



Q3 2023 Financial Results

Cavriago, 20th november 2023



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In Q3, Green Transportation continues improving its profitability while Clean Tech Solutions performs below expectations due to postponement of some major orders

Green Transportation (Automotive)

- **Despite After Market's** volumes continue being **below historical levels**, Revenue 9M YTD top at 155.0 M€ (+9.8% vs. previous year), fueled by **increasing demand** in both **PC¹** and **MHD²** segments
- **Improvement of marginality** with **main PC European customers**, **strong incidence of MHD sales in China** and **operational efficiencies** drive also **EBITDA adjustment improvement**, achieving **1.2 M€** in the **third quarter**, compared to **0.2 M€ generated** in the **first half**

Clean Tech Solutions (Infrastructure)

- **Q3 results** are **strongly affected** by the **postponement of some major orders** that causes a **slowdown of production**, with Revenue 9M YTD at 66.1 M€ (-12% compared to previous year)
- **Volume reduction** in Q3 affects strongly **overall profitability**, causing a **negative EBITDA adjusted** in Q3 of **-0.5 M€**
- **Despite contraction** of Q3, **H₂** and **O&G projects** continue **growing at fast rate**, contributing to **2024 backlog**

Operations improvement

- **Green Transportation:** management **efforts to optimize working capital** (mainly inventory reduction), are slightly offset by increase of **receivables** (influenced by sales mix)
- **Clean Tech Solutions:** major **orders postponement** directly **affects** also **Net Working Capital**, causing **higher cash absorption** (reduction of advanced payment from customers)

Despite YoY growth in revenue (2% vs. 9M 2022), profitability decreases due to lower incidence of Clean Tech Solutions on turnover and unfavorable segment mix in Green Transportation

M€; %	Green Transportation	Clean Tech Solutions	LRG ¹			
	9M 2023	9M 2023	9M 2023	9M 2022	delta	delta %
Revenues	155,0	66,1	221,1	216,4	+4,7	+2,2%
Adj. EBITDA	1,3	3,2	4,6	8,7	-4,1	-47,5%
% on rev.	0,9%	4,9%	2,1%	4,0%		
EBITDA	-3,2	2,1	-1,1	7,1	-8,2	
% on rev.	-2,1%	3,2%	-0,5%	3,3%		
EBIT	-13,8	0,0	-13,9	-6,0	-7,9	
% on rev.	-8,9%	-0,1%	-6,3%	-2,8%		
EBT			-23,0	-8,9	-14,1	
% on rev.			-10,4%	-4,1%		
Net Result			-28,6	-9,9	-18,7	

Highlights

- **Green Transportation** accounts for **70%** of Group's **9M sales vs. a 65,3%** incidence in **9M 2022** and **drives** overall **revenue growth (+4,7 M€ YoY)**
- **Green Transportation Adj. EBITDA improves** compared to the previous quarters, but is still below previous years level, due to **higher incidence** of growing **OEM Passenger Car volumes** (replacing below expectations Aftermarket sales)
- **Production slowdown** in **Q3** strongly **affects Clean Tech Solutions 9M results** and **dilutes overall group Adj. EBITDA** (-4,1 M€ vs. 9M 2022)

Stable growth of Passenger Car volumes continue to sustain Green Transportation revenue increase but reduced share of Aftermarket sales impacts division's profitability

Highlights

Green Transportation (Automotive)	M€ ; %	9M 2023	9M 2022	delta	delta %
	Revenues		155,0	141,2	+13,8
Adj. EBITDA		1,3	4,4	-3,1	-70,0%
% on rev.		0,9%	3,1%		
EBIT		-13,8	-7,9	-5,9	
% on rev.		-8,9%	-5,6%		
NWC		47,1	46,5		
NFP ⁽¹⁾		85,9	68,5 ^(*)		

