



Q1 2021 Financial Results

Cavriago, 14th May 2021



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First quarter results still affected by Covid-19 global pandemic in the automotive business, whereas SAFE&CEC continues to grow

- **Revenues** in Q1 still affected by the uneven recovery of global markets, that has impacted on both AM and OEM
- **Adj. EBITDA** remains positive also thanks to a further reduction of fixed costs
- **Investment** programs maintained to keep pursuing the development of strategic programs, mainly in Mid & Heavy Duty applications (CNG, LNG and Hydrogen).
- **SAFE&CEC** displays solid figures with the **value of production** grown by **22,9%**, **positive Adj. EBITDA** and improved capital management

Landi Renzo Group

Revenues
33,3M€

Investments
1,3M€

Adj. EBITDA
0,5M€

Liquidity
15,2M€

Net Income
-4,1M€

NFP (*)
80,6M€

SAFE&CEC

Production value
17,6M€

Adj. EBITDA
0,4M€

NFP (*)
12,3M€

Landi Renzo will fully consolidate its subsidiary SAFE&CEC in Q2 2021

Highlights

- Landi Renzo S.p.A. and Clean Energy Fuels have signed the amendment to the shareholders' agreement of the subsidiary SAFE&CEC
- The renewed agreement defines a new governance model, which allows the full consolidation in Landi Renzo Group
- In 2017, the aggregation of SAFE and Clean Energy Compressor Ltd created the second largest player in the sector
- According to the original governance system, the company had to be classified as a Joint Venture and consolidated using the equity method in accordance with IFRS 11 standards
- Shares of the two shareholders remain unchanged (51% LRG, 49% Clean Energy Fuels)

Landi Renzo Group enhanced role in the Energy transition



- The integration allows reaching **greater decision making autonomy** for the **control SAFE&CEC**
- Landi Renzo can deploy a better **integrated strategy**, maximizing control over the extended value chain and growing with the new technologies, with focus on biomethane and H2
- The Group reinforces its role as a key player in the **clean energy business sector**, actively enabling the **energy transition process** that is occurring at global level



Key strategic highlights

STRATEGIC AGREEMENT WITH FPT

- LRG and FPT signed two MoU to join forces as active players in the green economy
- One project supports the development of technologies related to Natural Gas
- The second cooperation targets the introduction of hydrogen in the transportation sector, with a H2 fuel system, H2-powered ICE and the use of hydrogen as a blend in natural gas, up to 100%
- This high added-value partnership with a leading player in the HD sector is key on our path to becoming a leading player in the Sustainable Mobility

ACKNOWLEDGEMENT OF SUSTAINABILITY

- Il Sole 24 Ore and Statista awarded to Landi the “**Leader della sostenibilità 2021**” recognition
- Sustainability was obtained after an independent analysis measuring Environmental, Social, and Corporate Governance parameters

EXPECTED MARKET RECOVERY

- Covid-19 pandemic is still impacting at global level, however with some promising signals in many Countries
- MEA market is growing significantly in 2021 with Landi Renzo awarding most of tenders in Egypt
- We expect a global upward trend in the second half of the year, maintaining our outlook for the year

Q1 results show a positive EBITDA despite difficult market conditions

M€; %	2021 Q1	2020 Q1	delta	delta %
Revenues	33,3	37,2	-3,9	-10,5%
Adj. EBITDA	0,5	2,9	-2,4	-82,4%
<i>% on rev.</i>	<i>1,5%</i>	<i>7,8%</i>		
EBITDA	0,4	2,4	-2,1	-85,4%
<i>% on rev.</i>	<i>1,1%</i>	<i>6,6%</i>		
EBIT	-3,0	-0,6	-2,4	<i>n.a.</i>
<i>% on rev.</i>	<i>-9,0%</i>	<i>-1,6%</i>		
EBT	-4,1	-1,6	-2,5	<i>n.a.</i>
<i>% on rev.</i>	<i>-12,3%</i>	<i>-4,2%</i>		
Net Result	-4,1	-1,4	-2,8	<i>n.a.</i>

