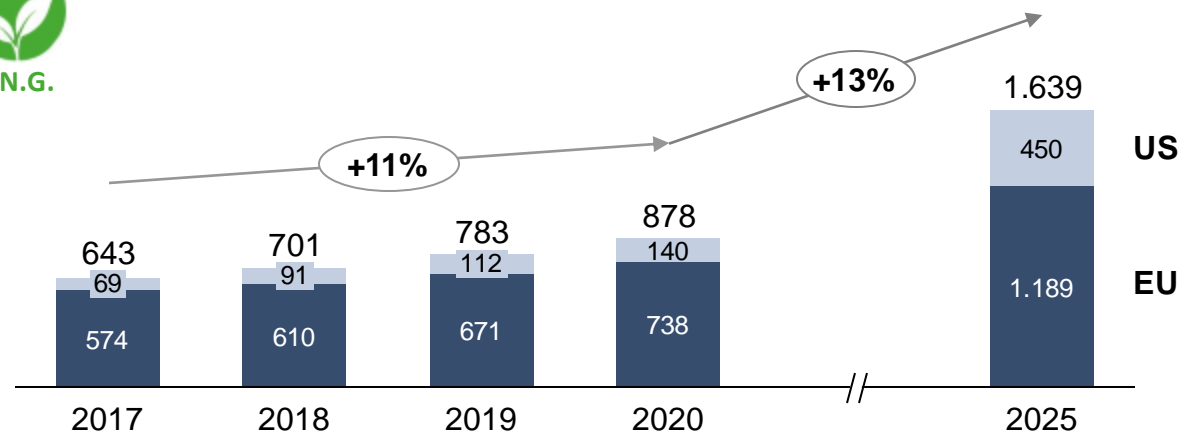
- H2 ICE and FCEV are now positioned as a viable solution for transportation, from buses to trucks, to trains and ships
- Adoption will be sustained by the growth of the infrastructure and technology improvements

RNG potential is spread geographically; its production and consumption are supported worldwide by policies with a target of reaching a share of 10% renewable gas by 2030



R.N.G.

Biomethane plants (#; CAGR)



- **Renewable Energy Directive in the EU requires 3,5% of fuel demand in 2030** to be met by advanced biofuels, including biomethane
- The existing **600+ biomethane plants in EU** produced **2,28 bcm of biomethane** in 2018, with an estimated potential of **100 bcm**, leaving huge room for growth, according to the “Gas for Climate” initiative
- **In North America biomethane use and production** is nationally promoted by favorable **policy with huge investments** (CAGR expected at 26% up to 2025)
- **India and China** are starting to invest heavily in building new plants



USA follows Europe in **biomethane adoption** plan. They have the **largest share** of the global **resource potential** to upgrade biogas



Italy is the **second European country** for number of installed **biogas plants** with expected **investments** of **4+ bn€** in few years



France committed **7-9 bn€ of subsidies through 2030** to sustain the plan to increase the number of plants from 70 to **more than 600**



