



## Full Year 2021 Financial Results

Cavriago, 15<sup>th</sup> March 2022



# Disclaimer

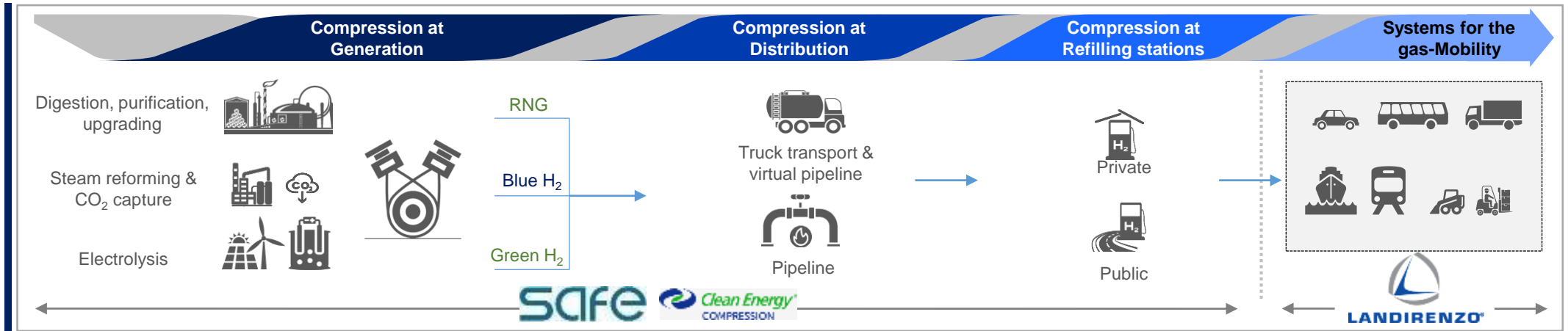
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# Landi Renzo Board of Directors approved a new strategic plan that sets the path for being a leading player along the full RNG<sup>(1)</sup> and H<sub>2</sub> value chain, from infrastructure to mobility

## Landi Renzo Strategic Mission

- Landi Renzo Group wants to play a **significant role in the Energy transition** as strategic specialist in the **biomethane and hydrogen segments**, with a complete offering along the **entire value chain**:
  - **Clean Tech Solutions: compression solutions for natural/renewable gas and hydrogen along the entire pipeline**, from post generation to grid injection, from gas transportation to distribution
  - **Green transportation: complete range of products for the hydrogen & gas mobility**, both for passenger cars and Mid&Heavy duty where the Group aims to be leader in H<sub>2</sub> high pressure components
- Thanks to the strengthened capital base, **Landi Renzo Group is also willing to act as an aggregator of companies that stand out for their advanced technology and excellent market positioning in the field of RNG and H<sub>2</sub>**



# The Board has approved a Capital Increase, backed by current Shareholder and a new Strategic Investor

## New strategic partner

- Landi Renzo's main shareholders (Girefin and Gireimm as holding of the Landi Family) (the "Main Shareholders") signed a non binding term sheet with Itaca Equity Holding ("Itaca"), laying the foundation for a minority investment of Itaca in Landi Renzo, through a NewCo to be set up with the Main Shareholders whereby the Main Shareholders will maintain the control of NewCo
- Itaca – of which Tamburi Investment Partners ("TIP") is the main shareholder – is a long term investor specialized in Italian mid-cap with leading Italian family offices as investors together with TIP
- Itaca's equity minority investment in Landi Renzo as institutional investor in the mid-to-long term is meant to **support the expansion of Landi Renzo Group in the compression as well as in the automotive** business segments, as per the newly approved Strategic Plan

## Capital Increase structure

- The Board of Directors of Landi Renzo **has approved to propose to the Landi Renzo's next shareholders general meeting a right issue up to 60M€** pursuant to art 2443 Italian Civil Code
- Structure of the capital increase
  - The amount of the right issue will be up to 60M€ and guaranteed up to 50M€ by NewCo
  - Under the right issue, the new ordinary share with the same rights of the current ones, will be offered to the current shareholders who could subscribe the new ordinary shares either in cash and by voluntary compensation with credit due from the Company to shareholders pursuant to art. 1252 of the Italian Civil Code
  - Subscription price of Landi Renzo's new ordinary share will be the lower between 0,6€ per share and the price emerging applying a TERP (Theoretical Ex-Right Price) of 15% on the average weighted share price in the five days previous to the definition of the price