Highlights

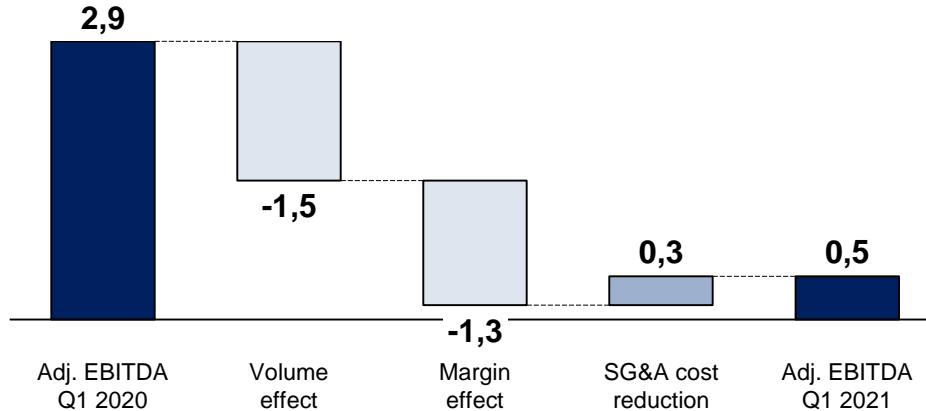
- **Revenues** decreased by 10,5% vs Q1 2020, mostly affected by still slow markets in the AM channel and impacted by the shortages on electronic components that forced some OEMs to suspend production activity
- **Adj. EBITDA** reduction due to the contraction in sales, different sales mix and by the increase of the cost of raw materials with mitigating fixed cost control initiatives
- **EBITDA remains positive**
- **EBIT** result, negative by 3,0M€, after amortizations, mostly related to R&D activities

