



H1 2021 Financial Results

Cavriago, 10th September 2021



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During the first half of 2021 Landi Renzo Group has posed the base to increase its strategic perimeter in the segment of M&HD and Infrastructure for gas and hydrogen mobility

Acquisition of Metatron

- Landi Renzo announced in August the acquisition of Metatron, a global player with strong positioning and a complete product portfolio for the M&HD market segment, with already a significant presence in Hydrogen mobility
- Metatron accelerates the Group's strategic goal of growing in the M&HD market and being a leading player in the hydrogen mobility

Automotive

- The global automotive business has been impacted by the increased price of raw materials and by the global chip shortage. Thanks to careful planning, Landi Renzo was able to secure enough stock and avoid interruptions of production
- The group has gained significant market share in high growing market, such as north Africa, while other markets (mainly Europe and Latam) expected to recover in the second half of the year
- The Indian JV KLR had a very strong performance in the burgeoning CNG market, with 9M€ revenues and 1,5M€ EBITDA
- Landi Renzo established a new JV in Russia, which will start operating by the end of 2021, to better take advantage of the opportunities offered by the local market

SAFE&CEC

- H1 result were positive in terms of turnover (42,6M€, +34% vs. H1 2020) and Adj. EBITDA (3,4M€, +100% vs. H1 2020), thanks to the growth in the North American RNG segment, and to traditional CNG sales in Africa, Europe and Russia. Gross margins improved as a result of careful purchasing and production management
- The new Hydrogen compressor is in advanced testing phase, with ongoing negotiations and first sales expected soon
- The order book for 2021 and 2022 totals 65M€, with already more than 25M€ orders for 2022
- SAFE&CEC has been fully consolidated in May, immediately increasing the value of the Group thanks to the capital gain (8,8M€) of the operation, besides the contribution to revenues and EBITDA

Consolidated P&L shows a positive Net result, with a significant contribution of SAFE&CEC

- **Starting from May 2021, SAFE&CEC is included in LRG's consolidated financial statements as a consequence of the acquisition of SAFE&CEC control**
- **Revenues** show a recovery in all Automotive channels. Clean Tech Solutions highlights a significant growth both in RNG (increasing in the US) and CNG (France, UK, and Egypt, where the company was awarded a tender for 150 compressors)
- **Adj. EBITDA** highlights an improvement, mainly due the significant contribution of SAFE&CEC, while automotive suffers
- **Net result** turns into positive, impacted by a consolidation profit connected to the fair value evaluation of SAFE&CEC and calculated as a comparison between the new “fair value” and “equity” method (8,8M€)
- **Strong Liquidity position**, with over 20M€ in terms of Group as a result of careful cash management actions

Landi Renzo Group – H1 key figures

Revenues 96,0M€	Investments 3,8M€
Adj. EBITDA 4,5M€	Liquidity 20,8M€
Net Income 2,1M€	NFP (*) 88,2M€

Landi Renzo acquired Metatron, a global player that designs, develops and markets pressure regulators and engine control units for alternative fuels

Highlights

- Metatron S.p.A. is a **leading T1 supplier of Hydrogen, CNG/RNG and LNG components**
- The company is currently **market leader** in Europe, in Russia and China, with a market share of about 60%
- Metatron's **client portfolio** includes major HD OEM producers worldwide for both CNG/LNG/H2



Products

Fuel Cell Vehicles



- Electronic and mechanical pressure regulators for both HD application (fuel cell vehicles or ICE H2 engine) and LCV

Natural Gas and LNG



- Advanced pressure regulator for HD applications, (buses and medium/long haul trucks)
- Mono ECUs for M&HD vehicles
- Fuel rails for CNG and LNG M&HD vehicles
- Low-pressure piping

Long term, sustainable growth in the M&HD market segment, targeting global market leadership in Gas and Hydrogen fuel components and solutions

Through Metatron, Landi Renzo Group achieves market leadership in the Gas and Hydrogen components and solutions for M&HD

Economics and timing of the Deal

- Metatron's acquisition price has been set at an **equity value of 26,7M€**. In 2019 and 2020 revenues totaled 29,4M€ and 27,4M€, respectively, with a consolidated yearly average adjusted EBITDA of 4,0M€
- At the first closing (5 August 2021) Landi Renzo acquired the 49% of Metatron's shares. The second closing, which is binding, is scheduled for the 30th of November 2021
- The price will be paid in multiple tranches, by cash, with the option of paying part of the due price by issuing new ordinary shares reserved for the seller