# Landi Renzo strongly reinforced its positioning in high potential business segments through the consolidation of SAFE&CEC and the acquisition of Metatron and Idro Meccanica

## Green Transportation



- In August 2021 Landi Renzo announced the acquisition of Metatron, a **leading T1 supplier of Hydrogen, CNG/LNG and H<sub>2</sub> components**, with a strong focus on the Mid & Heavy Duty market
- Metatron has a **market share of about 50%** in M&HD segment for pressure regulators, with a **client portfolio** that includes the major HD OEM producers worldwide
- The acquisition strongly accelerates go-to-market in the fast growing segment for alternative fuels, with also significant synergies both in terms of cost and capex

**Reinforce technology leadership in pressure regulator production and accelerate go to market, covering all alternative fuels in the M&HD segment**

## Clean Tech Solutions



- In April 2021 Landi Renzo agreed with Clean Energy Fuel for the consolidation of SAFE&CEC, further **strengthening its presence in the infrastructure business**
- Beginning of 2022 SAFE&CEC has completed the acquisition of Idro Meccanica, a **leading company in the hydrogen compressor segment**. The company designs and manufactures a full range of products and applications for **managing hydrogen compression up to 700 bar**, that are used by main operators in hydrogen post generation and distribution
- Idro Meccanica has already more than 150 hydrogen compressors running worldwide, and represents a market reference in its segment

**Playing a leading role in the expansion of Hydrogen Infrastructure from compression post generation to industrial segment and H<sub>2</sub> filling stations**

# Landi Renzo Group's pro-forma revenues approaching 300M€, with SAFE&CEC representing more than 30% of total revenues

- Group revenues of ~300M€ driven by the growth of both mobility as well as SAFE&CEC, with Clean Tech Solutions business representing more than 30% of total revenues
- In the Green Transportation business impressive growth of the Indian JV, with further expected growth in the years to come
- Clean Tech Solutions growth driven by increasing sales of RNG and continuous growth of CNG solutions
- Starting revenues from Hydrogen applications, mainly for Mid&Heavy Duty
- Expected large investments on RNG and Hydrogen along the full value chain, with significant benefit for the Group

## Full year pro-forma figures

	<u>Landi plus Metatron</u>	<u>KLR</u>	<u>SAFE&amp;CEC</u>	<u>Landi Renzo Group</u>
<b>Revenues</b>	<b>185,9M€</b>	<b>19,6M€</b>	<b>92,3M€</b>	<b>297,8M€</b>
<b>Adj. EBITDA</b>	<b>10,4M€</b>	<b>3,6M€</b>	<b>8,3M€</b>	<b>22,3M€</b>
<b>NFP (1)</b>	<b>91,1M€</b>	<b>1,2M€</b>	<b>4,0M€</b>	<b>96,3M€</b>
<b>Investments</b>	<b>8,2M€</b>	<b>1,5M€</b>	<b>1,7M€</b>	<b>11,4M€</b>

# In 2021 Landi Renzo Group's consolidation perimeter was extended to include SAFE&CEC and Metatron

M€; %	Green Transportation <sup>(1)</sup>	Clean Tech Solutions <sup>(2)</sup>	LRG			
	2021 FY	May-Dec 2021	2021 FY	2020 FY	delta	delta %
<b>Revenues</b>	<b>172,9</b>	<b>69,1</b>	<b>242,0</b>	142,5	+99,5	+69,9%
<b>Adj. EBITDA</b>	<b>7,2</b>	<b>7,4</b>	<b>14,6</b>	8,0	+6,6	+82,3%
<i>% on rev.</i>	<i>4,2%</i>	<i>10,7%</i>	<i>6,0%</i>	<i>5,6%</i>		
<b>EBITDA</b>	<b>5,5</b>	<b>7,1</b>	<b>12,6</b>	6,7	+6,0	+89,6%
<i>% on rev.</i>	<i>3,2%</i>	<i>10,2%</i>	<i>5,2%</i>	<i>4,7%</i>		
<b>EBIT</b>	<b>-8,3</b>	<b>5,4</b>	<b>-2,9</b>	-5,5	+2,6	<i>n.a.</i>
<i>% on rev.</i>	<i>-4,8%</i>	<i>7,8%</i>	<i>-1,2%</i>	<i>-3,9%</i>		
<b>EBT</b>			<b>1,8</b>	-11,4	+13,2	<i>n.a.</i>
<i>% on rev.</i>			<i>0,7%</i>	<i>-8,0%</i>		
<b>Net Result</b>			<b>0,5</b>	-7,8	+8,3	<i>n.a.</i>