Cost control initiatives mitigate the pressure on margin and volumes

M€

Adj.
EBITDA
Q1 2021

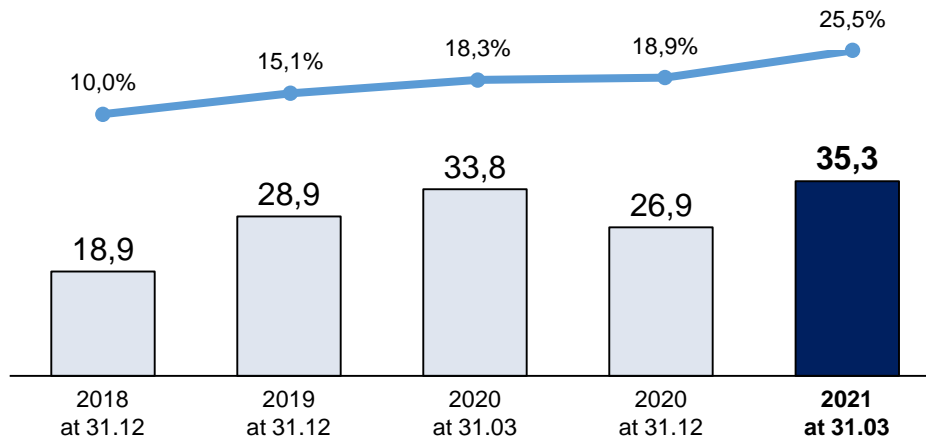
Q1 2020



Highlights

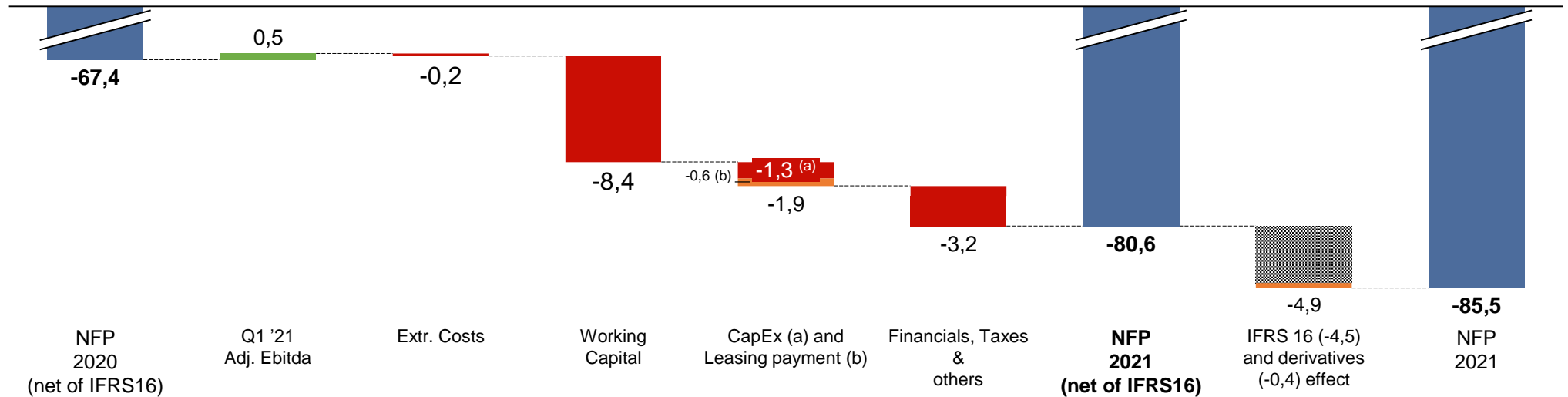
- **Adj. EBITDA** affected by the reduction of volumes, sales mix and by the margin effect due to the increase of raw material prices
- LRG is implementing a review of Group price list to take into account new costs
- **Positive effect of cost-control initiatives**, which are being maintained as long as required
- **Working Capital** is affected by the necessity to make stock investments in electronic materials facing shortage at worldwide level as well as in the raw materials undergoing increase in price, expected to be consumed in the next months

Working
Capital



NFP impacted by the cash usage for working capital and by the investments in R&D to support new products development for the HD segment

M€



2020	NFP	Q1 2021
21,9	Cash liquidity (+)	15,2
2,8	Current Financial Assets (+)	2,8
-23,5	Short-term debts (-) ⁽²⁾	-29,8
-68,6	Long-term debts (-)	-68,8
-67,4	NFP net of IFRS 16 and derivatives	-80,6
-5,1	Financial Lease (-)	-4,5
-0,5	Derivatives	-0,4
-72,9	NFP ⁽¹⁾	-85,5

⁽¹⁾ Short and long terms debt are inclusive of amortized cost effect

⁽²⁾ Accrued interests included

SAFE&CEC keeps the steady growing trend

M€; %	2021 Q1	2020 Q1	delta	delta %
Value of Production	17,6	14,3	3,3	22,9%
Adj. EBITDA	0,4	0,3	0,1	61,0%
<i>% on Value of Product.</i>	<i>2,5%</i>	<i>1,9%</i>		
Net Result	-0,6	0,0	-0,6	<i>n.a.</i>