Synergies

- **Cost synergies**
4,7M€ starting from 2022, as a consequence of the optimization of fixed costs and purchasing scale efficiencies
- **Investment synergies**
About 5M€ in the next three years, thanks to the reduction of planned investments considering the product portfolio brought by Metatron in the Hydrogen and LNG segments

H1 2021 Landi Renzo Group financial results include two months of SAFE&CEC, with consolidated revenues at 96M€

M€; %	Automotive	Clean Tech Solutions *	LRG	2020 H1	delta	delta %
	2021 H1	2021 H1	2021 H1			
Revenues	77,0	19,0	96,0	59,9	+36,1	+60,3%
Adj. EBITDA	1,7	2,7	4,5	1,9	+2,6	>100%
<i>% on rev.</i>	<i>2,3%</i>	<i>14,4%</i>	<i>4,7%</i>	<i>3,1%</i>		
EBITDA	1,0	2,6	3,6	1,0	+2,6	>100%
<i>% on rev.</i>	<i>1,3%</i>	<i>13,5%</i>	<i>3,7%</i>	<i>1,7%</i>		
EBIT	-5,7	2,2	-3,5	-5,1	+1,6	<i>n.a.</i>
<i>% on rev.</i>	<i>-7,4%</i>	<i>-11,4%</i>	<i>-3,7%</i>	<i>-8,5%</i>		
EBT			2,7	-7,9	+10,6	<i>n.a.</i>
<i>% on rev.</i>			<i>2,8%</i>	<i>-13,3%</i>		
Net Result			2,1	-6,7	+8,7	<i>n.a.</i>

Highlights

- Starting from May 2021, SAFE&CEC is included in LRG's consolidated financial statements as a consequence of the acquisition of SAFE&CEC control
- Adj. EBITDA** improves by 2,6M€, with a positive contribution from SAFE&CEC consolidation (2,7M€)
- Net Result** positively impacted by a consolidation profit connected to the fair value evaluation of SAFE&CEC and calculated as a comparison between the new "fair value" and "equity" method (8,8M€)

Positive Automotive EBITDA despite unfavorable market conditions

Automotive	M€ ; %	2021 H1	2020 H1	delta	delta %
	Revenues		77,0	59,9	+17,1
Adj. EBITDA		1,7	1,9	-0,1	-6,0%
% on rev.		2,3%	3,1%		
EBIT		-5,7	-5,1	-0,6	n.a.
% on rev.		-7,4%	-8,5%		

The results do not take into consideration the Indian Landi Renzo JV (KLR), with a turnover that amounted to 9M€ in H1 2021 and an EBITDA of 1,5M€

Highlights

- **Revenues increase** highlights a recovery in all automotive channels:
 - OEM +22%, higher volumes driven by strong demand both in LPG and CNG sectors, pulled by RSA sales
 - Aftermarket +36%, mainly due to CNG higher volumes in MEA, Asia&Pac, and LatAm; the European market (with the exception of Poland), which grants also higher marginality, is still slow but expected to recover in the second half of the year
- **Adj. EBITDA positive by 1,7M€**, in line with last year, as a result of:
 - an unfavourable sales mix between OEM and Aftermarket, with higher volumes in regions with strong pressure on sales price (Asia and MEA)
 - raw material inflation with impact on costs and profitability
 - optimization and fixed cost control to maintain an efficient organization

SAFE&CEC maintains its continuous growth also in the first half of 2021, with a large order portfolio for the year

Clean Tech Solutions

pro-forma H1

M€ ; %	2021 H1*	2020 H1*	delta	delta %
Revenues	42,6	31,8	+10,8	+34,0%
Adj. EBITDA	3,4	1,7	+1,7	+99,8%
<i>% on rev.</i>	<i>7,9%</i>	<i>5,3%</i>		
EBIT	1,4	-0,2	+1,5	<i>n.a.</i>
<i>% on rev.</i>	<i>3,3%</i>	<i>-0,3%</i>		
Free Cash Flow	2,5			
Net Financial Position (with IFRS 16)	15,0	17,6	-2,6	
Liquidity	5,0	3,2	+1,8	

