



## Investor presentation

Virtual STAR Conference

Cavriago, October 13<sup>th</sup> 2021



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# Landi Renzo Group highlights

## History

Founded in 1954

## Business

Diversified businesses with leading position in green transportation and clean tech solutions for gas and hydrogen infrastructure

## HQ

Headquarter in Reggio Emilia

## Product leadership

Among the world leaders in Gas & Hydrogen fuel systems and infrastructure, highly involved in the Energy Transition

## Global presence

Wide-spread presence worldwide both in Green Transportation and Clean Tech Solutions

## People

More than 1000 employees worldwide









## Offices

3 companies, 15 branch offices in 12 countries

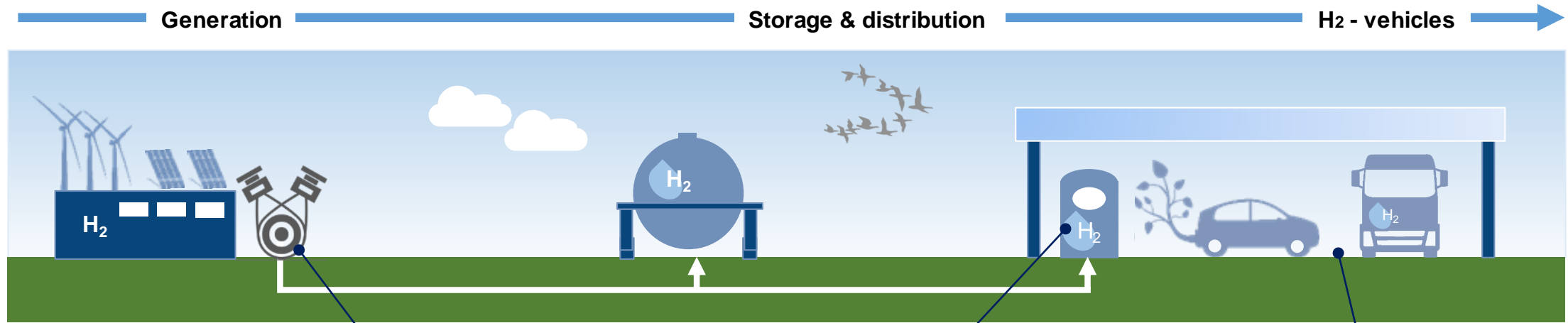
## Listing

Stock exchange listing in 2007 (MTA Star segment)

# Our mission is to provide solutions for the energy transition

Green Transportation		Clean Tech Solution	
Hydrogen and Renewable Natural Gas			
OEM Heavy Duty and Off Road	OEM Passenger cars	Clean Fuel Transformation	Infrastructure Equipment
 <ul style="list-style-type: none"> <li>• Components and full systems for Hydrogen and RNG/CNG/LNG*</li> </ul>	 <ul style="list-style-type: none"> <li>• RNG/CNG/LPG as effective and efficient solutions to reduce emissions</li> <li>• H2 on LCV after 2026</li> </ul>	 <ul style="list-style-type: none"> <li>• Fuel System to convert petrol light and mid duty into a CNG/LPG* bi-fuel vehicle</li> </ul>	 <ul style="list-style-type: none"> <li>• RNG and Hydrogen compression solutions from generation to refueling station</li> </ul>  <ul style="list-style-type: none"> <li>• CNG compression for gas recovery and refueling station</li> </ul>
 <p>Different projects on FCEV and H2- Internal Combustion Engines</p> <p>Already active in the Hydrogen infrastructure market</p>	 <p>Market leadership position</p> <p>~30% MS – Green Transportation</p> <p>~25% MS – Clean Tech Solutions</p>	 <p>Global presence</p> <p>85% export – Green Transportation</p> <p>80% export – Clean Tech Solutions</p>	

# Landi Renzo Group supports the Hydrogen evolution, from compression at generation and Hydrogen fuelling station to dedicated on vehicles solutions



**Compressors system solutions for hydrogen grid injection and transportation to be launched by end of 2022**

**Compressor and dispenser solutions for hydrogen fuelling station at testing phase**

**Components and systems for H2 vehicles, from Light Duty to M&HD, Buses, trains and other applications**

**LANDI RENZO GROUP ROLE**



# Thanks to the acquisition of Metatron, Landi Renzo Group is becoming the global leader in alternative solutions for M&HD applications, from Hydrogen to Natural Gas

## Metatron



- Metatron S.p.A. is a **leading T1 supplier of Hydrogen, CNG/RNG and LNG components that serves major HD OEM worldwide**
- The company is currently **market leader in Europe, in Russia and China, with a market higher than 60%**



## Products

### Fuel Cell Electric Vehicles

H<sub>2</sub>



### Natural Gas and LNG

CNG

RNG

LNG



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

Significant cost and investment synergies (~10 M€)

# Highly skilled R&D and a global manufacturing footprint allow Landi Renzo Group to deliver best-in-class solutions to our customers worldwide

## Research & Development



### Competences

- Strong and diversified **engineering competences**
- **Capability to design** a full range of **Hydrogen, CNG and LNG components**