## Highlights

- SAFE&CEC (as of 1<sup>st</sup> May) and Metatron (as of 1<sup>st</sup> August) are included in LRG's consolidated financial statements
- **Adj. EBITDA** up 82,3% to 14,6M€, with a significant contribution from SAFE&CEC consolidation (7,4M€)
- **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€)

# KLR growth both in terms of turnover and EBITDA, driven by strong market positioning and the rapid development of the CNG market in India

KLR <sup>(1)</sup>	M€ ; %	2021 FY	2020 FY	delta	delta %
	Revenues		19,6	9,3	+10,3
Adj. EBITDA		3,6	0,5	+3,1	n.a.
% on rev.		18,2%	5,5%		
EBIT		3,3	0,4	+2,9	n.a.
% on rev.		17,1%	4,0%		
NWC		3,5	1,8	+1,7	
Capex		1,5	0,0	+1,5	
NFP		1,2	1,0	+0,2	

*The Indian Landi Renzo JV (KLR) is consolidated with the equity method*

## Highlights

- The Indian market is strongly growing, thanks to **government plans to support the CNG development, targeting to increase the share of Natural Gas as energy source from 6,2% to 15% mix by 2030**, reaching 98% of the population with the distribution network
- The strong growth of KLR turnover is driven by the tight relationship with the leading producer of CNG-powered vehicles in India and a share higher than 60% on different components
- **EBITDA level in line with best practice**
- Expected strong volume growth in 2022 and coming years
- **The Group is working on the full consolidation of KLR**



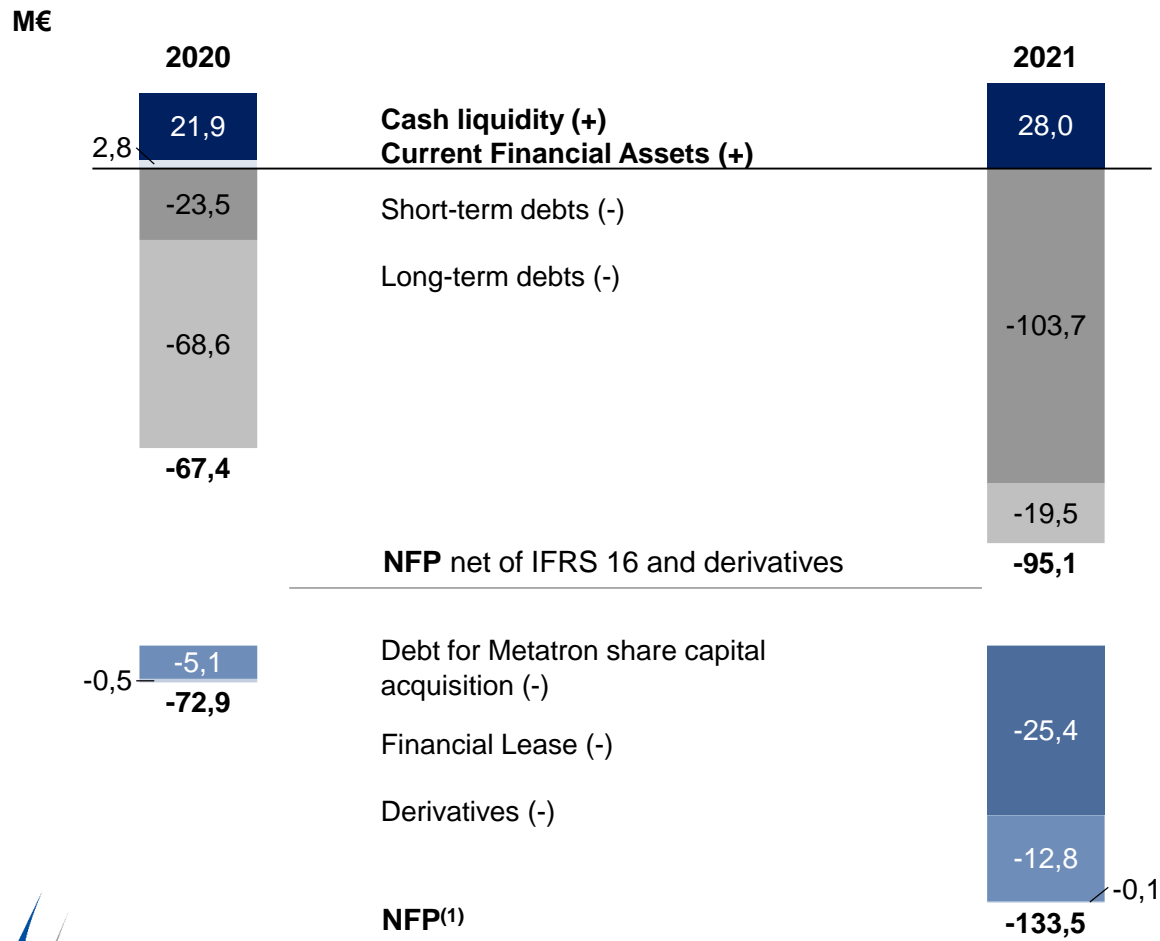
# SAFE&CEC confirms its continuous growth, with better profitability and positive cash generation