Highlights

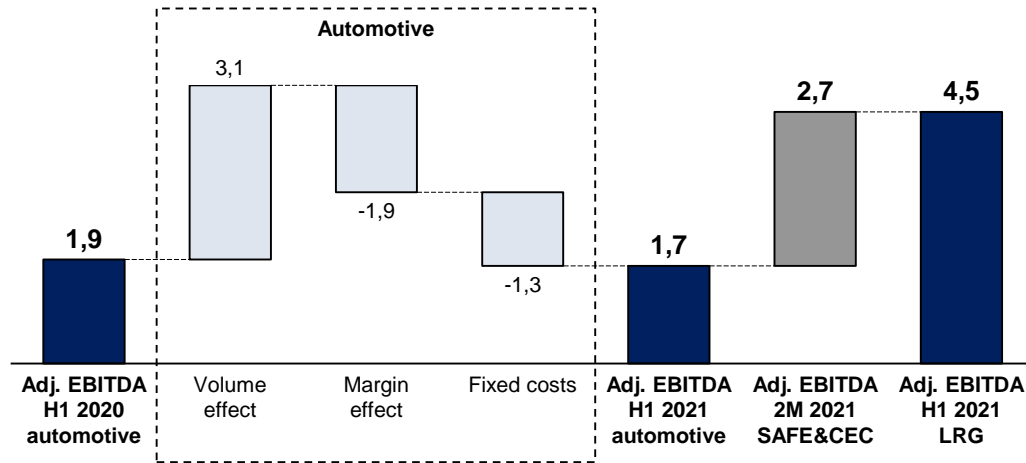
- **Revenues increase** highlights a continuous interest in the gas mobility, with a **growing presence in Africa** (also thanks to the large tender awarded in Egypt), **North America and Russia**
- **The SAFE & CEC Group has been awarded significant supplies for RNG applications** both in Europe and in the United States, with an 88% growth vs. H12020
- The current **order portfolio of more than 65M€** covers all 2021 and extends into 2022
- **Adj. EBITDA** shows a significant growth driven by higher volumes and improved profitability resulting also from standardization initiatives on production
- **Free Cash Flow** significantly improved thanks to the volume increase with higher profitability and to the Working Capital optimization

Positive EBITDA with a significant contribution of SAFE&CEC. Working Capital % on revenues is improving thanks to the effect of SAFE&CEC