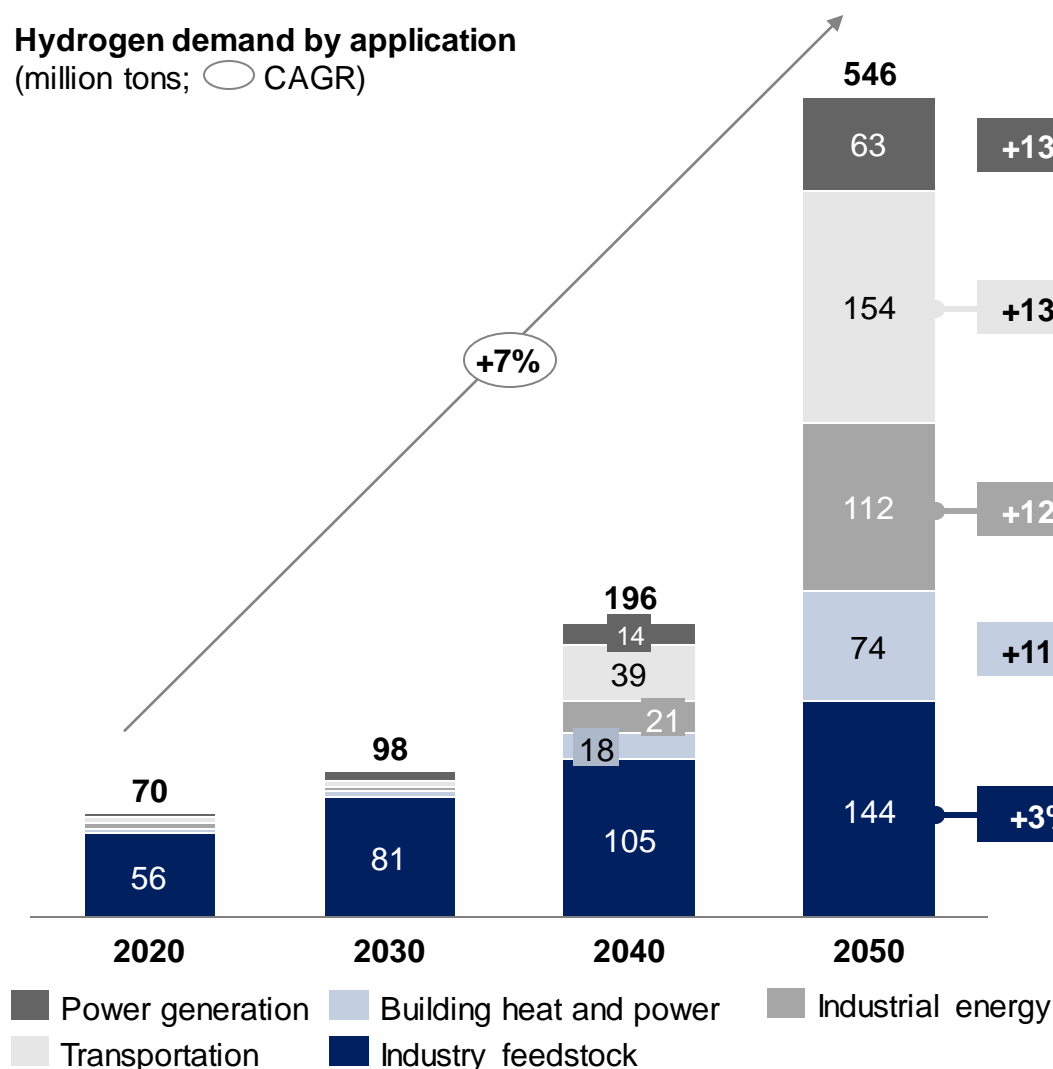
India announced that up to **5,000 biogas plants will be built**, most of which equipped with an **upgrading facility** to expand the use of gas from renewables



China committed to **use biogas to reduce coal consumption** in rural regions and build **3 to 4,000 upgrading facilities**

Annual demand for Hydrogen is expected to increase tenfold by 2050: transportation, industrial energy and feedstock will be the largest applications

Hydrogen demand by application
(million tons; ○ CAGR)



- **2030:** Globally **10 to 15 million cars** and **~500,000 trucks** powered by hydrogen. Deployment of hydrogen-powered trains and passenger ships
- **2050:** Up to **400 million passenger vehicles** (~25%), **5 million trucks** (~30%), and more than **15 million buses** (~25%) running on hydrogen. **20 million barrels of oil** replaced per day

- **2030:** Approximately **1 out of 10 steel and chemical plants** in Europe, North America, and Japan uses hydrogen for **low-carbon production**. **4 million tons** (0.6 EJ) extra hydrogen used
- **2050:** **12%** of global industry **energy demand** (16 EJ) met with hydrogen