### Investments

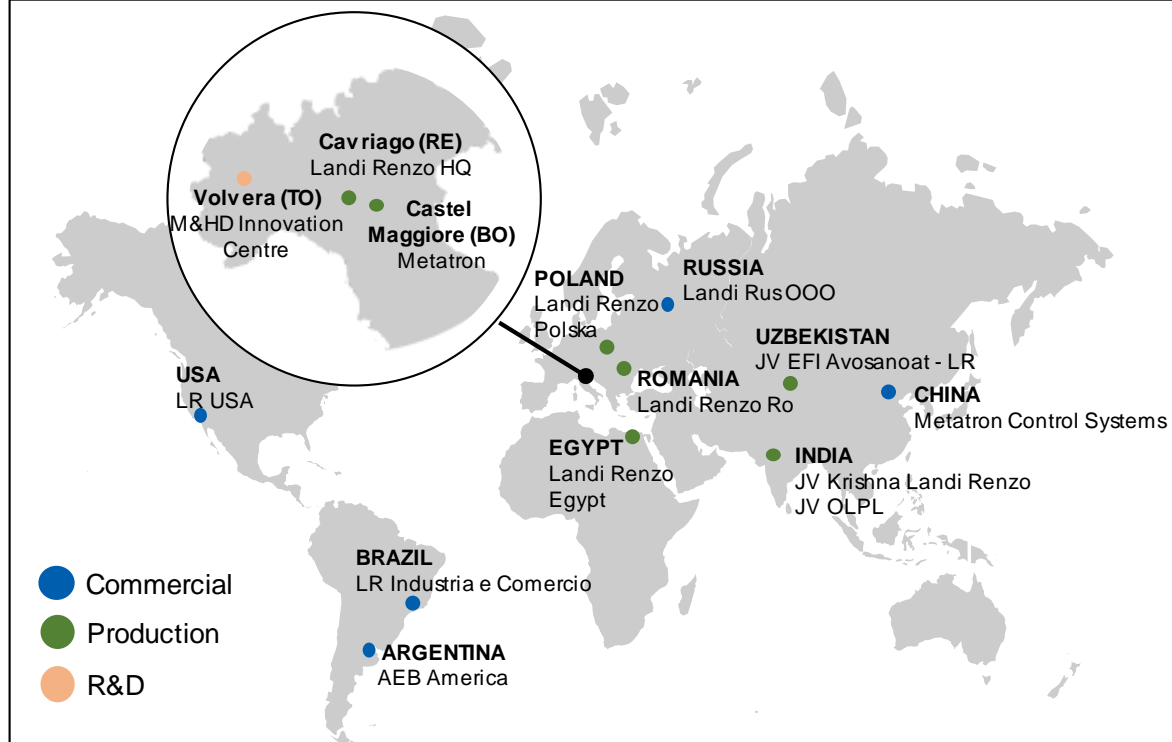
- **5% of revenues** invested in R&D
- ~ **100 resourced** fully dedicated to R&D



### Open Innovation

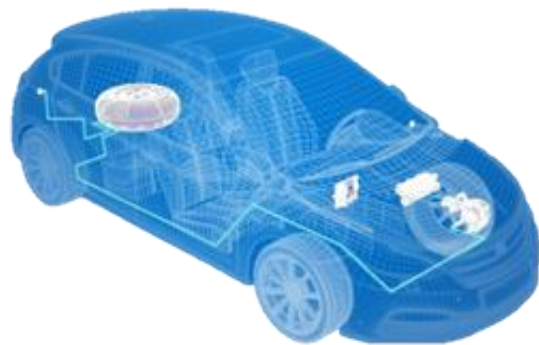
- Cooperation partnership with other **research centers and Universities**

## Manufacturing footprint



- Localization in growing markets that enhance proximity to growing end-markets
- Ongoing new JV in Russia and Egypt

# Innovative and complete product portfolio for Light Duty and LCV



## Highlights

- **OEM** - Landi Renzo designs and manufactures **CNG and LPG components for OEM applications**, working with car manufacturers from the early stage to help integrating the fuel line into the original engine
- **Clean Fuel Conversion** - Full conversion kits which can be applied to a very broad range of models for retrofitting to clean fuel technology, **with more than 4.000 workshops worldwide** installing Landi Renzo Group solutions
- Landi Renzo respects the **highest quality standards**, in compliance to the automotive regulation



Pressure regulators

Electronic Control Units

Injection systems



Valves



Kit conversion systems

# With the acquisition of Metatron, Landi Renzo Group adds to its portfolio advanced components and systems for Medium & Heavy Duty vehicles



## Highlights

- **Natural Gas (CNG/LNG/RNG)** – Landi Renzo Group supplies the **major HD OEM with components for monofuel CNG / LNG engines**
- **Hydrogen** – with the acquisition of Metatron the Group complemented its product portfolio, and **already serves many OEMs for both FCEV and H<sub>2</sub> ICE applications**
- **Product innovation** is ensured thanks to an **R&D team with best-in-class expertise**, with long time experience in major European OEMs

### Natural Gas Applications



Injectors



Pressure regulators



Control Units



Valves



### Hydrogen Applications



Feeding System



Pressure regulators



FC Control unit



Injection System



Integrated manifold



# Safe&CEC is a leading suppliers of tailor made compression solutions for RNG and CNG applications, ready to play a key role in hydrogen infrastructure development

## Renewable Natural Gas



- **Oil free Compression systems** able to work with all different biogas upgrading plants and performances

## CNG&RNG distribution



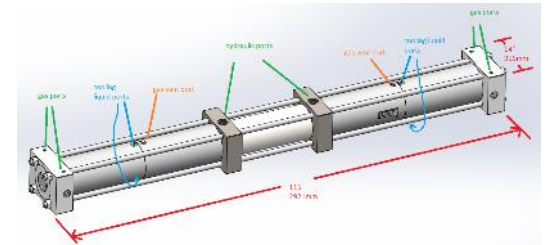
- **Solutions for refueling station and industrial use**
- Turn-key equipment for **mobile trailers**
- **High flow rate capacity** (5' to fill a truck)

## Gas Treatment



- **High-power compressors** used in flare gas applications, gas treatment and gas recovery to avoid methane emissions