M€

Adj. EBITDA H1 2021

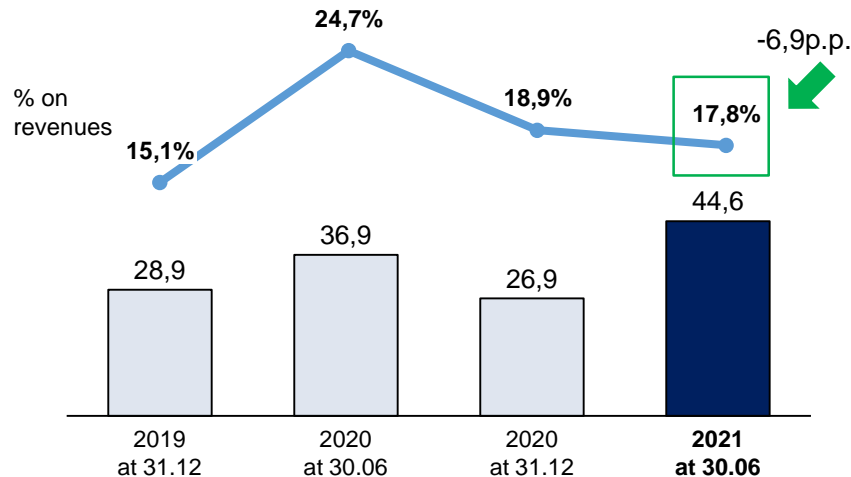
H1 2020



Highlights

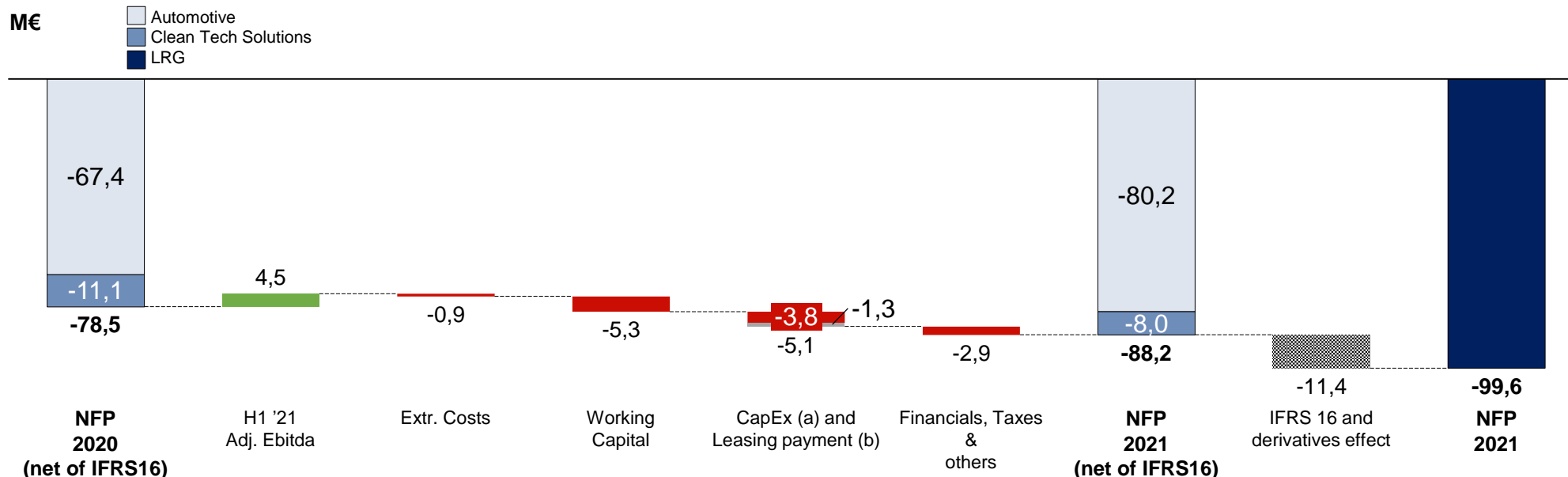
- **Significant contribution of SAFE&CEC**, even though only in the last 2 months of H1
- **Automotive Adj. EBITDA** affected by a positive impact of volumes (revenues +17,1M€ vs H1 2020) and by the unfavorable sales mix and margins mainly due to the increase of raw material costs

Working Capital



- **Working Capital** improves at 17,8% on revenues compared to 31.12.20 (-1,1pp) and H1 2020 (-6,9pp)
- Shortages on electronic components and raw material cost increases still have an impact on Inventories. Supply chain actions are continuously ongoing to mitigate the impact in H2 2021

NFP impacted by the increase of Working Capital and by 3,8M€ of CapEx, supported by an Adj. EBITDA of 4,5M€



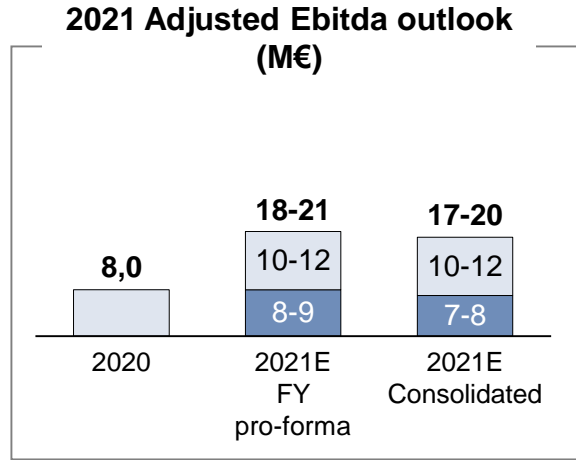
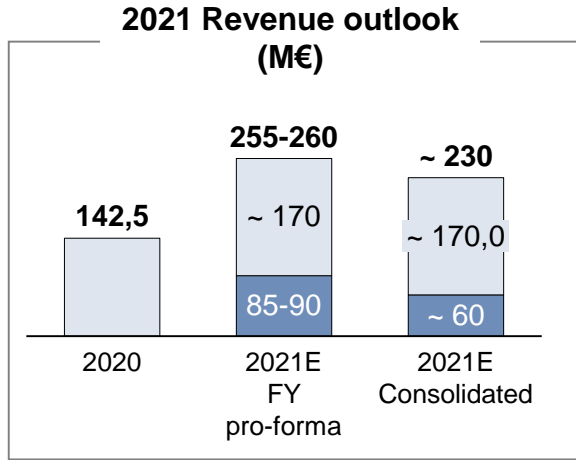
2020	NFP	H1 2021
21,9	Cash liquidity (+)	20,8
2,8	Current Financial Assets (+)	0,0
-23,5	Short-term debts (-)	-43,1
-68,6	Long-term debts (-)	-65,9
-67,4	NFP net of IFRS 16 and derivatives	-88,2
-5,1	Financial Lease (-)	-11,1
-0,5	Derivatives	-0,3
-72,9	NFP (1)	-99,6

