



H1 2024 Financial Results

Cavriago, 6th September 2024



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H1 2024 confirms economic improvement of Green Transportation, while limited production level of Clean Tech Solutions influences negatively Group's result

Green Transportation (Automotive)

- **H1 2024 revenue stands at 102,5 M€**, in line with previous year (-1,7% vs. H1 2023) but with a **more favourable mix** driven by an **increase** of volumes on **AM¹** and **OEM-MHD²** and decrease of **OEM-PC³**
- **Product marginality** continue to **improve** in **all segments**, thanks to **pricelist adjustments** and **efficiencies** in the **operations**
- **Strong management focus on Net Working Capital** drives a **significant reduction of Inventory**; however, reduction of **rescheduled trade payable** and **discontinuation of credit factoring** cause a **deterioration of NFP**

Clean Tech Solutions (Infrastructure)

- **Backlog** beginning of the year **below** the **expectations** and **slow order intake** in the **first months** of **2024** lead to a **reduction of revenue vs. previous year** (-22,9% vs. H1 2023);
- **Volume's drop** affect mainly **traditional CNG** business, while **increasing orders of Oil&Gas** and **Hydrogen** imply higher **complexity** in job execution and **longer throughput time**, leading to **slower revenue recognition**
- Despite **stable incidence** of **raw material**, **low volumes** lead to **higher incidence** of **non-compressible costs** (e.g. direct labor, engineering) causing a **deterioration of product profitability**
- Tight management of **Net Working Capital** **mitigates** financial impact on **NFP**, increased only by **0,9 M€**

Capital Increase

- **H1 2024 financial structure does not reflect** impact of the **financial optimization project**, concluded with the **agreements signed 1st august 2024** among company's majority **Shareholders, Invitalia⁵** and **financing banks**, that will grant to the Company a **capital increase of 40-45 M€** and the **remodulation of debt instalments**
- **Major shareholder contribution** to the capital increase will **already** be at **company's disposal** in **Q3 2024**

First half economic results show an almost null EBIDTA adj, leading to a Group's loss of 18,5 M€, in line with the previous year

M€; %	Green Transportation	Clean Tech Solutions	LRG	H1 2023	delta	delta %
	H1 2024	H1 2024	H1 2024			
Revenues	102,5	36,7	139,1	151,8	-12,7	-8,3%
Adj. EBITDA	0,7	-0,7	0,1	3,9	-3,9	
<i>% on rev.</i>	<i>0,7%</i>	<i>-1,8%</i>	<i>0,0%</i>	2,6%		
EBITDA	-2,1	-1,6	-3,7	-0,3	-3,4	
<i>% on rev.</i>	<i>-2,0%</i>	<i>-4,4%</i>	<i>-2,7%</i>	-0,2%		
EBIT	-8,5	-3,0	-11,5	-8,8	-2,7	
<i>% on rev.</i>	<i>-8,3%</i>	<i>-8,1%</i>	<i>-8,3%</i>	-5,8%		
EBT			-18,0	-15,6	-2,4	
<i>% on rev.</i>			<i>-12,9%</i>	-10,3%		
Net Result			-18,5	-20,9	2,5	

Highlights

- **Reduction of turnover vs. H1 2023** is mainly driven by **Clean Tech Solutions**, due to the **low amount of backlog and order intake** in the period
- **Despite the improving performances of Green Transportation, Adjusted EBITDA remains almost null for both divisions**, leading to a **negative result** after depreciation and financial charges

Green Transportation: despite a slight reduction of revenue, a more favorable product mix drives an increase of Adj. EBITDA

Green Transportation (Automotive)

M€ ; %	H1 2024	H1 2023	delta	delta %
Revenues	102,5	104,3	-1,8	-1,7%
Adj. EBITDA	0,7	0,2	0,6	
% on rev.	0,7%	0,2%		
EBIT	-8,5	-10,4	1,9	
% on rev.	-8,3%	-9,9%		

M€	H1 2024	FY 2023
NWC	48,9	38,1
NFP ⁽¹⁾	106,5	82,0

Highlights

- **Decrease** of revenue with the **main PC client** (which has **lower margin** compared to other segments) is **partly offset** by increase of **AM** and **OEM-MHD**
- More **favorable segment mix** leads to an **improvement of product marginality**, and, despite higher fixed cost vs. H1 2023, to **Adjusted EBITDA above previous year performances** (+0,6 M€)
- **Higher absorption of NWC** is the **main factor** influencing **NFP increase**:
 - **Reduction of debt with suppliers**
 - **Lower incidence of factor on credit collection**
 - **Inventory reduction**

