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Testo del comunicato

Vedi allegato.

Press release
May 13, 2022

LANDIRENZO

Landi Renzo: Board of Directors approves the interim results at March 31, 2022

- On a like-for-like basis, turnover grew by more than 30%, while at the consolidated level it doubled thanks to the contribution of SAFE & CEC and Metatron, with an increase in margins at Adjusted Ebitda level

- Revenues and margins of the Green Transportation business grew, also thanks to the recovery of the After Market channel, despite the unfavorable context

- Clean Tech Solutions business continued to report growing results and an order backlog covering the full-year 2022

- New 2022-2025 Business Plan launched, focused on the development of hydrogen- and biomethane-based solutions, both in the fields of Green Transportation (particularly in the Mid&Heavy Duty segment) and Clean Tech Solutions, with new projects in progress

* Consolidated revenues amounted to €66.9 million, twice the amount of the previous year (€33.3 million). On a like-for-like basis, net of the contribution of SAFE & CEC and Metatron, consolidated revenues would have been equal to €43.4 million, compared to €33.3 million at March 31, 2021
* Adjusted EBITDA rose to €2.7 million, equal to 4% of revenues (1.5% at March 31, 2021)
* EBITDA amounted to €1.8 million, five times the figure at March 31, 2021 (€0.4 million)
* EBIT negative at €2.5 million (negative at €3 million at March 31, 2021)
* Net result negative for €3.1 million, compared to a loss of €4.1 million at March 31, 2021
* Net Financial Debt was €150.8 million (€133.5 million at December 31, 2021)

Cavriago (RE), May 13, 2022

The Board of Directors of Landi Renzo S.p.A., chaired by Stefano Landi, met today and approved the Interim Report at March 31, 2022.
All segments in which the Group operates reported improving results compared to the same period of 2021, despite the geopolitical tensions and the persistence of the Covid-related effects in China.

The Group's performance in the first quarter of 2022 was thus characterized by different trends depending on the segment. In particular, the After Market channel resumed growth, owing in part to the increase in the price of oil at the global level, which made it even more convenient to convert vehicles to natural gas and LPG in many geographical areas

The subsidiary SAFE&CEC also improved its performance compared to the first quarter of 2021, supported by its expanding order backlog and improved margins, despite the increase in commodity prices; demand for compressors for the transport of biomethane and natural gas increased. In addition, following the finalization of the acquisition of a 90% interest in Idro Meccanica, the SAFE&CEC Group intensified its efforts in the hydrogen sector.

"After the slowdown of the pandemic, with the outbreak of the Russia-Ukraine conflict we found ourselves facing yet another difficult period, not only from a human standpoint, but also from the perspective of the complex geopolitical and economic situation in Europe and the rest of the world," stated Stefano Landi, Chairman of Landi Renzo S.p.A. "Despite the uncertain context, I remain confident, trusting also in our new partner, Itaca, with which we aim to expedite Landi Renzo's growth throughout the value chain of the energy transition."

Cristiano Musi, Chief Executive Officer of Landi Renzo S.p.A., commented: "The first quarter results met our expectations, despite a complex scenario, exacerbated in particular by constantly rising commodity prices and the shortage of several components. We are committed to managing current complexities and continuing to provide our customers with products and services that offer value added in terms of savings for the After Market channel and comprehensive biomethane- and hydrogen-based solutions — segments in which we have launched several strategic negotiations. I would also like to underline how current global events are increasingly confirming that biomethane and hydrogen are strategic sources crucial for the energy transition."

Consolidated Financial Highlights at March 31, 2022

The consolidated financial results at March 31, 2022 are not directly comparable with those for the same period of the previous year following the line-by-line consolidation of the SAFE&CEC Group's results as of May 2021 and those of the Metatron Group's results as of August 2021.

In the first quarter of 2022, the Group's total revenues doubled compared to the same period of the previous year, reaching €66,918 thousand, up €33,659 thousand (+101.2%) compared to the first quarter of 2021. On a like-for-like consolidation basis, i.e., considering the Green Transportation sector alone, consolidated revenues at March 31, 2022 would have been €43,358 thousand (net of €2,938 thousand attributable to the Metatron Group), up €10,099 thousand (+30.4%) compared to March 31, 2021 (€33,259 thousand).