## Hydrogen Compression



- **Hydrogen technology with management of pressure up to 800bar**



**From single compressor skid to a whole package system, including Aftersales service, maintenance and spare parts**



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

## Group Structure and Global presence

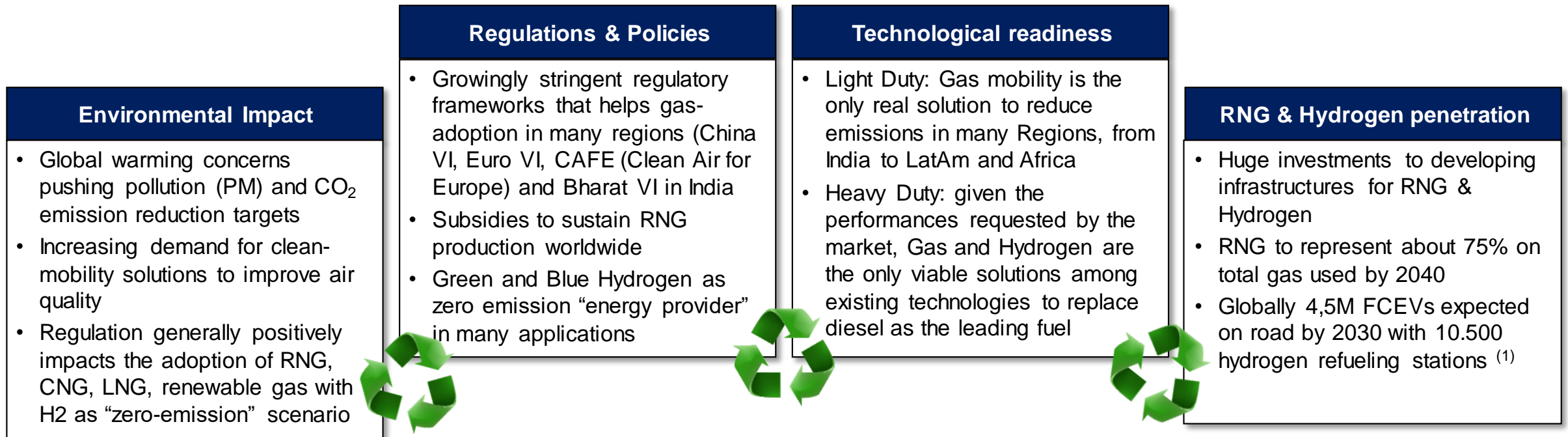


## SAFE production system highlights



- **Production and assembly capacities**, from small compressors to large, complete, stations, starting to apply lean manufacturing system
- Over 13.000m<sup>2</sup> of production facilities in Italy and 7.000m<sup>2</sup> in Canada

# Natural Gas, RNG, bio-LNG and H2 play a fundamental role in the Energy transition, with RNG and H2 as a new frontier towards 2050 “zero emission scenario”



(1) Hydrogen Council – Feb. 2021

# Hydrogen is the real solution for energy decarbonization and is becoming a reality sooner than expected

## Hydrogen development

- **More than 30 Countries** announced their hydrogen adoption roadmap
- 200 ongoing projects with **70bn USD of public funding**
- China is investing **5bn USD on Fuel Cell support** program (including development of a local supply chain)
- **All leading OEMs** are developing hydrogen solution for LCV and heavy Duty

## Benefits of Hydrogen as a fuel

- Unique technology to store green energy
- Easy to store, transport and distribute
- Energy content competitive with traditional fuels
- Fast refueling time
- Driving range compared to conventional vehicles
- Hydrogen can help carmakers in reaching the emission targets imposed by the regulation and offers reliable zero-emission solutions

## Highlights

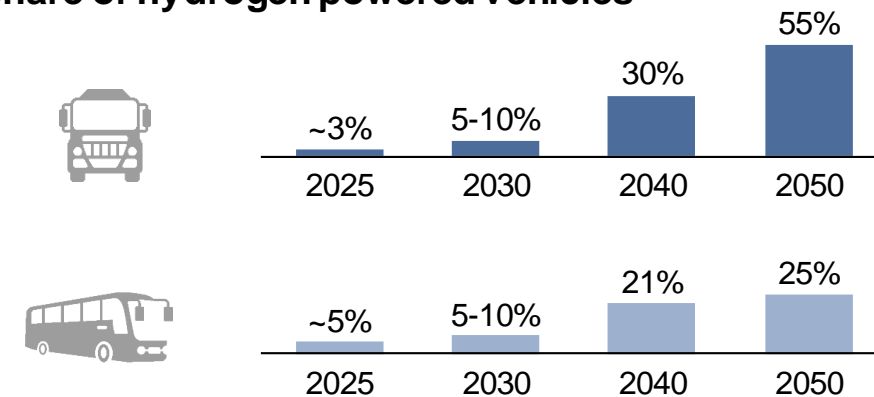
### By 2030:

- 10.500 hydrogen refueling stations
- 4,5 million FCEV on the road

### Hydrogen Technology for Mobility

- Hydrogen is already a viable solution, with all OEMs working on:
  - Fuel Cells Electric Vehicles (on-engine electricity production)
  - Internal Combustion Engines (ICEs), which exploit current engine platform