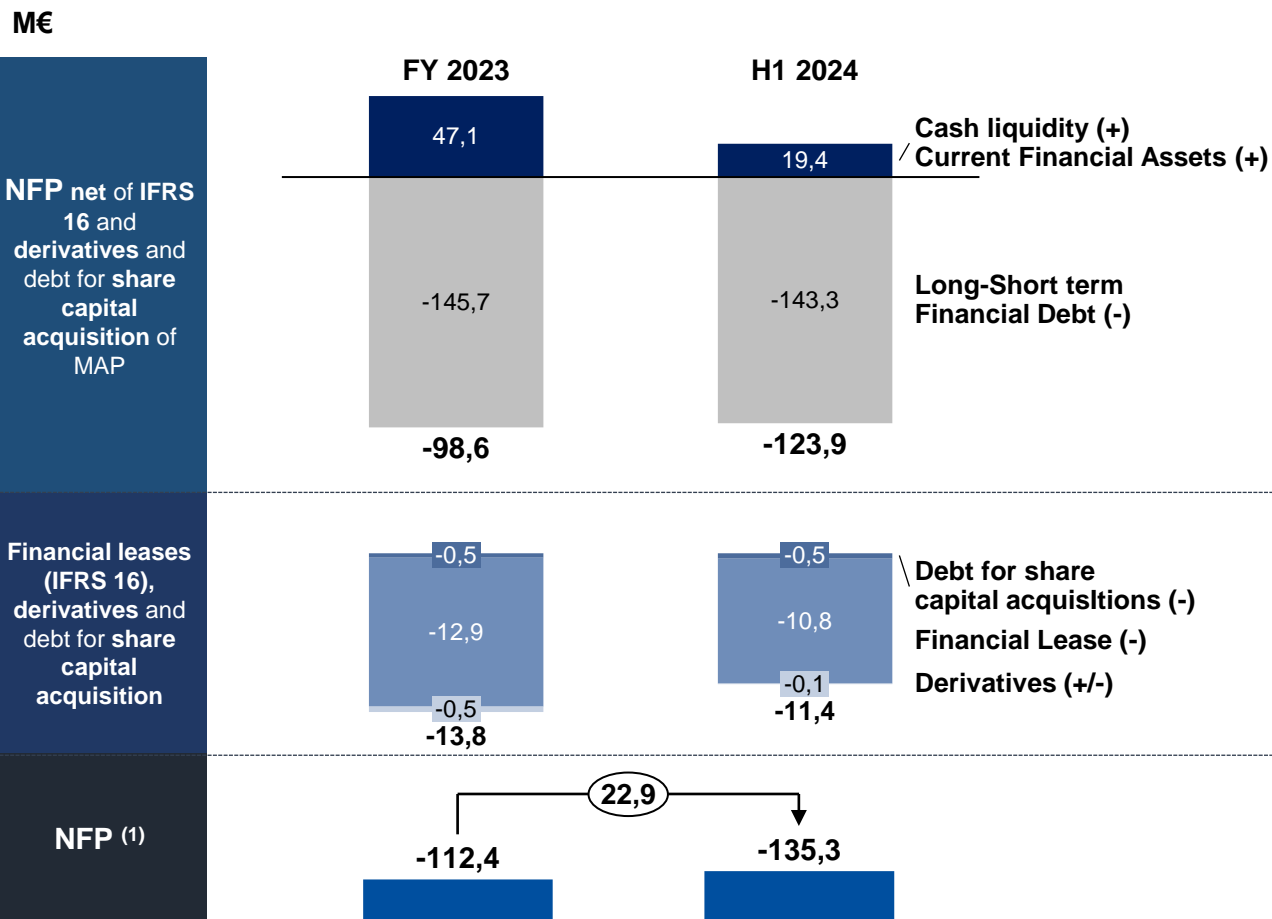
Clean Tech Solutions: lower Value of Production cause the significant deterioration of division's profitability in H1 2024

Clean Tech Solutions	M€ ; %	H1 2024	H1 2023	delta	delta %
	Revenues		36,7	47,5	-10,9
Adj. EBITDA		-0,7	3,8	-4,4	
% on rev.		-1,8%	7,9%		
EBIT		-3,0	1,5	-4,5	
% on rev.		-8,1%	3,2%		
		H1 2024	FY 2023		
NWC		11,7	14,6		
NFP ⁽¹⁾		17,5	16,6		

Highlights

- **Low Value of Production of equipment influence H1 2024 results**, due to:
 - **Backlog** at the end of 2023 slightly lower than expectations (~2,5M€)
 - **Lower contribution** from traditional (CNG) orders in both **North America** and **Europe**
 - **Slower revenue recognition**, due to **higher complexity** and **execution timing** for projects in growing **Oil&Gas** and **Hydrogen** segments
- **Lower than expected volumes cause a deterioration of marginality**, due to **increased incidence of non-compressible costs** (e.g., direct labor, engineering);
- **Impact of negative economic performances on cash** is partly mitigated through **tight control of net working capital**, with **positive results** in terms of **inventory reduction** and **credit collection**

