



9M-2022 Financial Results

Cavriago, 30th November 2022



Disclaimer

This document has been prepared by Landi Renzo S.p.A for use during meetings with investors and financial analysts and is solely for information purposes. The information set out herein has not been verified by an independent audit company. Neither the Company nor any of its subsidiaries, affiliates, branches, representative offices (the “Group”), as well as any of their directors, officers, employees, advisers or agents (the “Group Representatives”) accepts any responsibility for/or makes any representation or warranty, express or implied, as to the accuracy, timeliness or completeness of the information set out herein or any other related information regarding the Group, whether written, oral or in visual or electronic form, transmitted or made available. This presentation contains forward looking statements regarding future events and future results of Landi Renzo S.p.A. (the “Company”) that are based on the current expectations, estimates, forecasts and projections about the industries in which the Company operates, and on the beliefs and assumptions of the management of the Company. In particular, among other statements, certain statements with regard to management objectives, trends in results of operations, margins, costs, return on equity, risk management, competition, changes in business strategy and the acquisition and disposition of assets are forward looking in nature. Words such as ‘expects’, ‘anticipates’, ‘scenario’, ‘outlook’, ‘targets’, ‘goals’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, ‘seeks’, ‘estimates’, as well as any variation of such words and similar expressions, are intended to identify such forward looking statements. Those forward looking statements are only assumptions and are subject to risks, uncertainties and assumptions that are difficult to predict because they relate to events and depend upon circumstances that will occur in the future. Any forward-looking statements made by or on behalf of the Company speak only as of the date they are made. Except as required by applicable laws and regulations, the Company assumes no obligation to provide updates of any of the aforesaid forward looking statements. Under no circumstances shall the Group and/or any of the Group Representatives be held liable (for negligence or otherwise) for any loss or damage howsoever arising from any use of this document or its contents or otherwise in connection with the document or the aforesaid forward-looking statements. This document does not constitute an offer to sell or a solicitation to buy or subscribe to Company shares and neither this entire document or a portion of it may constitute a recommendation to effect any transaction or to conclude any legal act of any kind whatsoever. This document may not be reproduced or distributed, in whole or in part, by any person other than the Company. By viewing and/or accepting a copy of this document, you agree to be bound by the foregoing limitations

Third Quarter result impacted by the global economic environment... New Senior Management Team in place to drive growth, profitability and cash generation

Performance Overview

- Revenues trend confirms growth of Clean Tech Solutions and resilience of After Market
- Continuous inflation on key components prices impacted company Ebitda;
- Shortage on the supply chain increases WIP & Inventory, impacting operating cash flow and Net Debt
- Defined solid action plan to improve cash generation from Q4 onward, while recent cyber-attack could delay some outcomes in the short term

Top Management reinforced Organization structure with strong focus

- Senior Management Team reinforced: Group COO, Group CFO, Group CTO, Head of Strategy to enable the Group full execution the Strategic Plan
- Senior Management Team with a strong focus on key objectives: improve operational efficiency and working capital use, business development and efficient capital allocation

Outlook

- Clean Tech Solution market continue its positive trend, with CNG application stable and growing potential for RNG and H2 driven by Repower EU and Inflation Act in the US
- After Market resilient to oil & gas price fluctuation, with margin improvement thanks to strong market penetration and customer loyalty
- OEM business worldwide impacted; planned set of actions to recover extra-costs within end of current year

Landi Renzo Group Consolidated P&L

M€; %	Green Transportation	Clean Tech Solutions	LRG		delta	delta %
	9M 2022	9M 2022	9M 2022	9M 2021		
Revenues	141,2	75,1	216,4	162,6	+53,8	+33,1%
Adj. EBITDA	4,4	4,3	8,7	7,6	+1,1	+15,2%
<i>% on rev.</i>	<i>3,1%</i>	<i>5,7%</i>	<i>4,0%</i>	4,6%	-60bps	
EBITDA	3,0	4,1	7,1	6,0	+1,1	+18,8%
<i>% on rev.</i>	<i>2,1%</i>	<i>5,4%</i>	<i>3,3%</i>	3,7%	-40bps	
EBIT	-7,9	1,9	-6,0	-5,4	-0,6	<i>n.a.</i>
<i>% on rev.</i>	<i>-5,6%</i>	<i>2,6%</i>	<i>-2,8%</i>	-3,3%	+50bps	
EBT			-8,9	-0,1	-8,8	<i>n.a.</i>
<i>% on rev.</i>			<i>-4,1%</i>	0,0%	-410bps	
Net Result			-9,9	-1,1	-8,8	<i>n.a.</i>