At March 31, 2022, adjusted EBITDA amounted to €2,668 thousand, compared to €508 thousand for the same period of the previous year.

EBITDA was €1,829 thousand (€357 thousand at March 31, 2021), including non-recurring costs amounting to €839 thousand (€151 thousand at March 31, 2021).

EBIT for the quarter was negative at €2,452 thousand (negative at €2,979 thousand at March 31, 2021), after amortization, depreciation and impairment losses totaling €4,281 thousand (€3,336 thousand at March 31, 2021), of which €976 thousand due to the application of IFRS 16 – *Leases* (€554 thousand at March 31, 2021).

EBT for the first three months of 2022 was negative for €3,105 thousand (negative for €4,075 thousand at March 31, 2021).

Net Result for the Group and minority interests at March 31, 2022 was negative at €3,135 thousand compared to a loss for the Group and minority interests amounting to €4,130 thousand at March 31, 2021.

Net Financial Debt totaled €150,800 thousand at March 31, 2022 (€133,493 thousand at March 31, 2021), of which €16,251 thousand due to the application of IFRS 16 — *Leases*, €412 thousand due to the fair value of overall financial derivative contracts and €8,014 thousand due to the residual debt for the acquisition of the Metatron Group and Idro Meccanica. Excluding the effects arising from the application of this standard, the fair value of financial derivative contracts and the remaining debt for the acquisition of equity interests, adjusted Net Financial Debt at March 31, 2022 would have been €126,946 thousand, of which €15,251 thousand attributable to the Clean Tech Solutions sector and €111,695 thousand attributable to the Green Transportation sector.

Performance of the Green Transportation operating business

Revenues from sales within the Green Transportation sector at March 31, 2022 amounted to €46,296 thousand (including the €2,938 thousand revenues of the Metatron Group, consolidated as of August 2021), up €13,037 thousand (+39.2%), thanks to the recovery of the After Market channel in the LATAM area and in Asia, as well as to the increase in orders from a major OEM customer.

The Group's sales within the OEM channel, including the Metatron Group's contribution, stood at €25.9 million, increasing by €11.3 million compared to March 31, 2021, thanks to the significant order backlog of a major OEM client that has focused on LPG bifuel engines to broaden its range of 'green' products.

Sales within the After Market channel amounted to €20.4 million (€18.6 million at March 31, 2021), and mainly referred to orders from both national and foreign distributors and authorized installers. This item grew chiefly as a result of the recovery of some LATAM and Asian markets.

In detail, with regard to the geographical breakdown of sales on the Green Transportation sector:

- sales in Italy rose compared to the same period of the previous year (+47.7%), mainly owing to the increasing demand within the After Market channel, reversing the trend of new vehicle registrations (-23.9% according to data of UNRAE, the association of foreign carmakers operating in Italy). The sharp increase in the price of methane at the pump had a negative effect on methane vehicle registrations, offset by the increase in LPG vehicle registrations. In the first quarter of 2022, overall registrations of gas-fueled (methane and LNG) vehicles accounted for 10% of total registrations;

- the rest of Europe accounted for 49.9% of total revenues (53.7% in the first three months of 2021), up 29.4% mainly thanks to the significant order backlog of a major European OEM client that has focused on LPG bifuel engines to broaden its range of 'green' products. The current shortage of semi-conductors on the market led to temporary halts of production, with the consequent postponement of portions of orders planned to be delivered during the second quarter of the year;

- sales in America for the first three months of 2022 amounted to €7,215 thousand (€3,246 thousand at March 31, 2021), up 122.3% thanks to the positive performance of the LATAM area and the United States with regard to Mid&Heavy Duty components;

- the markets in Asia and the Rest of the World accounted for 20.9% of total revenues (23.7% in the first three months of 2021), increasing by 22.6% thanks to the positive trend of the Asian market.