- **2030:** Steel plants pioneering **zero-carbon iron making** using hydrogen reduction. **10 to 15 million tons of methanol and derivatives**, such as olefins and aromatics, produced from clean hydrogen and carbon
- **2050:** **10%** of **crude steel** production, about **200 million tons**, based on hydrogen. **30%** of **methanol** and **ethanol** derivatives produced through hydrogen and carbon

In a world that demand sustainable solutions, Gas-Mobility and Hydrogen will play a key role in future clean transportation

Mobility evolution toward 2025

	Local Range 0-100 km	Medium Range 100-250 km	Long Range >250 km
HD	CNG/RNG H2 (P)HEV – BEV also with CNG	CNG/RNG/LNG H2 Diesel	LNG H2 Diesel
PC / LCV	Europe (P)HEV - BEV CNG/RNG/LPG H2 - Fuel Cell Diesel & Gasoline	India CNG Gasoline Electrification	ROW CNG/RNG/LPG Gasoline H2 - Fuel Cell Electrification

- **GAS technology** as a **unique concrete solution** to decarbonize M&HD transportation, also advantageous in terms of TCO for the owners, with Hydrogen (both FCEV and H2 ICE) starting to increase its penetration from 2025, coexisting in the future with gas and further replacing diesel
- **Gas-mobility** represents for **Passenger Cars & LCV** a **viable and ready-to-use solution**, which will coexist in the future with other alternative fuel technologies (Hybrids, BEVs,) offering advantages in terms of Total Cost of Ownership and “helping” OEM to reach emission standard

- **Different Technologies will coexist**
- **Gas-mobility and Hydrogen will play an increasing role in the clean energy transportation of the future**

Group Strategy: three pillars to support growth and value creation

Passenger cars

PC: consolidate our market leadership, improve profitability and cash generation

- Target **30% global market share in AM** through brand strategy, with focus on up-selling per customer, seizing the tremendous opportunities offered by new markets
- Landi Renzo is already positioned as a leading supplier for CNG and LPG: exploit Euro7 developments and **increase our market share in India and Russia**

Mid & Heavy Duty vehicles

M&HD: become a leader in systems for LNG, CNG & H2 solutions

- Target a **market share of 25% worldwide by 2025 and increase the positioning in H2 solution (FCEV & ICE)**
- Full range of products and solutions “from energy storage to engine”, through a complete set of “**on-engine**” and “**on fuel-cell**” product range, from pressure regulator to feeding system, up to the entire on vehicle gas value chain “**from storage to injection**”

Infrastructure / Gas distribution

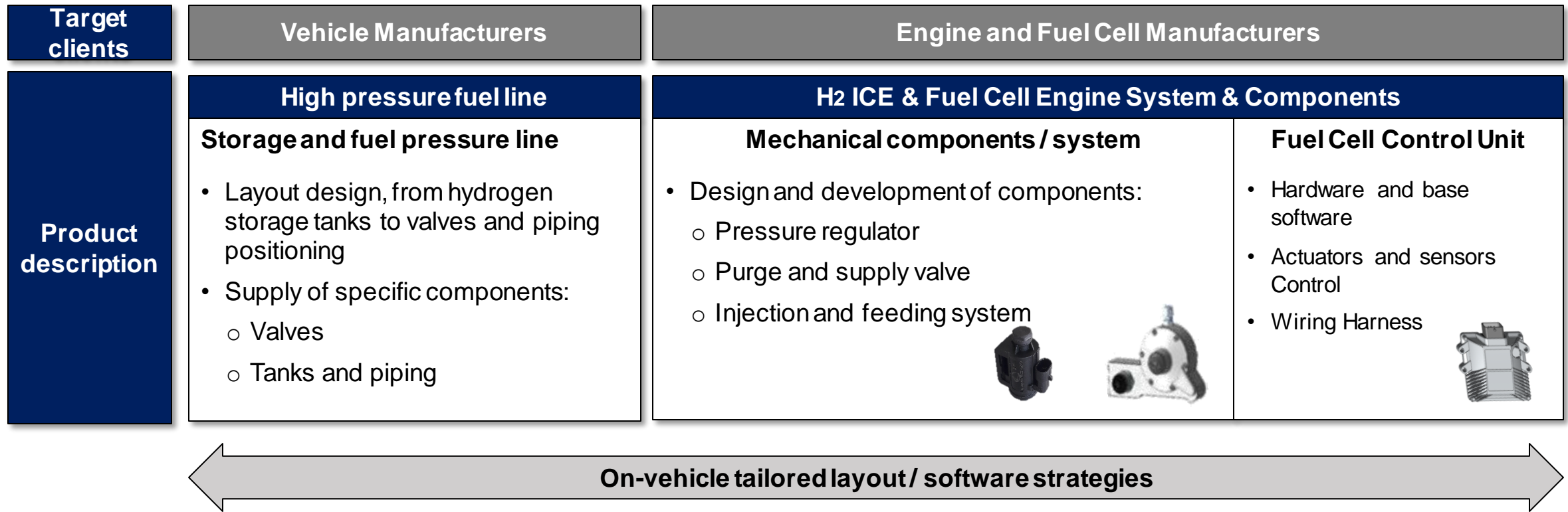
Full infrastructure investment exploitation toward CNG/RNG & H2 transition