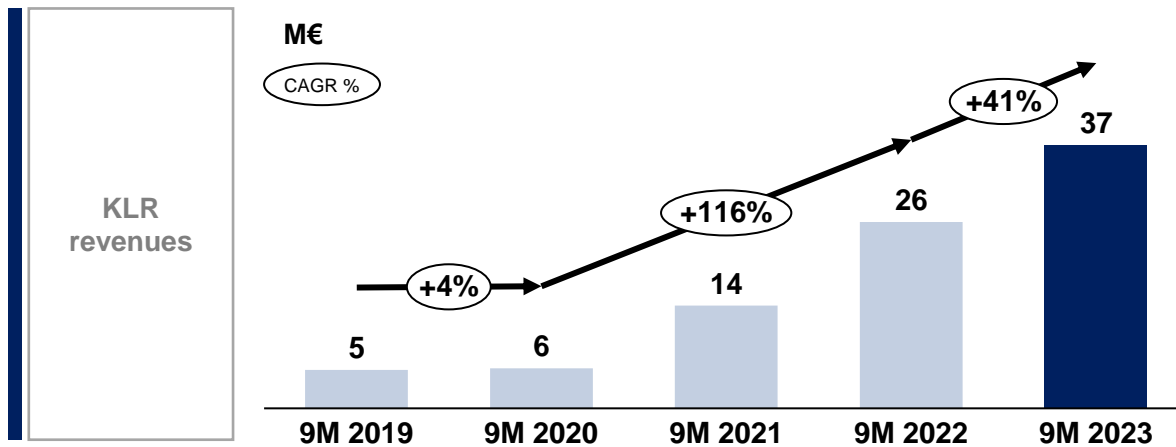
(*) at 31/12/2022

- **OEM Passenger Car** segment, supported by acceleration of **MHD sales**, continue to **drive division's revenue growth (+9.8% YoY)** and **offset contraction of Aftermarket volumes (-16% YoY)**
- Due to **unfavorable segment mix**, **Adjusted EBITDA is below previous year performances (-3,1 M€)**; however, thanks to **increasing incidence of MHD sales and marginality increase with main PC client**, results improve compared to **first semester (Adj. EBITDA H1 2023 was 0.2 M€)**
- **Increasing trade receivables** due to **revenue mix increase working capital absorption**, partly offsetting results of **inventory optimization process**

Indian JV KLR (not consolidated) confirms positive results in Q2, with YoY revenue growth still at high double-digit level

Highlights

- KRL revenue increase is in line with **fast-growing Indian CNG market for Passenger Car**, with **volumes** expected **further increase** and **multiple OEMs** ready to introduce their **gas vehicles** in the **next years**



Production slowdown in Q3, due to the postponement of some major orders, strongly affects both revenue and profitability of Clean Tech Solutions

Clean Tech Solutions	M€ ; %	9M 2023	9M 2022	delta	delta %
	Revenues		66,1	75,1	-9,0
Adj. EBITDA		3,2	4,3	-1,1	-24,2%
% on rev.		4,9%	5,7%		
EBIT		0,0	1,9	-1,9	
% on rev.		-0,1	2,6%		
NWC		14,4	18,8		
NFP ⁽¹⁾		14,9	8,7 ⁽¹⁾		