In the first three months of 2022, adjusted EBITDA of the Green Transportation sector, net of €780 thousand non-recurring costs, was positive at €1,327 thousand, accounting for 2.9% of revenues, up compared to the same period of the previous year (€508 thousand, or 1.5% of revenues, net of non-recurring costs of €151 thousand). Despite the current macro-economic context, also penalized by the uncertainty arising from the Russia-Ukraine conflict, the Green Transportation sector's margins recovered, thanks to the good performance of the After Market channel, which grew in terms of revenues and margins, in addition to the constant update of sales price lists and the increase in margins generated by the Mid&Heavy Duty components on the OEM channels.

EBITDA of the Green Transportation sector was positive at €547 thousand and accounted for 1.2% of revenues (€357 thousand or 1.1% of revenues at March 31, 2021).

EBIT was negative at €3,052 thousand (negative at €2,979 thousand at March 31, 2021).

Performance of the Clean Tech Solutions operating business

Following the line-by-line consolidation of the SAFE&CEC Group as of May 2021, figures regarding the Clean Tech Solutions sector are not directly comparable to the same period of the previous year. For a better understanding of this sector's performance, data regarding revenues from sales, adjusted EBITDA and EBIT for the first three months of 2022 are compared with those for the same period of the previous year.

In the first three months of 2022, the Clean Tech Solutions sector reported **revenues** amounting to €20,622 thousand, up 17.5% compared to the same period of the previous year (€17,556 thousand), thus confirming the increasing interest towards gas mobility shown by several countries, which are upgrading their distribution grids. This result is particularly positive in light of the complexities emerged in the quarter in procuring the components necessary to advance and complete orders.

The SAFE&CEC Group continued to report growing results and an order backlog covering the full-year 2022

Adjusted EBITDA of the Clean Tech Solutions sector at March 31, 2022 was €1,341 thousand, accounting for 6.5% of revenues, compared to €439 thousand (2.5% of revenues) for the same period of the previous year. The SAFE&CEC Group confirmed the margin uptrend that had begun in the second half of the previous year, attributable to the positive effect of the product standardization process, which is generating significant results with an important reduction in production costs.

The Clean Tech Solutions sector's **adjusted EBITDA** for the first quarter of 2022 was €1,282 thousand, accounting for 6.2% of revenues, up compared to the same period of the previous year (€439 thousand, or 2.5% of revenues).

The Clean Tech Solutions sector's **EBIT** at March 31, 2022 was €600 thousand, up sharply compared to the same period of the previous year (-€221 thousand).

Significant events after the first three months of 2022

The following events occurred after the end of the reporting quarter and up to today's date:

- on April 29, 2022, the Shareholders' Meeting of Landi Renzo S.p.A., in its ordinary session:
  - approved the Financial Statements at December 31, 2021 and resolved to cover the loss for the year amounting to €9,130,903.21 drawing from the share premium reserve;
  - appointed the Board of Directors for the three-year period 2022-2024, made up of 9 members and chaired by Stefano Landi;
  - appointed the Board of Statutory Auditors for the three-year period 2022-2024;
  - approved Section 1 of the Report on the Remuneration Policy and expressed a favorable opinion on Section 2, approved by the Board of Directors on March 29, 2022 and prepared pursuant to Article 123-*ter* of Legislative Decree No. 58/98 and Article 84-*quater* of Consob Resolution No. 11971 of May 19, 1999;
  - approved the medium/long-term incentive plan based on the allotment of Landi Renzo S.p.A. ordinary shares, pursuant to Article 114-*bis* of Legislative Decree No. 58 of February 24, 1998.