- Target **more than 30% market share in CNG/RNG compression** expanding its application along the gas value chain
- Anticipate Hydrogen global adoption, with **the goal to be one of the main players in hydrogen compression targeting a 20% MS by 2023**
- Increase share of revenues from After Sales & Service

Strong focus on strategy execution and cost optimization along the different businesses, exploiting opportunities for «**convenient M&A**» with the **goal to reach double digit Ebitda**



On Heavy Duty & Off-Road Hydrogen vehicles we aim to provide the entire value chain from storage to injection



Mixing LRG long-term experience with forward-thinking innovation to partner with leading OEMs in their development of H2 solutions for both FCEV and H2 Combustion Engines

We are already on the market with solutions for Mid and Heavy Duty Vehicles, having partnered with leading OEMs worldwide

Electronic Management System for gas and H2	Injection system	CNG Pressure regulator	LNG Pressure regulator	H2 dedicated mechatronic components	System integration for gas and H2
 <p>Signed MOU for dedicated development with leading Indian OEM</p> 	    <p style="text-align: center;">← Already on the market →</p> <div style="display: flex; justify-content: space-around; text-align: center;"> <div data-bbox="573 1056 751 1228"></div> <div data-bbox="879 1056 1057 1228"></div> <div data-bbox="1184 1056 1363 1228"></div> <div data-bbox="1490 1056 1668 1228"></div> <div data-bbox="1796 1056 1974 1228"></div> </div> <p style="display: flex; justify-content: space-around; text-align: center;"> Customer 1 Customer 2 Customer 3 Customer 4 Customer 5 </p>				<p>QVM in the US Market</p>  

SAFE&CEC developed dedicated applications for Biogas plants, with strong specialization on grid injection for “RNG production” as well as solutions for distribution

Raw gas booster

- Compressors for biogas boosting integrated in the upgrading plant able to manage very low pressure with special materials suitable for wet and corrosive gas applications

RNG station

- RNG stations for trailers refilling and public or private fleets. Solutions based on heavy duty compressors for the highest performances and efficiency

Advantages of RNG

RNG brings several advantages from a sustainability point of view:

- **It reduces methane** (~18% of total GHG emissions) from various sources, such as agriculture, fossil fuels, waste
- **RNG is fully interchangeable with geologic natural gas**
- **It helps companies in meeting targets to reduce carbon footprints**, by using waste to procure RNG and lower the dependence on fossil fuels

Grid Injection

- Compression system able to work with all different biogas upgrading plant in term of technologies and performances, suitable for 24/7 applications



Industrial use

- Compression or de-compression system to supply biomethane into industrial utilities and services with gas filtration equipment



Many achievements that will positively impact 2021 and display long term positive effect