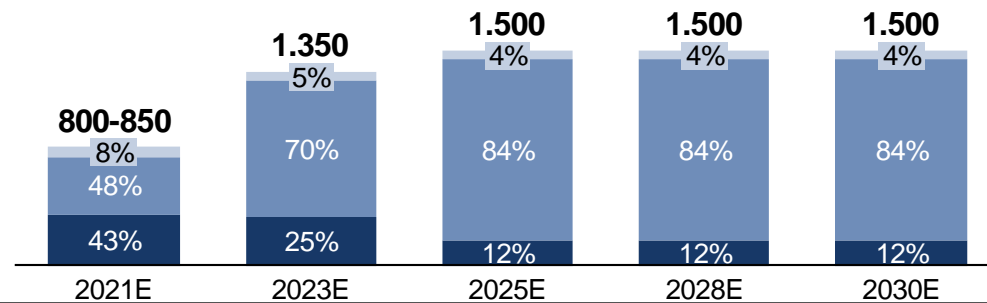
### Share of hydrogen powered vehicles



# The market for light commercial vehicles is expected to grow until 2025 and then remain stable on the longer run

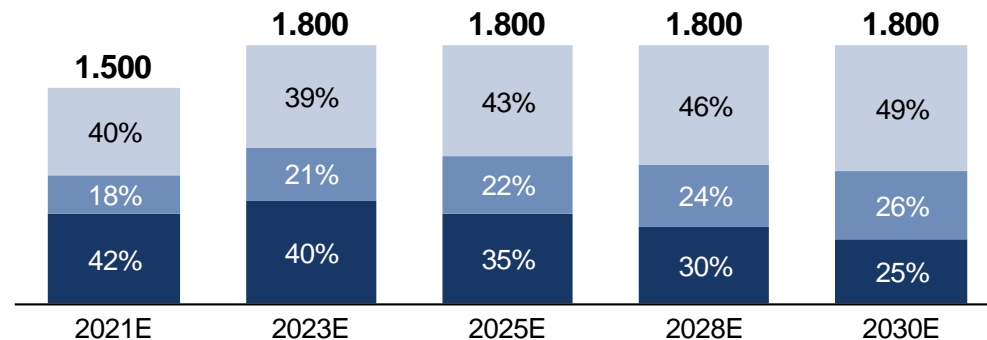
## OEM vehicles production

**CNG / LPG Light Vehicles production by region**  
(k units)



## Clean fuel conversions

**CNG-LPG conversions by region**  
(k units)



## Highlights

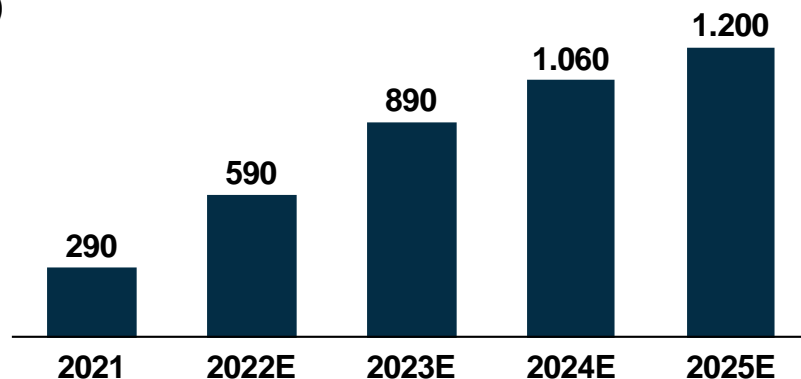
- Alternative fuel vehicle production is expected to grow in the next years, almost doubling the current figures, **with India leading market growth**
- The expansion of the CNG market in India, where Landi Renzo operates with its subsidiary KLR, is sustained by local policies and ongoing infrastructure development
- The market for clean fuel conversions is **expected to resume growth after the decline due to the pandemic**, even through a geographical shift from Europe to other Regions
- Volumes are set to remain stable after 2023, in a range between 1,8 and 2M vehicles per year
- Potential new markets could emerge in Africa, Middle East and APAC

# The Indian market is experiencing a double digit growth, sustained by Government support and infrastructure development

## CNG Market in India

- The Government is targeting **save crude oil import savings for about 140 Bln€ by 2030 and a strong emission reduction, especially for particulate**
- To support this purpose, there is an important investment plan to **expand the network of gas stations from 1,424 to 10,000**, reaching 300 district across the country (52% of India's area and 70% of the population)
- In this light, all OEMs are developing important CNG programs

**Forecasted yearly CNG production in India**  
(k units)



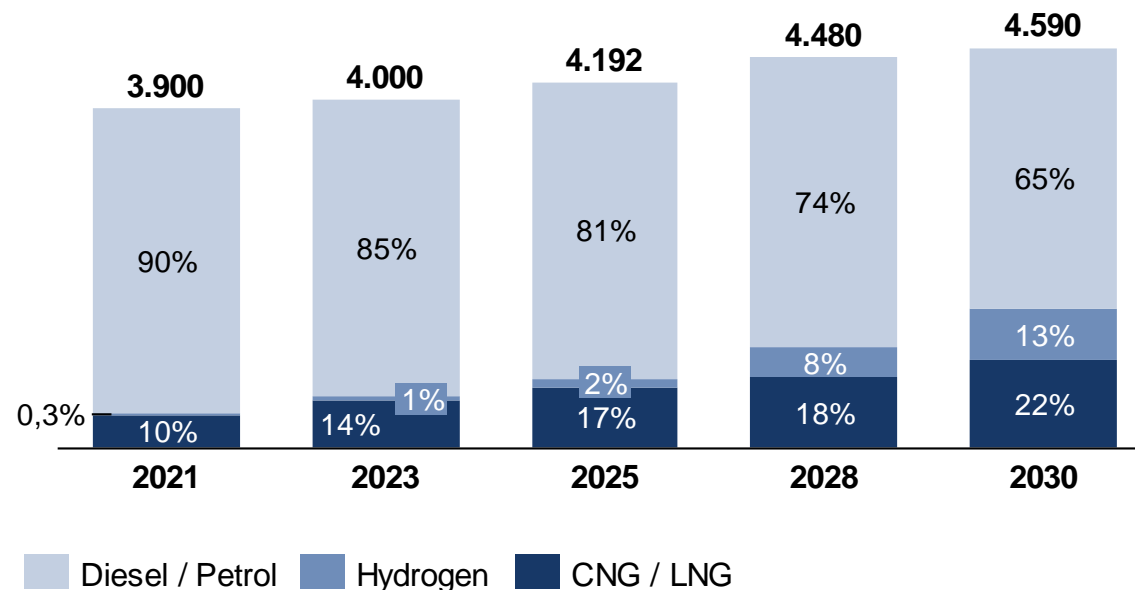
## Landi Renzo Strategic Positioning

- Landi Renzo has a leading role through Krishna Landi Renzo, a JV (51% LRG, 49% Krishna) established in 2012
- The company is serving the OEM market, with local production facility for receptacle, valves and CNG pressure regulator
- KLR is the main supplier of CNG components to **Suzuki Maruti, the largest carmaker in India**, and is targeting a **market share** in the Indian market of **35-40%**
- The company experienced a constant turnover growth with **very strong performance in 2021**, with revenues totaling 9M€ (1,45M€ EBITDA) in the first semester and full year results expected at around 18M€, with **110% growth compared to the previous year**
- **On top of that Landi Group is working with Tata, Mahindra and many other Indian engine manufacturers**

# In the Heavy Duty market gas today and hydrogen in the future are the only feasible technology to reduce emissions

## M&HD market

### M&HD Vehicles production by fuel type (k units)



## Highlights

- Natural Gas application is the current only viable alternative to diesel, making **gas technology a preferable solution for engine manufacturers and OEMs**
- The penetration of CNG/LNG powertrain in the Medium/Heavy duty market is currently ~ 10%, and **is expected to exceed 20%, with also expected evolution in Europe, Russia and North America** where leading players are shifting to RNG (e.g.: Amazon)
- **FCEV/H2 penetration is projected to develop more notably only after 2025 and achieve ~13% by 2030**, driven by China, North America and Europe

# The Group has signed agreements with leading players for the development of innovative feeding systems for Natural gas and Hydrogen applications

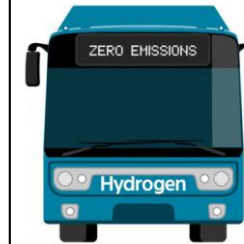


LRG signed a MOU for the development of feeding systems for Gas and Hydrogen solutions. Many ongoing projects

## Current Sales of Hydrogen components

Supply of pressure regulators and manifold to various Heavy Duty OEM clients with >4k HD vehicles currently circulating and additional ~2,5k forklift and light vehicles on field

## H2-ICE



H2-ICE is a partnership between five Italian companies (Punch Torino, AVL Italia, Industria Italiana Autobus, TPER and Landi Renzo) aimed at the development of an internal combustion engine powered by hydrogen.