  During its extraordinary session, the Shareholders' Meeting also granted the Board of Directors the power, pursuant to Article 2443 of the Italian Civil Code, to increase share capital, in one or more tranches, up to a maximum value (inclusive of any share premium) of €60 million, through the issuance of ordinary shares having the same characteristics of those outstanding, to be offered on option to shareholders pursuant to Article 2441 of the Italian Civil Code, to be paid up by cash contribution as well as voluntary offsetting, pursuant to Article 1252 of the Italian Civil Code, against receivables claimed by the subscribers from the Company, to be subscribed, in any event by December 31, 2023, with the fullest powers to establish, from time to time, in accordance with the limits set out above, the methods, terms and conditions of the transaction, including dividend entitlement, without prejudice to the fact that (a) the newly issued ordinary shares will have the same characteristics as those outstanding and will be offered on option to shareholders in proportion to the shareholding held, and (b) the newly issued ordinary shares will be offered at the price (including any share premium) to be established by the Board of Directors in the exercise of its delegated power, equal to the lesser of: (i) €0.60 per ordinary share; and

(ii) the price per ordinary share to be calculated by applying a discount of 15% on the TERP (Theoretical Ex-Right Price), in turn determined on the basis of the weighted average trading price of Landi Renzo ordinary shares during the five market business days preceding: (x) the day of exercise of the delegated power by the Board of Directors; or (y) the day on which the price is determined (regardless of the technical form according to which the price is determined).

The Board of Directors, during its meeting on that same date, confirmed Cristiano Musi as Chief Executive Officer and General Manager, and appointed Sergio Iasi Deputy Chairman;

- on April 28, 2022, Girefin S.p.A. and Gireimm S.r.l., as majority shareholders of Landi Renzo S.p.A. and Itaca Equity Holding S.p.A., signed an investment agreement governing the terms and conditions of finalization of an indirect minority investment transaction by Itaca Equity Holding S.p.A. in Landi Renzo S.p.A., to be carried out through a newly formed vehicle ("Newco"), designed to support a plan of investments by Landi Renzo Group in the LPG, methane, biogas and hydrogen vehicle systems and components market. Conditional on the satisfaction of certain conditions precedent, the investment agreement calls for, on the closing date of the transaction, for Girefin S.p.A., Gireimm S.r.l. and Itaca Equity Holding S.p.A. to enter into a shareholders' agreement governing relations between the parties following the conclusion of the transaction.
  Once the transaction is finalized, Girefin S.p.A. and Gireimm S.r.l. will maintain exclusive control, on a de facto and legal basis, of the Newco, which will control Landi Renzo S.p.A. on a de facto and legal basis. In addition, on that same date, Girefin S.p.A., Gireimm S.r.l. and Itaca Equity Holding S.p.A. and Cristiano Musi, Chief Executive Officer of Landi Renzo S.p.A., signed an investment agreement governing the terms and conditions of Cristiano Musi's investment in the Newco, along with the financial rights incorporated into the Newco's special shares, which will be fully subscribed and paid up by Cristiano Musi at the closing date, along with certain rules governing the circulation of those shares.
  In summary, the above agreements provide as follows:
  i. the investment agreement concerns, *inter alia*, (a) the incorporation of a Newco, by Girefin S.p.A. and Gireimm S.r.l., in the form of a joint-stock company, (b) the contribution in kind to the Newco, by Girefin S.p.A. and Gireimm S.r.l., of all the shares they hold in the capital of Landi Renzo S.p.A., and therefore the 61,495,130 Landi Renzo S.p.A. shares, equal to 54.662% of share capital, corresponding to the 122,990,260 voting rights, accounting for 68.709% of the voting rights held by Girefin S.p.A., and the 5,000,000 Landi Renzo S.p.A. shares, accounting for 4.444% of share capital, currently corresponding to 10,000,000 voting rights, or 5.587% of the voting rights held by Gireimm S.r.l., as well as (c) the subscription in cash, by Itaca Equity Holding S.p.A., of a capital increase reserved to it, not subject to split for the Newco, in the amount of €39.4 million, inclusive of any share premium. The investment agreement contains some customary provisions for transactions of a similar nature, instrumental to the execution of the transaction and relevant pursuant to Article 122, paragraph 1, of TUF;
  ii. the shareholders' agreement governs, *inter alia*, the governance and transfer of the Newco's shares, the provisions of which are set forth by Article 122, paragraphs 1 and 5, of TUF. The shareholders' agreement governs the following equity interests: (i) the equity investment, which, following the completion of the transaction, Girefin S.p.A. and Gireimm S.r.l. will hold in the Newco, accounting for a total of 51% of its share capital overall, and (ii) the equity investment that, following the completion of the transaction, Itaca Equity Holding S.p.A. will hold, directly or indirectly, in the Newco, in any event not exceeding 49% of its share capital;
  iii. the special share investment agreement governs (a) the investment by Cristiano Musi in the Newco through the subscription and payment in full in cash of a capital increase not subject to split, to be authorized by the Newco and reserved for him, for an amount of €300 thousand, inclusive of share premium, through the issuance of special shares of the Newco, representing approximately 0.3% of its share capital, incorporating some special rights, as well as (b) the provisions on the special rights incorporated into such special category shares and the rules for the circulation of the shares. The provisions of the special share investment agreement are governed by Article 122, paragraphs 1 and 5, of TUF. The special share investment agreement governs the following equity investments: (i) the equity investment, which, following the completion of the transaction, Girefin S.p.A. and Gireimm S.r.l. will hold in the Newco, accounting for a total of 51% of its share