Heavy Duty



- LNG pressure regulator successfully passed the winter test for a major Chinese HD OEM (SOP by end of 2021)
- LRG was awarded the supply of a key CNG engine component by a major European Heavy Duty OEM
- LRG and Mahindra signed a MoU for the development of a CNG-powered tractor engine with further agreement expected soon
- Landi Renzo USA signed agreement with SolGas for the supply of CNG Mid Duty

Hydrogen

H₂

- Strengthened the relationship with Cummins-Hydrogenics on manifold and other components
- Started collaborating with Punch, AVL, IIA and TPER for the development of ICE H₂ bus, with LRG providing all the H₂ system
- Several ongoing negotiations with leading OEMs for new partnerships on both FCEV and H₂ ICE technologies

Passenger Car



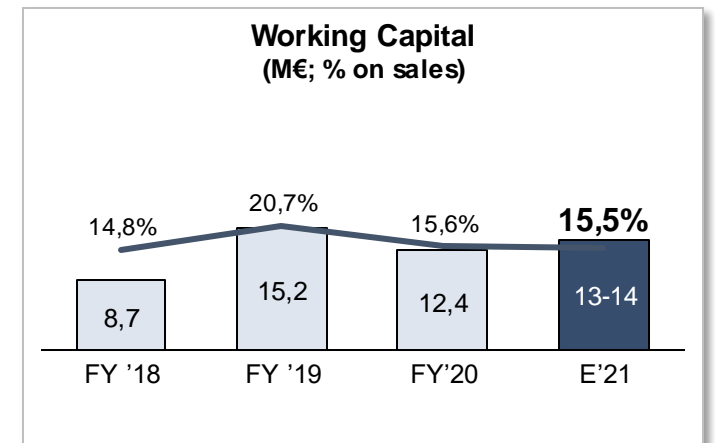
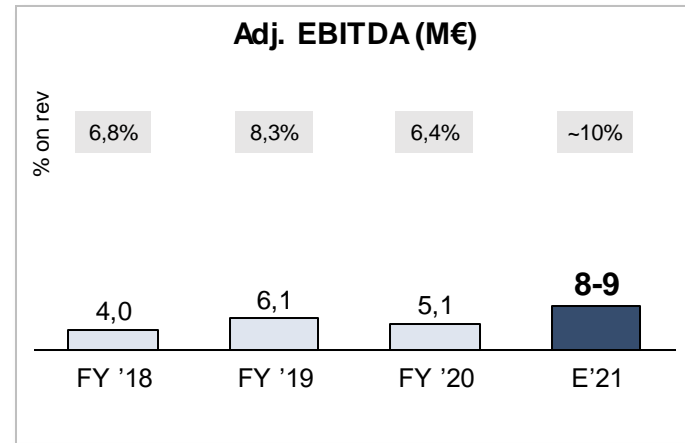
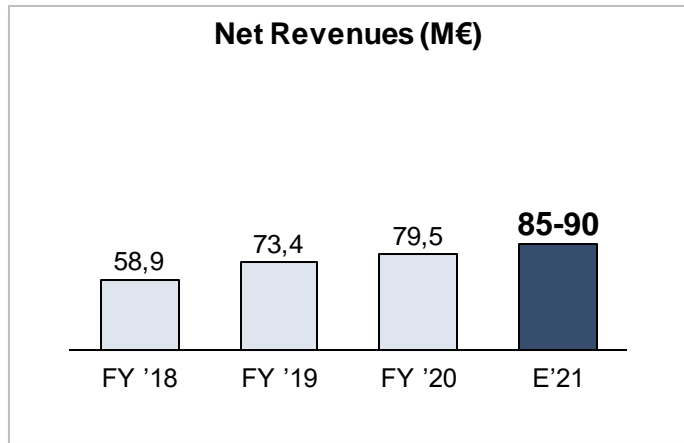
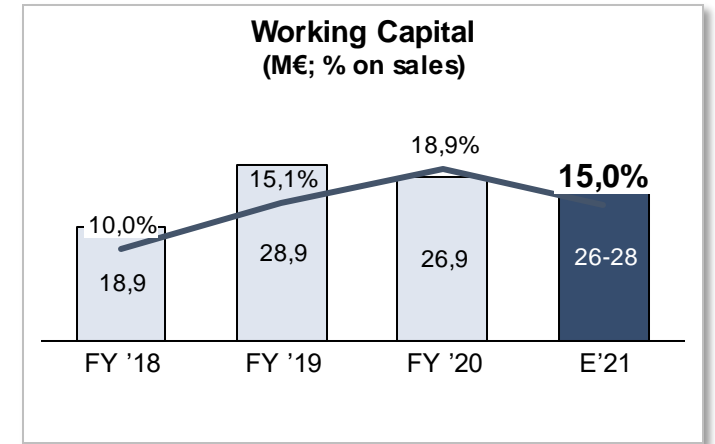
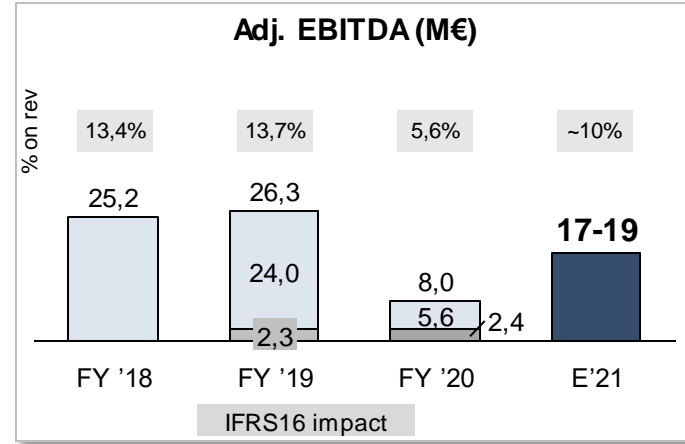
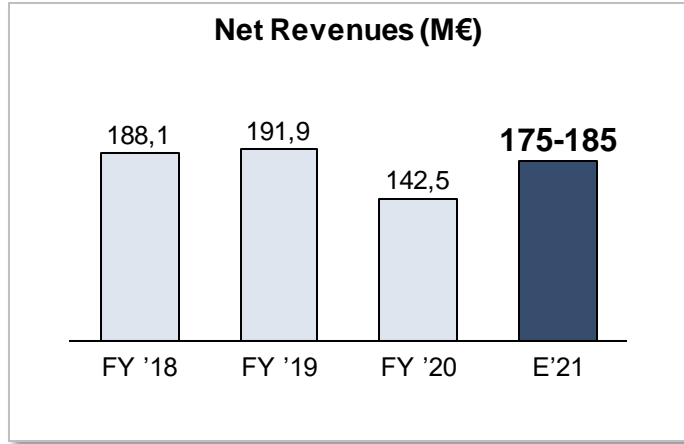
- AM is already growing compared to Q12020, with strong recovery expected on all markets, from LatAm to Russia. Forecast on OEMs is higher compared to 2020 on all technologies (LPG/CNG)
- LRG was awarded a large tender in Egypt (as a Group result)
- Ongoing new negotiations in Russia for highly strategic projects