Clean Tech Solutions	M€ ; %	2021 FY <sup>(1)</sup>	2020 FY <sup>(1)</sup>	delta	delta %
	Revenues		92,3	79,5	+12,9
Adj. EBITDA		8,3	5,1	+3,3	+64,0%
% on rev.		9,0%	6,4%		
EBIT		4,6	2,2	+2,4	+109,0%
% on rev.		5,0%	2,8%		
NWC		9,6	12,4	-2,8	
Capex		1,7	1,1	+0,6	
NFP <sup>(2)</sup>		4,0	9,8	-5,8	

## Highlights

- **Revenue increased 16,2% YoY, driven by:**
  - a continuous development of the gas infrastructures, with a **growing presence in North America, Europe and MEA**
  - increase of **RNG applications** both in Europe and in the United States, where the Group has increased its market share, being supplier of leading players
- **Adj. EBITDA** outperforms the growth of revenues thanks to value added recognition by customers as well as a tighter control on operating costs
- **NFP** significantly improved thanks to Working Capital optimization
- In December 2021 the Company issued a 7M€ bond to finance the acquisition of Idro Meccanica, which will be fully consolidated from Q1 2022

# Net debt has grown mainly due to the financing of Metatron's acquisition and to the new consolidated perimeter



## Highlights

- Net debt includes also the effect of Metatron and SAFE&CEC
- NFP is impacted by:
  - Long-term debt reclassified as of December 2021 as short-term because of IFRS applicable rules. In February 2022 the Group has received the waiver from banks, so that in Q1 2022 an important portion of short term-debt will be classified as long-term
  - Financial lease increase due to the consolidation of SAFE&CEC and Metatron
  - The debt for the acquisition of Metatron (25,4M€) is related to the payment to be done end of 2021

## 2022 Forecast

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### Green Transportation

- Current oil cost supports After Market global demand increase, with increasing book order
- OEM still affected by shortages, on all segments
- Increasing opportunities on Hydrogen, with different RFQs ongoing globally for different applications, from LCV to truck, from H<sub>2</sub> ICE to FCEV
- The Indian market continues growing, both with current OEM customers, and with new important negotiations on Mid&Heavy Duty

### SAFE&CEC (Clean Tech Solutions)

- Current portfolio, book order and advanced negotiations are double digit higher than in 2021 (more than 80M€), projecting a further increase of revenues in the year, with increasing demand for RNG solutions from all over the world
- Idro Meccanica book order on hydrogen is also growing with increasing demand
- The Group is investing in new compressor solutions along the full value chain (from oil free compressor to compressors up to 1MW to CO<sub>2</sub>compression)

### Supply Chain

- Very strong efforts to reduce the impact from components shortage, especially for electronics
- Different actions with Group coordination put in place

**Landi Renzo S.p.A.**  
**Headquarter**  
Via Nobel 2 - 42025 Corte Tegge  
Cavriago (RE), Italy

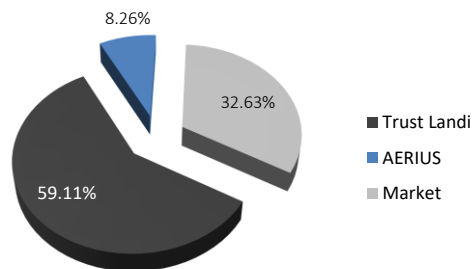
[www.landirenzogroup.com](http://www.landirenzogroup.com)  
[www.landirenzo.com](http://www.landirenzo.com)