capital overall; (ii) the equity investment that, following the completion of the transaction, Itaca Equity Holding S.p.A. will hold, directly or indirectly, in the Newco, in any event not exceeding 49% of its share capital; and (iii) the equity investment that, following the completion of the transaction, Cristiano Musi will hold in the Newco, accounting for about 0.3% of its share capital.

Outlook for the current year

Despite the likely deterioration of the current global geopolitical and macro-economic scenario, in 2022 management forecasts growing results compared to 2021, also in light of some signs of a recovery in the After Market channel and the significant order backlog of the Clean Tech Solutions business unit, supported by the market's increasing interest in biomethane- and hydrogen-based solutions. The management of the Group has undertaken a series of measures aimed at minimizing the impacts deriving from the increase in the costs of some commodities, including gas, and possible shortages of components.

This press release is a translation. The Italian version prevails

Pursuant to Article 154-bis, paragraph 2, of Italian Legislative Decree No. 58 of February 24, 1998, the Officer in charge of preparing the Company's financial statements, Paolo Cilloni, declares that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

This press release is also available on the corporate website www.landirenzogroup.com.it.

Landi Renzo is the global leader in the natural gas, biomethane and hydrogen sustainable mobility and infrastructure sector. The Group stands out for its extensive presence at global level in over 50 countries, generating nearly 90% of its revenues abroad. Landi Renzo S.p.A. has been listed on the Euronext STAR Milan segment of Borsa Italiana since June 2007.

LANDI RENZO S.p.A.

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(thousands of Euro)

CONSOLIDATED INCOME STATEMENT	31/03/2022	31/03/2021
Revenues from sales and services	**66,918**	**33,259**
Other revenues and income	180	134
Cost of raw materials, consumables and goods and change in inventories	-39,606	-19,311
Costs for services and use of third-party assets	-13,280	-7,614
Personnel costs	-11,133	-5,603
Allocations, write downs and other operating expenses	-1,250	-508
Gross operating profit	**1,829**	**357**
Amortization, depreciation and impairment	-4,281	-3,336
Net operating profit	**-2,452**	**-2,979**
Financial income	23	54
Financial expenses	-1,218	-821
Exchange gains (losses)	620	-511
Income (expenses) from equity investments	-107	0
Income (expenses) from joint venture measured using the equity method	29	182
Profit (loss) before tax	**-3,105**	**-4,075**
Taxes	-30	-55
Net profit (loss) for the Group and minority interests, including:	**-3,135**	**-4,130**
Minority interests	14	30
Net profit (loss) for the Group	-3,149	-4,160
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0.0280	-0.0370
Diluted earnings (loss) per share	-0.0280	-0.0370

(thousands of Euro)