**Mahindra**  
Rise.



- Joint development of a monofuel off-road tractor and new light duty to be equipped with a next-generation CNG engine, of which Landi Group will provide the entire control and injection system

**Regione Emilia-Romagna**



Development of H<sub>2</sub>-Fuel Cell Electric Vehicles components, in partnership with the University of Modena, with a grant from the Region Emilia-Romagna

**MARUTI SUZUKI**



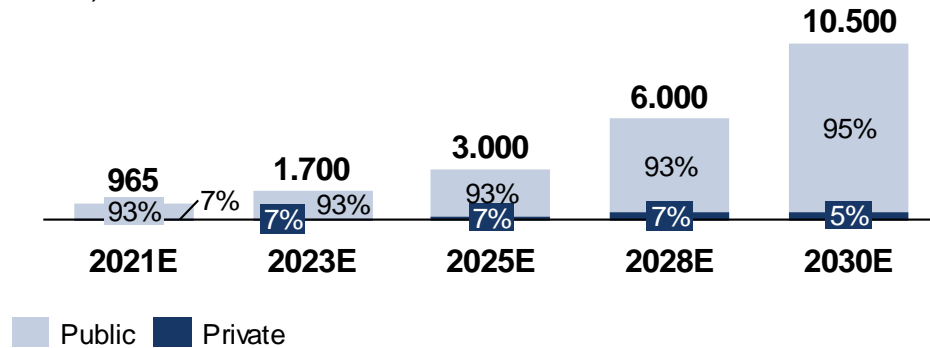
Landi Renzo Group is one of the main suppliers of Maruti Suzuki for dedicated components for CNG vehicles, from valve to pressure regulators

# Large investment plans will support the growth of the infrastructure for Hydrogen and Natural Gas distribution

## Hydrogen refueling stations

### Refueling Stations<sup>(1)</sup>

(# units)



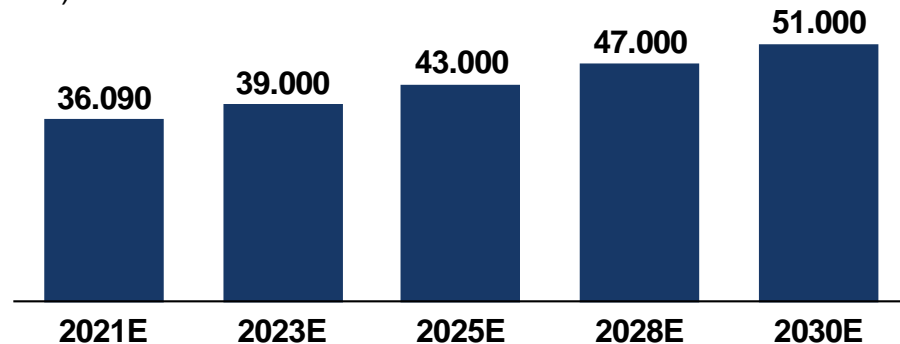
## Highlights

- More than 70 Billion Euros have already been allocated to projects for the production and distribution of Hydrogen, with **infrastructure for refueling stations (HRS) development having a fundamental role for the expansion of the hydrogen-mobility**
- Several countries have already announced targets to expand their Hydrogen refueling network, thus driving public refueling stations' growth to **more than 2,500 units by 2025** (of which more than 800 in Europe) and **more than 10.000 by 2030**
- Global refueling stations expected to **grow at 4,4% CAGR until 2025 and then keep growing until 2030**
- Asia remains the largest market, with India pulling the growth thanks to the Government's plans, with Russia and Europe also forecasted to grow above average
- **US market expected to grow driven by RNG penetration in transportation**

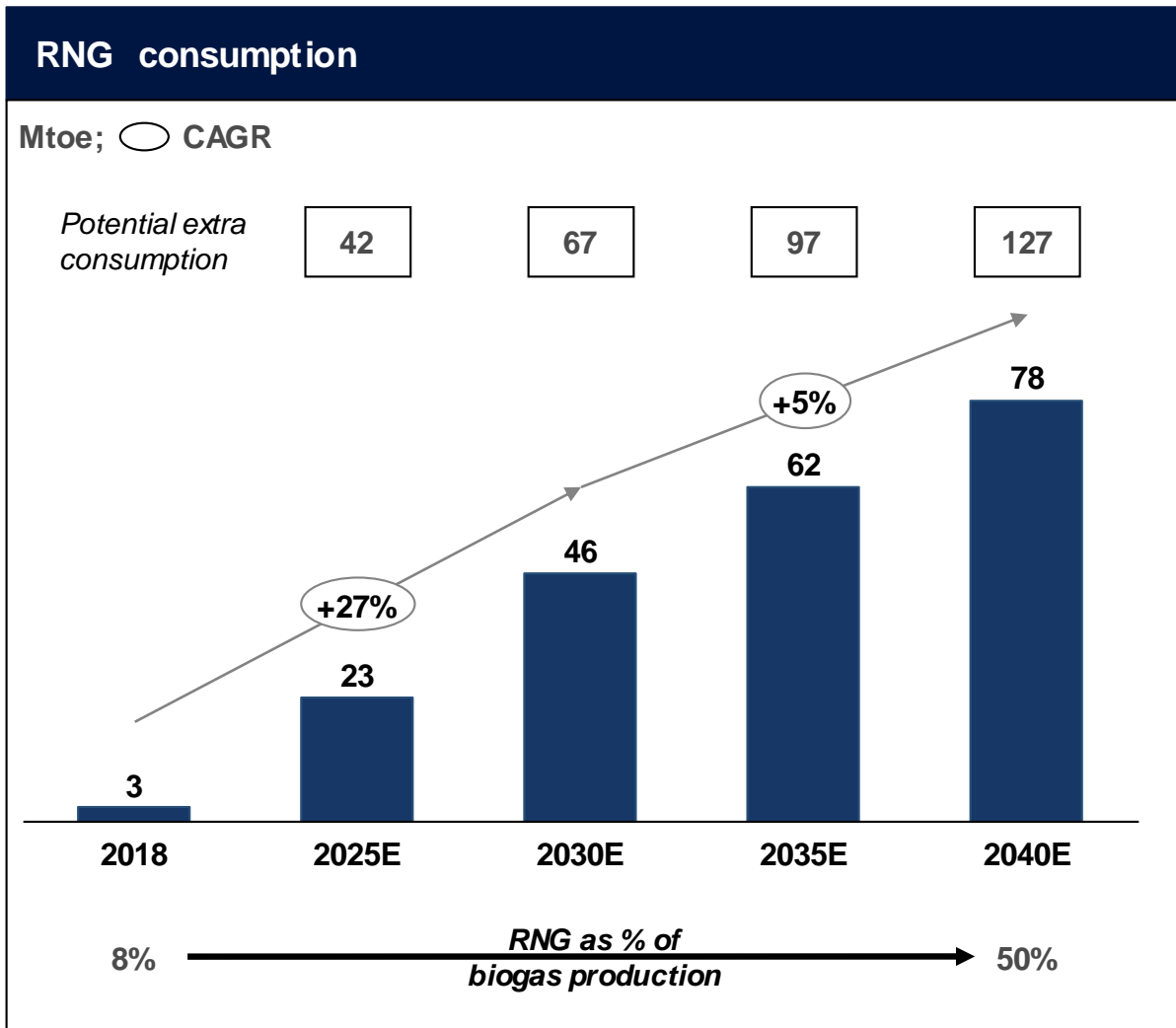
## CNG refueling stations

### Refueling Stations<sup>(1)</sup>

(# units)