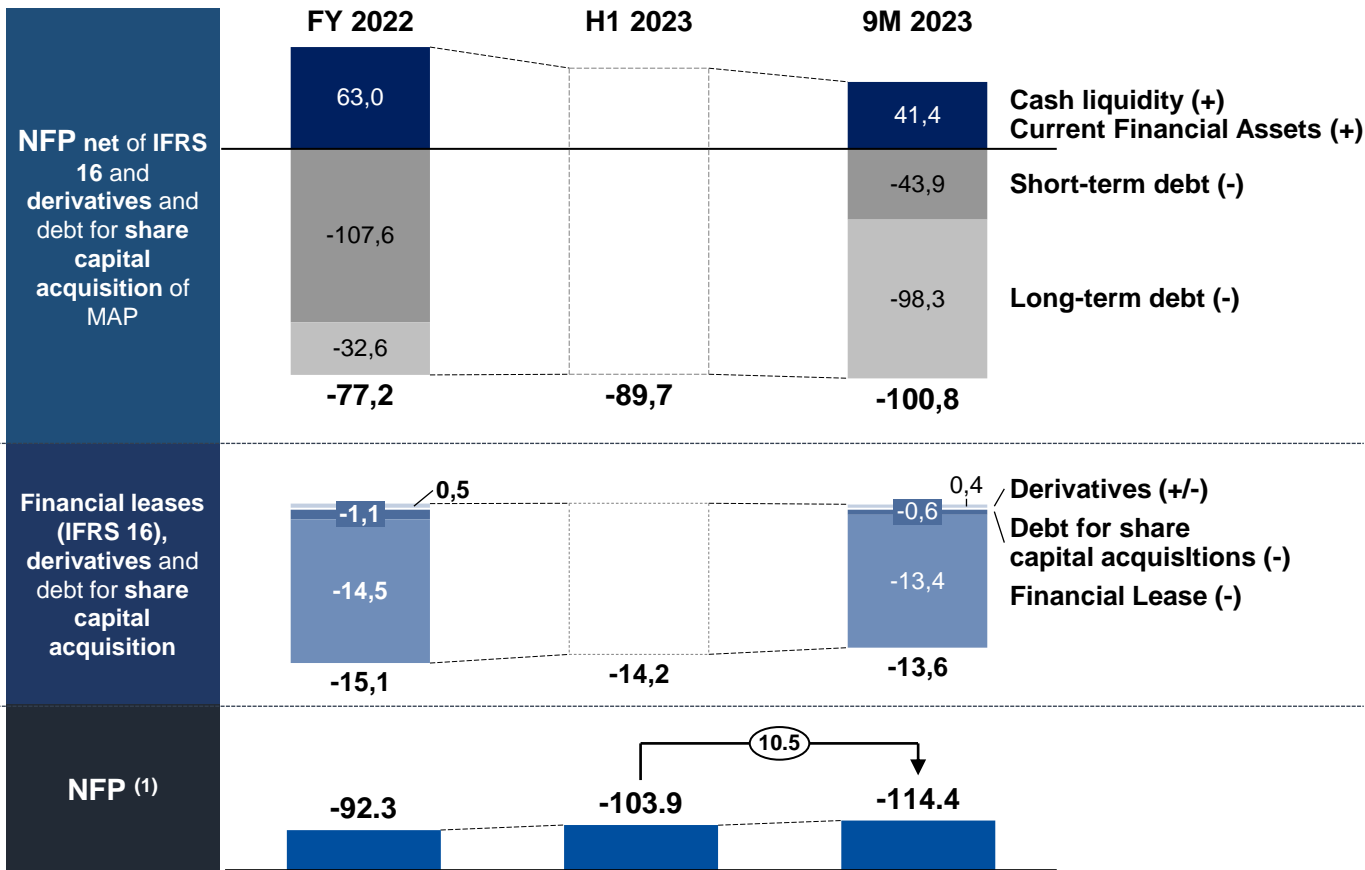
⁽¹⁾ at 31/12/2022

Highlights

- **Postponement** of some important orders in **traditional CNG** business **strongly impacts Q3 turnover** (-24,2 % vs. Q3 2022) and penalizes **9M cumulated revenue** (-12% YoY)
- **Volume reduction** in **Q3** has a **significant impact** also on **Adj. EBITDA**, that decreases by 1,1 M€ YoY, offsetting first semester positive results (+0,5 M€ vs. H1 2022)
- **Order postponement** directly affects **Net Working Capital dynamics**, with **lower advanced payments** from **customers** causing **higher cash absorption** during **Q3**

NFP increases by 10.5 M€ vs. H1 2023, with significant impact of Clean Tech Solution negative economic performance and Working Capital absorption

M€



Highlights

- **Both divisions** contribute to the **increase of NFP**:
 - Despite improving performances, **negative economic result for Green Transportation division** do not compensate labor cost capitalization and financial charges
- For **Clean Tech Solutions**, **Q3 volume reduction** has a **double effect**, leading to a **negative economic performance** and an **increase of the Net Working Capital**
- Due to **IFRS applicable rules**, part of 2022 **long-term debt** has been **reclassified in short-term debt**