NFP increase is mainly influenced by Net Working Capital increase in Green Transportation – improvement expected with financial optimization project



Highlights

- **NFP** (including reduction due to variation of financial leases) **increases** by **22,9 M€**, mainly driven by **increase of Net Working capital in Green Transportation** (reduction of debt with suppliers and discontinuation of factoring for credit collection)
- **Long and Short-term debt** remains **stable**, with **limited repayment planned** in the **short term**, thanks to **agreement signed** with **lenders** following **company's financial optimization project**
- **H1 2024 financial structure do not reflect** yet the **impact of financial optimization project**, including a **Capital Increase** by the end of the year of **40-45 M€**, of which the **portion** invested by the **majority shareholder** will be **already available in Q3**

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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



INVESTOR RELATIONS

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SHARE INFORMATION

Euronext STAR Milan segment of Borsa Italiana

N. of shares outstanding: 225.000.000

Price as of 06/09/2024: €0,23

CONSOLIDATED P&L

(Thousands of Euro)

CONSOLIDATED INCOME STATEMENT	30/06/2024	30/06/2023 (Restated)
Revenues from sales and services	139,142	151,805
Other revenues and income	458	1,024
Cost of raw materials, consumables and goods and change in inventories	-84,737	-94,405
Costs for services and use of third-party assets	-29,956	-28,386
Personnel costs	-26,649	-25,124
Allocations, write downs and other operating expenses	-1,962	-5,226
Gross Operating Profit	-3,704	-312
Amortization, depreciation and impairment	-7,770	-8,511
Net Operating Profit	-11,474	-8,823
Financial income	531	447
Financial expenses	-6,048	-5,399
Exchange gains (losses)	-257	-1,624
Income (expenses) from hyperinflation	-812	-212
Income (expenses) from equity investments	-548	-27
Income (expenses) from joint venture measured using the equity method	626	20
Profit (Loss) before tax	-17,982	-15,618
Taxes	-479	-5,316
Net profit (loss) for the Group and minority interests, including:	-18,461	-20,934
Net profit (loss) attributable to non controlling interests	-1,733	21
Net profit (loss) attributable to the Group	-16,728	-20,955
Basic earnings (loss) per share	-0.0743	-0.0931
Diluted earnings (loss) per share	-0.0743	-0.0931

CONSOLIDATED BALANCE SHEET (1/2)

(thousands of Euro)		
ASSETS	30/06/2024	31/12/2023
Non-current assets		
Land, property, plant, machinery and other equipment	13,016	13,232
Development expenditure	9,874	9,987
Goodwill	80,132	80,132
Other intangible assets with finite useful lives	13,928	15,034
Right-of-use assets	9,967	11,945
Equity investments measured using the equity method	3,216	2,948
Other non-current financial assets	870	902
Other non-current assets	0	0
Deferred tax assets	8,5	8,745
Non-current assets for derivative financial instruments	25	39
Total non-current assets	139,528	142,514
Current assets		
Trade receivables	75,676	72,821
Inventories	73,426	76,26
Contract work in progress	14,757	17,377
Other receivables and current assets	18,032	17,355
Current financial assets	618	20,647
Cash and cash equivalents	18,771	26,495
Total current assets	201,28	230,955
TOTAL ASSETS	340,808	373,469

CONSOLIDATED BALANCE SHEET (2/2)

(thousands of Euro)		
SHAREHOLDERS' EQUITY AND LIABILITIES	30/06/2024	31/12/2023
Shareholders' Equity		
Share capital	22,5	22,5
Other reserves	43,369	77,569
Profit (loss) for the period	-16,728	-35,169
Total Shareholders' Equity of the Group	49,141	64,927
Minority interests	3,44	5,277
TOTAL SHAREHOLDERS' EQUITY	52,821	70,204
Non-current liabilities		
Non-current bank loans	5,13	67,785
Other non-current financial liabilities	15,496	18,503
Non-current liabilities for right-of-use	8,308	10,09
Provisions for risks and charges	5,819	6,244
Defined benefit plans for employees	3,317	3,257
Deferred tax liabilities	2,984	3,048
Non-current Liabilities for derivative financial instruments	80	515
Total non-current liabilities	41,134	109,442
Current liabilities		
Bank financing and short-term loans	109,763	51,987
Other current financial liabilities	12,935	7,459
Current liabilities for right-of-use	2,479	2,792
Trade payables	83,295	100,115
Tax liabilities	1,968	2,44
Other current liabilities	36,653	29,03
Total current liabilities	247,093	193,823
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	340,808	373,469