# Renewable Natural Gas represents an attractive growing opportunity, with biomethane demand expected to exceed 25% CAGR over the next 10 years



## Highlights

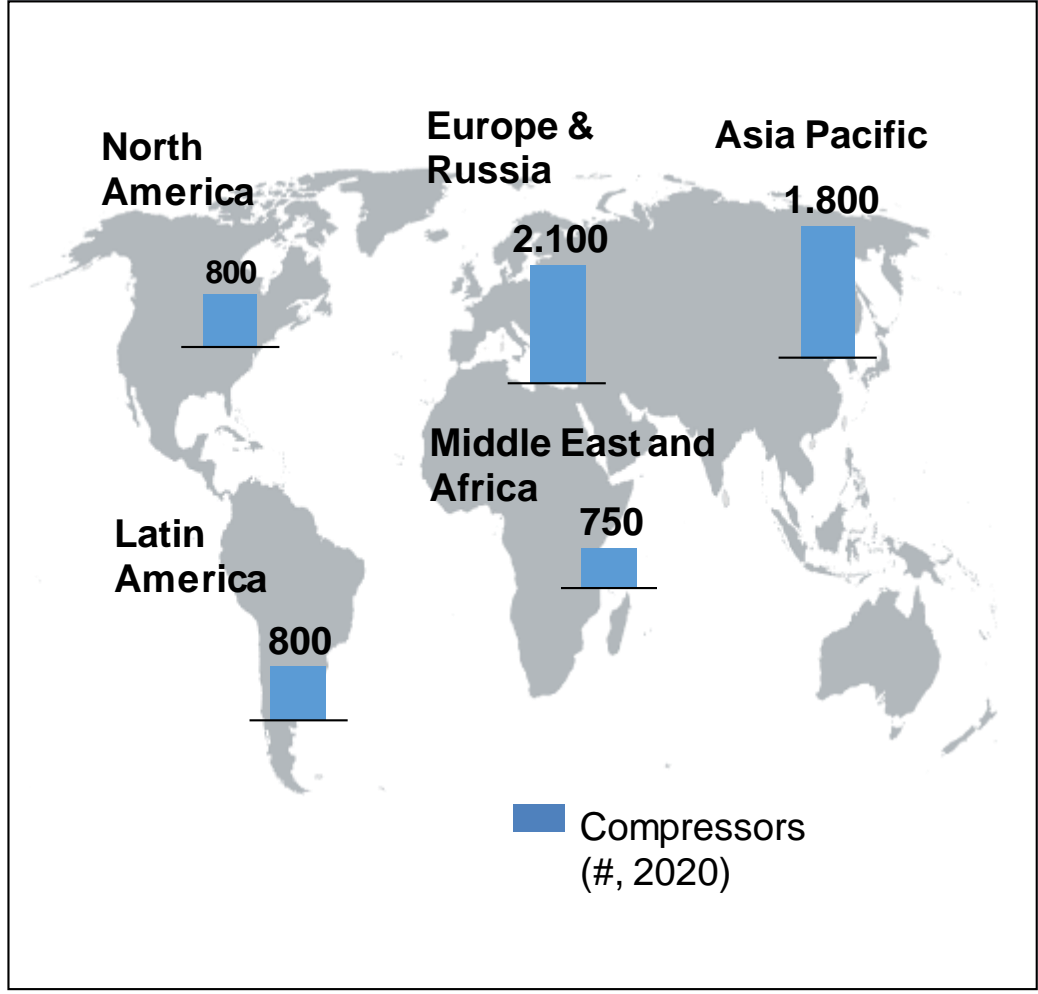
- Renewable Natural Gas (RNG) is a sustainable fuel that is produced from biogas derived from organic matter such as human waste / sewage, manure, food waste, distillery waste or agricultural materials
- RNG production has grown by around 30% each year on average over the past decade
- Over 750 RNG plants are in operation today, mostly in Europe and North America
- **More than 10 billion \$ investment estimated worldwide, with more than 3.000 plants expected on the market in the next years**
- Amazon, among others, recently invested in a dedicated RNG fleet

# SAFE&CEC is partners to main player in gas and hydrogen distribution, and have a broad based on more than 6.000 compressors installed worldwide