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

(2) Accrued interests included

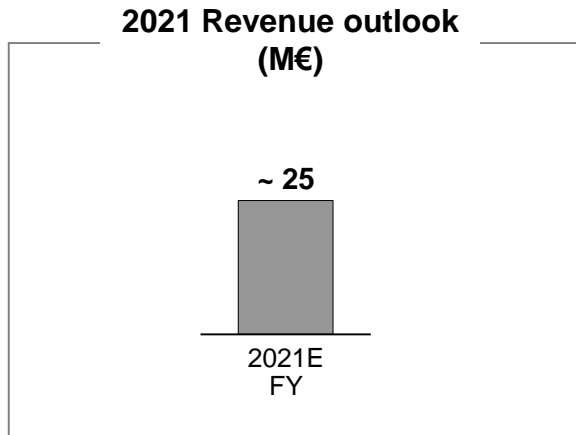
FY 2021 guidance

Landi Renzo Group



- Automotive
- Clean Tech Solutions
- Metatron

METATRON
pro-forma annual base (12 months)





Landi Renzo - Company profile (10/09/2021)

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

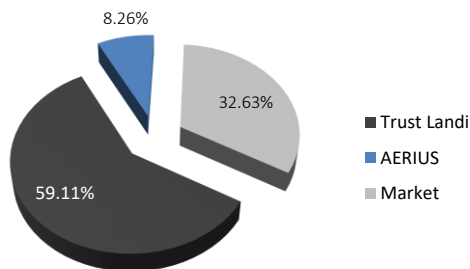


INVESTOR RELATIONS

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SHAREHOLDING



SHARE INFORMATION

FTSE Italia STAR

N. of shares outstanding: 112.500.000

Price as of 10/09/2021: €0.967

CONSOLIDATED P&L

(thousands of Euro)

CONSOLIDATED INCOME STATEMENT	30/06/2021	30/06/2020
Revenues from sales and services	95,962	59,857
Other revenues and income	874	64
Cost of raw materials, consumables and goods and change in inventories	-59,643	-33,074
Costs for services and use of third-party assets	-17,841	-13,537
Personnel costs	-14,436	-11,305
Allocations, write downs and other operating expenses	-1,354	-967
Gross Operating Profit	3,562	1,038
Amortization, depreciation and impairment	-7,076	-6,108
Net Operating Profit	-3,514	-5,070
Financial income	86	181
Financial expenses	-1,937	-1,534
Exchange gains (losses)	-595	-1,211
Income (expenses) from equity investments	8,783	0
Income (expenses) from joint venture measured using the equity method	-138	-305
Profit (Loss) before tax	2,685	-7,939
Taxes	-627	1,286
Net profit (loss) for the Group and minority interests, including:	2,058	-6,653
Minority interests	517	-92
Net profit (loss) for the Group	1,541	-6,561
Basic earnings (loss) per share (calculated on 112,500,000 shares)	0.0137	-0.0583
Diluted earnings (loss) per share	0.0137	-0.0583

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

ASSETS	30/06/2021	31/12/2020
Non-current assets		
Land, property, plant, machinery and other equipment	13,927	13,212
Development expenditure	11,165	9,506
Goodwill	55,487	30,094
Other intangible assets with finite useful lives	16,694	10,860
Right-of-use assets	10,273	4,975
Equity investments measured using the equity method	1,270	22,509
Other non-current financial assets	861	921
Other non-current assets	2,280	2,850
Deferred tax assets	12,768	12,201
Total non-current assets	124,725	107,128
Current assets		
Trade receivables	58,872	39,353
Inventories	61,214	42,009
Contract work in progress	19,195	0
Other receivables and current assets	12,359	6,712
Other current financial assets	0	2,801
Cash and cash equivalents	20,780	21,914
Total current assets	172,420	112,789
TOTAL ASSETS	297,145	219,917

CONSOLIDATED BALANCE SHEET

(thousands of Euro)		
SHAREHOLDERS' EQUITY AND LIABILITIES	30/06/2021	31/12/2020
Shareholders' Equity		
Share capital	11,250	11,250
Other reserves	44,633	53,199
Profit (loss) for the period	1,541	-7,662
Total Shareholders' Equity of the Group	57,424	56,787
Minority interests	4,743	-473
TOTAL SHAREHOLDERS' EQUITY	62,167	56,314
Non-current liabilities		
Non-current bank loans	63,295	68,181
Other non-current financial liabilities	2,584	408
Non-current liabilities for right-of-use	8,576	2,871
Provisions for risks and charges	4,131	2,897
Defined benefit plans for employees	1,956	1,556
Deferred tax liabilities	1,497	297
Liabilities for derivative financial instruments	283	458
Total non-current liabilities	82,322	76,668
Current liabilities		
Bank financing and short-term loans	42,459	23,108
Other current financial liabilities	605	378
Current liabilities for right-of-use	2,532	2,228
Trade payables	81,595	53,509
Tax liabilities	2,566	2,677
Other current liabilities	22,899	5,035
Total current liabilities	152,656	86,935
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	297,145	219,917