Infrastructure



- SAFE&CEC was awarded tenders in Egypt and Russia for the supply of more than 150 CNG compressors in 2021
- Growing market in Biomethane/RNG both in Europe and in the US
- Largest ever order portfolio, with expected increase in the next months. Growing demand for H₂ applications

Landi Renzo Group targets 260-275M€ combined, not-consolidated, revenues in 2021, with not consolidated Ebitda up to 25-28M€



Landi Renzo S.p.a.

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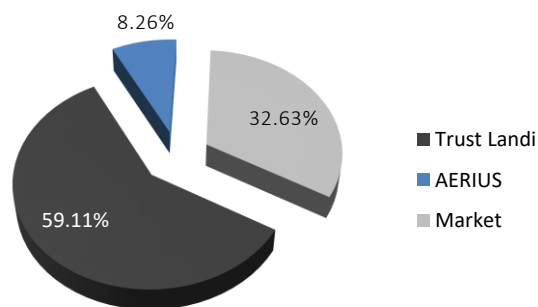


Landi Renzo - Company profile (24/03/2021)

BOARD OF DIRECTORS

Stefano Landi – Chairman
Giovannina Domenichini – Honorary Chairman
Cristiano Musi - CEO
Angelo Iori – Director
Silvia Landi - Director
Dario Melpignano – Independent Director
Sara Fornasiero - Independent Director
Vincenzo Russi – Independent Director
Paolo Ferrero - Director

SHAREHOLDING



TOP MANAGERS



INVESTOR RELATIONS

Investor Relations Contacts:

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

SHARE INFORMATION

FTSE Italia STAR

N. of shares outstanding: 112.500.000

Price as of 24/03/2021 €1.065

CONSOLIDATED P&L

(thousands of Euro)

CONSOLIDATED INCOME STATEMENT	31/12/2020	31/12/2019
Revenues from sales and services	142.455	191.852
Other revenue and income	313	601
Cost of raw materials, consumables and goods and change in inventories	-84.212	-100.510
Costs for services and use of third party assets	-27.844	-38.049
Personnel expenses	-22.398	-26.898
Accruals, impairment losses and other operating expenses	-1.662	-2.288
Gross Operating Profit	6.652	24.708
Amortization, depreciation and impairment losses	-12.193	-11.766
Net Operating Profit	-5.541	12.942
Financial income	298	117
Financial expenses	-3.310	-4.112
Exchange gains (losses)	-2.827	-718
Gains (Losses) on joint venture valuate using the equity method	-11	285
Profit (Loss) before tax	-11.391	8.514
Taxes	3.541	-2.532
Net profit (loss) for the Group and minority interests, including:	-7.850	5.982
Minority interests	-188	-66
Net profit (loss) for the Group	-7.662	6.048
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0,0681	0,0538
Diluted earnings (loss) per share	-0,0681	0,0538

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

ASSETS	31/12/2020	31/12/2019
Non-current assets		
Property, plant and equipment	13.212	11.578
Development expenditure	9.506	8.228
Goodwill	30.094	30.094
Other intangible assets with finite useful lives	10.860	12.536
Right-of-use assets	4.975	6.402
Investments in associated companies and joint ventures	22.509	23.530
Other non-current financial assets	921	334
Other non-current assets	2.850	3.420
Deferred tax assets	12.201	8.704
Total non-current assets	107.128	104.826
Current assets		
Trade receivables	39.353	40.545
Inventories	42.009	39.774
Other receivables and current assets	6.712	7.337
Current financial assets	2.801	2.801
Cash and cash equivalents	21.914	22.650
Total current assets	112.789	113.107
TOTAL ASSETS	219.917	217.933

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

SHAREHOLDERS' EQUITY AND LIABILITIES	31/12/2020	31/12/2019
Shareholders' Equity		
Share capital	11.250	11.250
Other reserves	53.199	49.367
Profit (loss) of the period	-7.662	6.048
Total Shareholders' Equity of the Group	56.787	66.665
Minority interests	-473	-332
TOTAL SHAREHOLDERS' EQUITY	56.314	66.333
Non-current liabilities		
Non-current bank loans	68.181	50.991
Other non-current financial liabilities	408	0
Non-current liabilities for right-of-use	2.871	4.535
Provisions for risks and charges	2.897	3.609
Defined benefit plans for employees	1.556	1.630
Deferred tax liabilities	297	407
Liabilities for derivative financial instruments	458	30
Total non-current liabilities	76.668	61.202
Current liabilities		
Bank overdrafts and short-term loans	23.108	29.460
Other current financial liabilities	378	210
Current liabilities for right-of-use	2.228	1.992
Trade payables	53.509	51.935
Tax liabilities	2.677	2.134
Other current liabilities	5.035	4.667
Total current liabilities	86.935	90.398
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	219.917	217.933