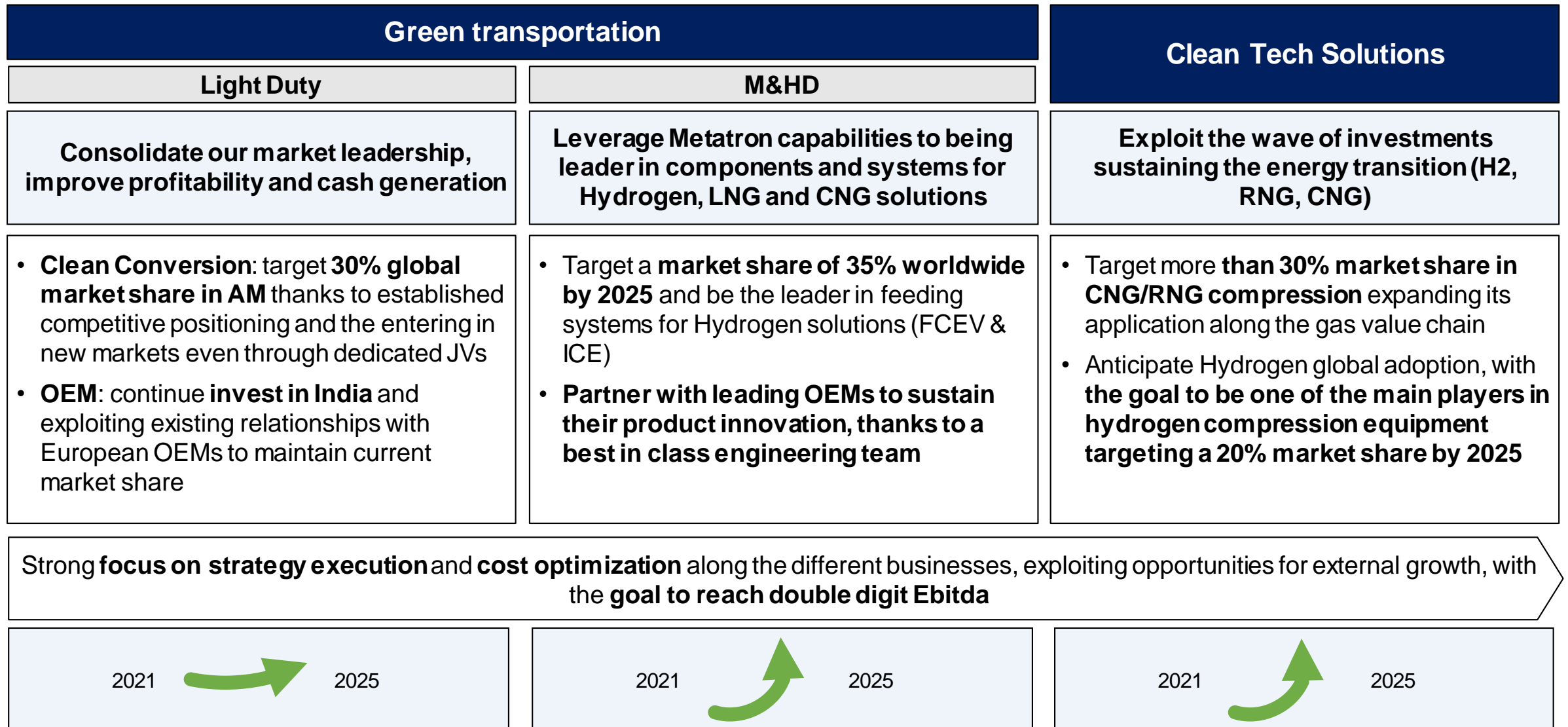
## Main Customers



## Compressor Installed Base



# Group Strategy: three pillars to support growth and value creation



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

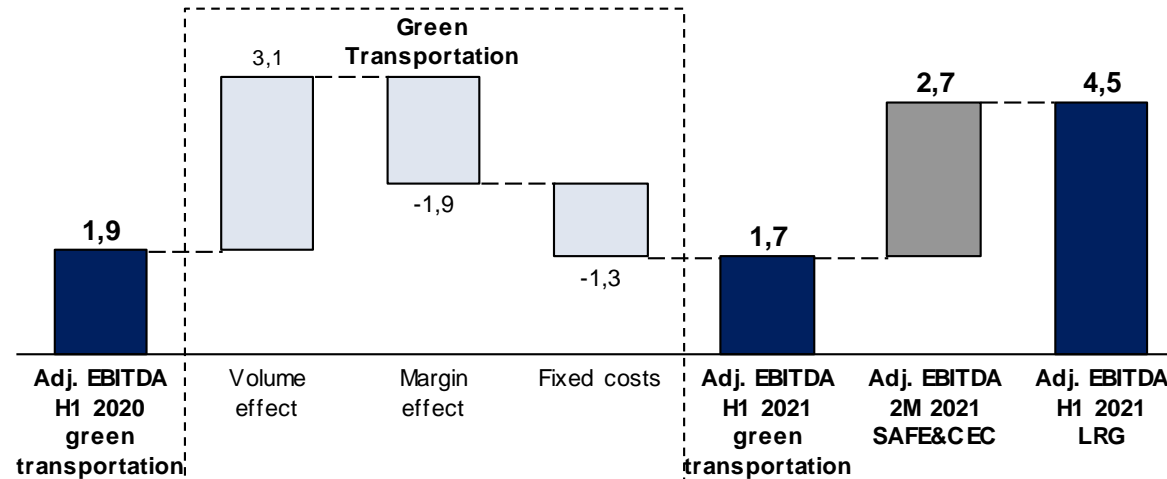
M€; %	Green Transportation	Clean Tech Solutions *	LRG	2020 H1	delta	delta %
	2021 H1	2021 H1	2021 H1			
<b>Revenues</b>	<b>77,0</b>	<b>19,0</b>	<b>96,0</b>	59,9	+36,1	+60,3%
<b>Adj. EBITDA</b>	<b>1,7</b>	<b>2,7</b>	<b>4,5</b>	1,9	+2,6	>100%
<i>% on rev.</i>	<i>2,3%</i>	<i>14,4%</i>	<i>4,7%</i>	<i>3,1%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

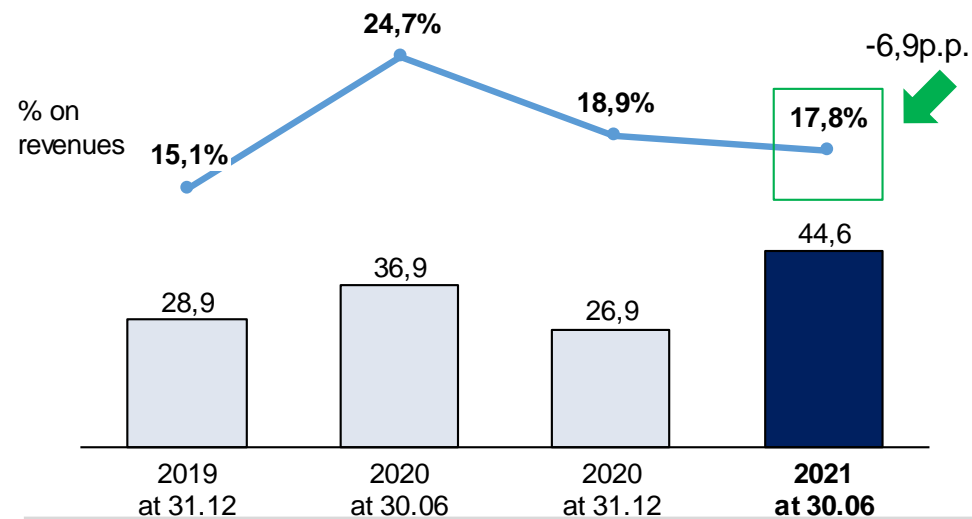
# Positive EBITDA with a significant contribution of SAFE&CEC. Working Capital % on revenues is improving