	2021 Q1	2020 FY
Working Capital	14,4	12,4
<i>% on Value of Product.</i>	<i>17,4%</i>	<i>15,6%</i>

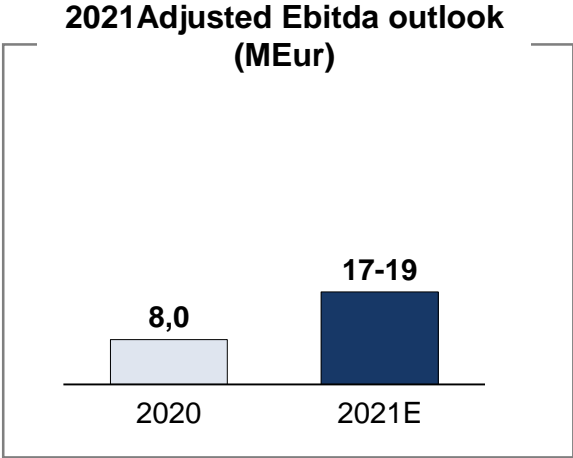
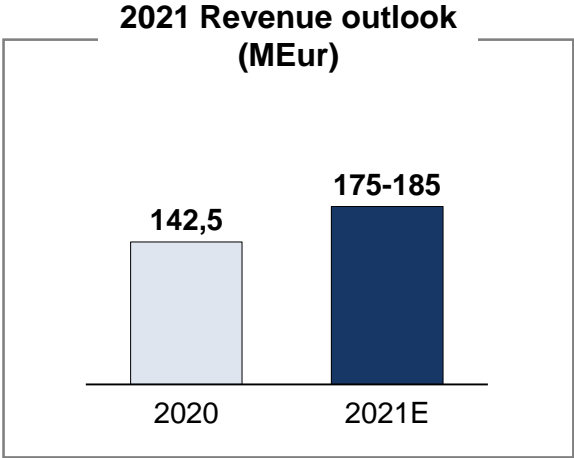
Highlights

- **Q1 2021 consolidated value of production** of 17,6M€ confirms the growing trend of the Group (22,9% vs Q1 2020), mainly thanks to the growth in Europe and North Africa
- **Adj. EBITDA** is impacted by pandemic in LatAm whose markets with higher-margin service activities are still slow due to Covid-19, and by lower revenues in Canada and in the US compared to Q1 2020. However, the Company has very high book order and expects strong performance improvement in Q2 driven also by US and Canada
- **Net result** impacted by a negative currency effect (-0,2M€) vs a positive effect in Q1 2020 (+0,3M€)
- **Working Capital** increases compared to Dec. 31, 2020 from 12,4% to 14,4% of rolling Value of Production, mainly due to the necessity to increase inventories to in order to complete the growing order portfolio

FY 2021 guidance

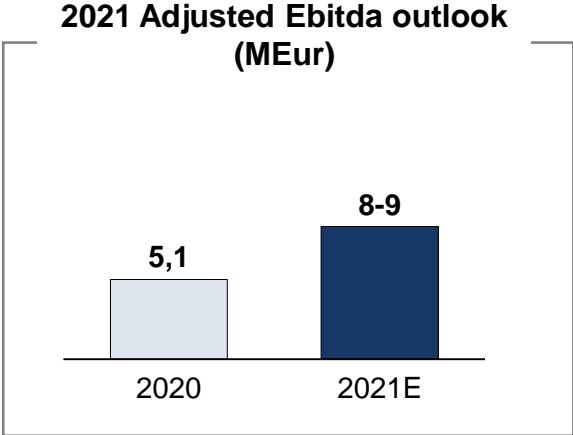
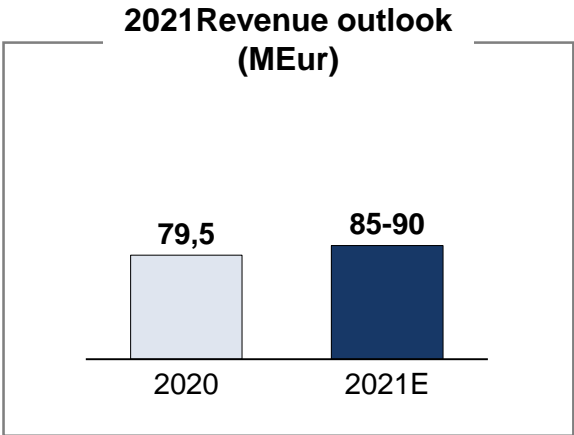
LRG