# Landi Renzo - Company profile

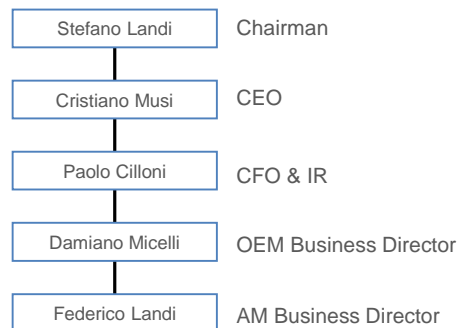
## BOARD OF DIRECTORS

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

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

## SHARE INFORMATION

Euronext STAR Milan segment of Borsa Italiana

N. of shares outstanding: 112.500.000

Price as of 14/03/2022: €0.792

# CONSOLIDATED P&L

(thousands of Euro)

CONSOLIDATED INCOME STATEMENT	31/12/2021	31/12/2020
<b>Revenues from sales and services</b>	<b>241,994</b>	<b>142,455</b>
Other revenues and income	2,610	313
Cost of raw materials, consumables and goods and change in inventories	-150,272	-84,212
Costs for services and use of third-party assets	-43,075	-27,844
Personnel costs	-34,920	-22,398
Allocations, write downs and other operating expenses	-3,722	-1,662
<b>Gross Operating Profit</b>	<b>12,615</b>	<b>6,652</b>
Amortization, depreciation and impairment	-15,556	-12,193
<b>Net Operating Profit</b>	<b>-2,941</b>	<b>-5,541</b>
Financial income	217	298
Financial expenses	-4,344	-3,310
Exchange gains (losses)	-362	-2,827
Income (expenses) from equity investments	8,581	0
Income (expenses) from joint venture measured using the equity method	620	-11
<b>Profit (Loss) before tax</b>	<b>1,771</b>	<b>-11,391</b>
Taxes	-1,226	3,541
<b>Net profit (loss) for the Group and minority interests, including:</b>	<b>545</b>	<b>-7,850</b>
Minority interests	1,522	-188
Net profit (loss) for the Group	-977	-7,662
<b>Basic earnings (loss) per share (calculated on 112,500,000 shares)</b>	<b>-0.0087</b>	<b>-0.0681</b>
<b>Diluted earnings (loss) per share</b>	<b>-0.0087</b>	<b>-0.0681</b>

# CONSOLIDATED BALANCE SHEET

(thousands of Euro)

ASSETS	31/12/2021	31/12/2020
<b>Non-current assets</b>		
Land, property, plant, machinery and other equipment	14,977	13,212
Development expenditure	12,222	9,506
Goodwill	75,341	30,094
Other intangible assets with finite useful lives	16,711	10,860
Right-of-use assets	11,991	4,975
Equity investments measured using the equity method	2,028	22,509
Other non-current financial assets	882	921
Other non-current assets	2,556	2,850
Deferred tax assets	13,484	12,201
<b>Total non-current assets</b>	<b>150,192</b>	<b>107,128</b>
<b>Current assets</b>		
Trade receivables	66,048	39,353
Inventories	68,896	42,009
Contract work in progress	15,653	0
Other receivables and current assets	14,443	6,712
Other current financial assets	0	2,801
Cash and cash equivalents	28,039	21,914
<b>Total current assets</b>	<b>193,079</b>	<b>112,789</b>
<b>TOTAL ASSETS</b>	<b>343,271</b>	<b>219,917</b>

# CONSOLIDATED BALANCE SHEET

(thousands of Euro)

SHAREHOLDERS' EQUITY AND LIABILITIES	31/12/2021	31/12/2020
<b>Shareholders' Equity</b>		
Share capital	11,250	11,250
Other reserves	44,615	53,199
Profit (loss) for the period	-977	-7,662
<b>Total Shareholders' Equity of the Group</b>	<b>54,888</b>	<b>56,787</b>
Minority interests	5,738	-473
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>60,626</b>	<b>56,314</b>
<b>Non-current liabilities</b>		
Non-current bank loans	10,174	68,181
Other non-current financial liabilities	9,320	408
Non-current liabilities for right-of-use	10,197	2,871
Provisions for risks and charges	4,535	2,897
Defined benefit plans for employees	3,977	1,556
Deferred tax liabilities	1,452	297
Liabilities for derivative financial instruments	99	458
<b>Total non-current liabilities</b>	<b>39,754</b>	<b>76,668</b>
<b>Current liabilities</b>		
Bank financing and short-term loans	103,408	23,108
Other current financial liabilities	274	378
Current liabilities for right-of-use	2,624	2,228
Trade payables	82,886	53,509
Tax liabilities	3,758	2,677
Other current liabilities	49,941	5,035
<b>Total current liabilities</b>	<b>242,891</b>	<b>86,935</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>343,271</b>	<b>219,917</b>