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Landi Renzo - Company profile

BOARD OF DIRECTORS

Stefano Landi – Chairman
Sergio Iasi – Deputy Chairman
Annalisa Stupenengo – CEO
Andrea Landi – Director
Silvia Landi – Director
Massimo Lucchini – Director
Anna Maria Artoni – Independent Director
Sara Fornasiero – Independent Director
Pamela Morassi – Independent Director

TOP MANAGERS



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SHARE INFORMATION

Euronext STAR Milan segment of Borsa Italiana

N. of shares outstanding: 225.000.000

Price as of 13/11/2023: €0,44

CONSOLIDATED P&L

(thousands of Euro)

CONSOLIDATED INCOME STATEMENT	30/09/2023	30/09/2022 Restated
Revenues from sales and services	221,138	216,351
Other revenues and income	1,296	582
Cost of raw materials, consumables and goods and change in inventories	-138,294	-132,925
Costs for services and use of third-party assets	-41,579	-39,455
Personnel costs	-37,373	-34,289
Allocations, write downs and other operating expenses	-6,310	-3,194
Gross Operating Profit	-1,122	7,070
Amortization, depreciation and impairment	-12,771	-13,065
Net Operating Profit	-13,893	-5,995
Financial income	891	988
Financial expenses	-8,341	-5,484
Exchange gains (losses)	-1,614	1,128
Income (expenses) from equity investments	-173	-288
Income (expenses) from joint venture measured using the equity method	134	778
Profit (Loss) before tax	-22,996	-8,873
Taxes	-5,615	-1,019
Net profit (loss) for the Group and minority interests, including:	-28,611	-9,892
Minority interests	-883	223
Net profit (loss) for the Group	-27,728	-10,115
Basic earnings (loss) per share	-0.1232	-0.0450
Diluted earnings (loss) per share	-0.1232	-0.0450

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

ASSETS	30/09/2023	31/12/2022
Non-current assets		
Land, property, plant, machinery and other equipment	13,396	14,015
Development expenditure	9,519	11,141
Goodwill	80,132	80,132
Other intangible assets with finite useful lives	15,587	17,263
Right-of-use assets	12,472	13,618
Equity investments measured using the equity method	2,635	2,496
Other non-current financial assets	1,183	847
Other non-current assets	1,140	1,710
Deferred tax assets	8,518	14,109
Non-current assets for derivative financial instruments	422	103
Total non-current assets	145,004	155,434
Current assets		
Trade receivables	69,219	73,559
Inventories	81,770	76,680
Contract work in progress	13,264	20,429
Other receivables and current assets	17,685	17,148
Current financial assets	20,253	412
Cash and cash equivalents	21,198	62,968
Total current assets	223,389	251,196
TOTAL ASSETS	368,393	406,630

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

SHAREHOLDERS' EQUITY AND LIABILITIES	30/09/2023	31/12/2022
Shareholders' Equity		
Share capital	22,500	22,500
Other reserves	78,009	91,698
Profit (loss) for the period	-27,728	-14,281
Total Shareholders' Equity of the Group	72,781	99,917
Minority interests	5,820	5,967
TOTAL SHAREHOLDERS' EQUITY	78,601	105,884
Non-current liabilities		
Non-current bank loans	77,764	8,169
Other non-current financial liabilities	20,578	24,456
Non-current liabilities for right-of-use	10,547	11,314
Provisions for risks and charges	7,080	5,484
Defined benefit plans for employees	3,175	3,413
Deferred tax liabilities	2,766	2,910
Liabilities for derivative financial instruments	0	0
Total non-current liabilities	121,910	55,746
Current liabilities		
Bank financing and short-term loans	38,060	103,629
Other current financial liabilities	5,861	3,956
Current liabilities for right-of-use	2,872	3,196
Trade payables	94,201	98,033
Tax liabilities	2,477	3,697
Other current liabilities	24,411	32,489
Total current liabilities	167,882	245,000
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	368,393	406,630