Adj. EBITDA walk H12020 - H12021  
(M€)



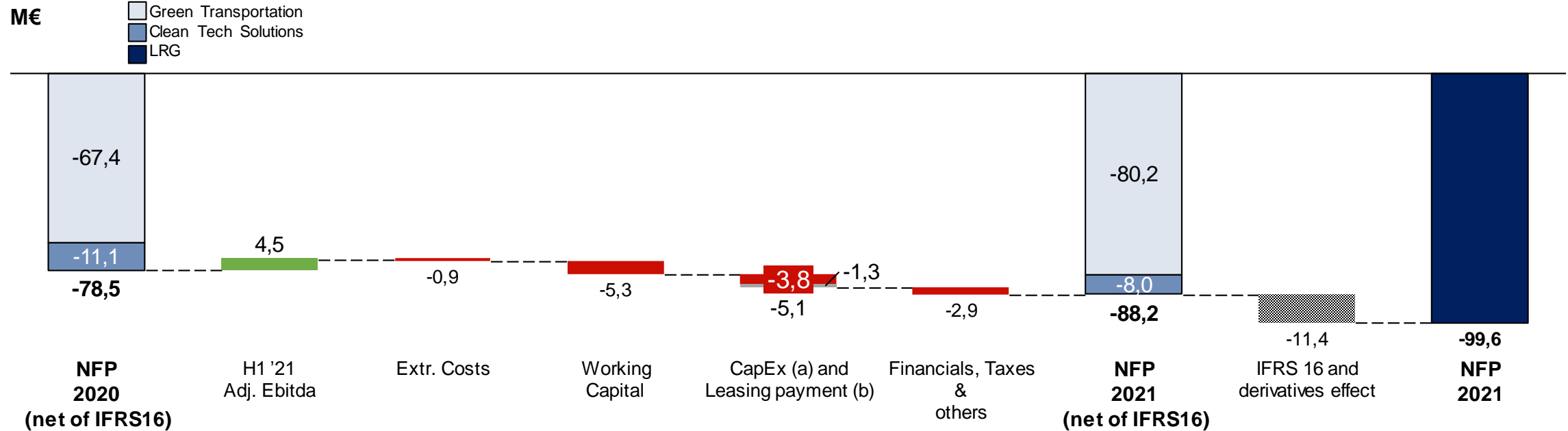
## Highlights

- **Significant contribution of SAFE&CEC**, even though only in the last 2 months of H1
- **Green Transportation 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** 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
<b>-67,4</b>	<b>NFP net of IFRS 16 and derivatives</b>	<b>-88,2</b>
-5,1	Financial Lease (-)	-11,1
-0,5	Derivatives	-0,3
<b>-72,9</b>	<b>NFP (1)</b>	<b>-99,6</b>

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

(2) Accrued interests included

**Landi Renzo S.p.a.**

**Headquarter**

via Nobel, 2 42025 Corte Tegge  
Cavriago (RE), Italy

[www.landirenzo.com](http://www.landirenzo.com)

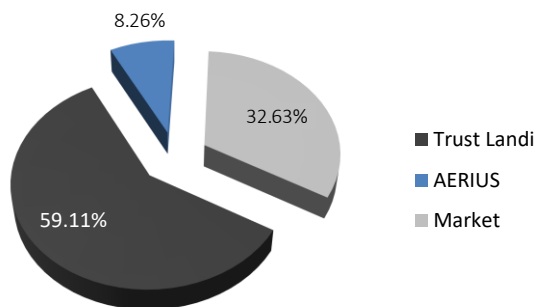


# Landi Renzo - Company profile (11/10/2021)

## 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



## SHARE INFORMATION

FTSE Italia STAR  
N. of shares outstanding: 112.500.000  
Price as of 11/10/2021: €0.937

## INVESTOR RELATIONS

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Tel: +39 0522 9433  
E-mail: [ir@landi.it](mailto:ir@landi.it)  
[www.landirenzogroup.com](http://www.landirenzogroup.com)

# CONSOLIDATED P&L

(thousands of Euro)

CONSOLIDATED INCOME STATEMENT	30/06/2021	30/06/2020
<b>Revenues from sales and services</b>	<b>95,962</b>	<b>59,857</b>
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
<b>Gross Operating Profit</b>	<b>3,562</b>	<b>1,038</b>
Amortization, depreciation and impairment	-7,076	-6,108
<b>Net Operating Profit</b>	<b>-3,514</b>	<b>-5,070</b>
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
<b>Profit (Loss) before tax</b>	<b>2,685</b>	<b>-7,939</b>
Taxes	-627	1,286
<b>Net profit (loss) for the Group and minority interests, including:</b>	<b>2,058</b>	<b>-6,653</b>
Minority interests	517	-92
Net profit (loss) for the Group	1,541	-6,561
<b>Basic earnings (loss) per share (calculated on 112,500,000 shares)</b>	<b>0.0137</b>	<b>-0.0583</b>
<b>Diluted earnings (loss) per share</b>	<b>0.0137</b>	<b>-0.0583</b>

# CONSOLIDATED BALANCE SHEET

(thousands of Euro)

ASSETS	30/06/2021	31/12/2020
<b>Non-current assets</b>		
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
<b>Total non-current assets</b>	<b>124,725</b>	<b>107,128</b>
<b>Current assets</b>		
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
<b>Total current assets</b>	<b>172,420</b>	<b>112,789</b>
<b>TOTAL ASSETS</b>	<b>297,145</b>	<b>219,917</b>

# CONSOLIDATED BALANCE SHEET

(thousands of Euro)

SHAREHOLDERS' EQUITY AND LIABILITIES	30/06/2021	31/12/2020
<b>Shareholders' Equity</b>		
Share capital	11,250	11,250
Other reserves	44,633	53,199
Profit (loss) for the period	1,541	-7,662
<b>Total Shareholders' Equity of the Group</b>	<b>57,424</b>	<b>56,787</b>
Minority interests	4,743	-473
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>62,167</b>	<b>56,314</b>
<b>Non-current liabilities</b>		
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
<b>Total non-current liabilities</b>	<b>82,322</b>	<b>76,668</b>
<b>Current liabilities</b>		
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
<b>Total current liabilities</b>	<b>152,656</b>	<b>86,935</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>297,145</b>	<b>219,917</b>