ASSETS	31/03/2022	31/12/2021
Non-current assets		
Land, property, plant, machinery and other equipment	14,743	14,977
Development costs	11,521	12,222
Goodwill	75,341	75,341
Other intangible assets with finite useful lives	16,272	16,711
Right-of-use assets	15,471	11,991
Equity investments measured using the equity method	2,057	2,028
Equity investments in subsidiaries	6,400	0
Other non-current financial assets	812	882
Other non-current assets	2,556	2,556
Deferred tax assets	13,866	13,484
Assets for derivative financial instruments	413	0
Total non-current assets	**159,452**	**150,192**
Current assets		
Trade receivables	66,332	66,048
Inventories	75,731	68,896
Contract work in progress	19,811	15,653
Other receivables and current assets	15,037	14,443
Other current financial assets	520	0
Cash and cash equivalents	36,379	28,039
Total current assets	**213,810**	**193,079**
TOTAL ASSETS	**373,262**	**343,271**

(thousands of Euro)

SHAREHOLDERS' EQUITY AND LIABILITIES	31/03/2022	31/12/2021
Shareholders' Equity		
Share capital	11,250	11,250
Other reserves	44,446	44,615
Profit (loss) for the period	-3,149	-977
Total Shareholders' equity of the Group	**52,547**	**54,888**
Minority interests	6,040	5,738
TOTAL SHAREHOLDERS' EQUITY	**58,587**	**60,626**
Non-current liabilities		
Non-current bank loans	61,820	10,174
Other non-current financial liabilities	46,870	9,320
Non-current liabilities for right-of-use	13,111	10,197
Provisions for risks and charges	4,784	4,535
Defined benefit plans for employees	3,850	3,977
Deferred tax liabilities	1,655	1,452
Liabilities for derivative financial instruments	1	99
Total non-current liabilities	**132,091**	**39,754**
Current liabilities		
Bank financing and short-term loans	54,881	103,408
Other current financial liabilities	274	274
Current liabilities for right-of-use	3,141	2,624
Trade payables	84,535	82,886
Tax liabilities	3,898	3,758
Other current liabilities	35,855	49,941
Total current liabilities	**182,584**	**242,891**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**373,262**	**343,271**

(thousands of Euro)

CONSOLIDATED CASH FLOWS STATEMENT	31/03/2022	31/03/2021
Financial flows deriving from operating activities		
Pre-tax profit (loss) for the period	-3,105	-4,075
Adjustments for:		
Depreciation of property, plant and machinery	1,084	1,002
Amortisation of intangible assets	2,319	1.780
Depreciation of right-of-use assets	878	554
Loss (Profit) from disposal of tangible and intangible assets	45	131
Share-based incentive plans	0	44
Impairment loss on receivables	451	0
Net financial charges	575	1,278
Net expenses (income) form equity investments measured using the equity method	-29	-182
Net expenses (income) form equity investments	107	0
	2,325	**532**
Changes in:		
Inventories and work in progress	-10,993	-4,957
Trade receivables and other receivables	-1,283	1,946
Trade payables and other payables	4,351	-5,965
Provisions and employee benefits	221	20
Cash generated from operations	**-5,379**	**-8,424**
Interest paid	-332	-314
Interest received	26	2
Taxes paid	-61	-125
Net cash generated (absorbed) from operating activities	**-5,746**	**-8,861**
Financial flows from investments		
Proceeds from sale of property, plant and machinery	59	566
Purchase of property, plant and machinery	-892	-822
Purchase of intangible assets	-94	-82
Development costs	-979	-999
Acquisition of shareholdings	-23,822	0
Net cash absorbed by investment activities	**-25,728**	**-1,337**
Free Cash Flow	**-31,474**	**-10,198**
Financial flows from financing activities		
Disbursements (reimbursements) of loans to associates	-520	0
Disbursements (reimbursements) of medium/long-term loans	36,730	-31
Change in short-term bank debts	3,419	6,525
Repayment of leases IFRS 16	-1,045	-580
Net cash generated (absorbed) by financing activities	**38,584**	**5,914**
Net increase (decrease) in cash and cash equivalents	**7,110**	**-4,284**
Cash and cash equivalents as at 1 January	28,039	21,914
Effect of exchange rate fluctuations on cash and cash equivalents	1,230	-2,450
Cash and cash equivalents at the end of the period	**36,379**	**15,180**

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