Automotive



SAFE&CEC

Infrastructure





Landi Renzo - Company profile (15/03/2021)

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

TOP MANAGERS

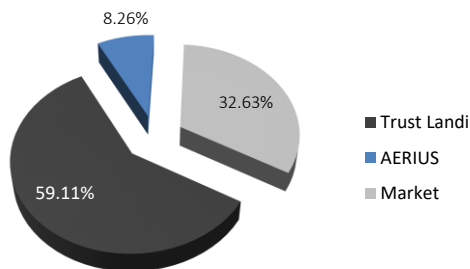


INVESTOR RELATIONS

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SHAREHOLDING



SHARE INFORMATION

FTSE Italia STAR

N. of shares outstanding: 112.500.000

Price as of 12/05/2021: €0.980

CONSOLIDATED P&L

(thousands of Euro)

CONSOLIDATED INCOME STATEMENT	31/03/2021	31/03/2020
Revenues from sales and services	33,259	37,170
Other revenues and income	134	51
Cost of raw materials, consumables and goods and change in inventories	-19,311	-19,445
Costs for services and use of third-party assets	-7,614	-8,567
Personnel costs	-5,603	-6,263
Allocations, write downs and other operating expenses	-508	-506
Gross Operating Profit	357	2,440
Amortization, depreciation and impairment	-3,336	-3,043
Net Operating Profit	-2,979	-603
Financial income	54	30
Financial expenses	-821	-738
Exchange gains (losses)	-511	-261
Income (expenses) from joint venture measured using the equity method	182	21
Profit (Loss) before tax	-4,075	-1,551
Taxes	-55	177
Net profit (loss) for the Group and minority interests, including:	-4,130	-1,374
Minority interests	30	-6
Net profit (loss) for the Group	-4,160	-1,368
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0.0370	-0.0122
Diluted earnings (loss) per share	-0.0370	-0.0122

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

ASSETS	31/03/2021	31/12/2020
Non-current assets		
Land, property, plant, machinery and other equipment	12,650	13,212
Development expenditure	9,188	9,506
Goodwill	30,094	30,094
Other intangible assets with finite useful lives	10,501	10,860
Right-of-use assets	4,401	4,975
Equity investments measured using the equity method	22,870	22,509
Other non-current financial assets	809	921
Other non-current assets	2,850	2,850
Deferred tax assets	12,189	12,201
Total non-current assets	105,522	107,128
Current assets		
Trade receivables	37,134	39,353
Inventories	46,966	42,009
Other receivables and current assets	7,097	6,712
Other current financial assets	2,780	2,801
Cash and cash equivalents	15,180	21,914
Total current assets	109,157	112,789
TOTAL ASSETS	214,709	219,917

CONSOLIDATED BALANCE SHEET

(thousands of Euro)		
SHAREHOLDERS' EQUITY AND LIABILITIES	31/03/2021	31/12/2020
Shareholders' Equity		
Share capital	11,250	11,250
Other reserves	43,986	53,199
Profit (loss) for the period	-4,160	-7,662
Total Shareholders' Equity of the Group	51,076	56,787
Minority interests	-483	-473
TOTAL SHAREHOLDERS' EQUITY	50,593	56,314
Non-current liabilities		
Non-current bank loans	68,349	68,181
Other non-current financial liabilities	422	408
Non-current liabilities for right-of-use	2,411	2,871
Provisions for risks and charges	3,005	2,897
Defined benefit plans for employees	1,440	1,556
Deferred tax liabilities	307	297
Liabilities for derivative financial instruments	395	458
Total non-current liabilities	76,329	76,668
Current liabilities		
Bank financing and short-term loans	29,420	23,108
Other current financial liabilities	376	378
Current liabilities for right-of-use	2,098	2,228
Trade payables	49,847	53,509
Tax liabilities	1,288	2,677
Other current liabilities	4,758	5,035
Total current liabilities	87,787	86,935
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	214,709	219,917