Highlights

- **Revenues +53,8M€ (+33,1%)** growth, with increased consolidation perimeter, driven by the growth in Europe and in US & LatAm
- On a comparable basis, Group's turnover increased by 11,4% YoY
- **Adj. EBITDA growth** reflects the reduced marginality due to inflation (raw materials, energy, transportation) on all business lines and time gap on price increases
- **EBT** in 2021 was positively affected by the consolidation profit (8,8M€) connected to the fair value evaluation of SAFE&CEC

Green Transportation

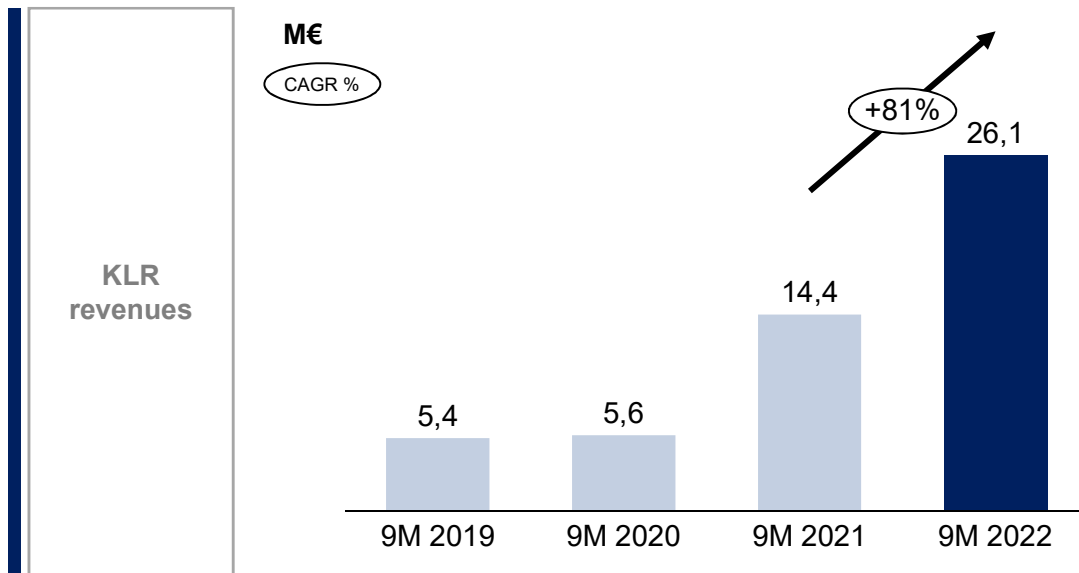
Green
Transportation
(Automotive)

M€ ; %	9M 2022	9M 2021	delta	delta %
Revenues	141,2	119,8	+21,4	+17,9%
Adj. EBITDA	4,4	2,8	+1,6	+57,9%
<i>% on rev.</i>	3,1%	2,3%	+80bps	
EBIT	-7,9	-8,9	+0,9	-10,3%
<i>% on rev.</i>	-5,6%	-7,4%	+180bps	
NWC	46,5	44,3	+2,2	
NFP ⁽¹⁾	66,4	91,1	-24,7	

Highlights

- **Revenues increase by 21,4 M€ YoY:**
 - AM: growth of the LPG segment driven by the price difference with petrol
 - M&HD: strong performance in the US
- **Adj. EBITDA** benefits from the higher margins in the M&HD segment, notwithstanding the general increase of production and logistics costs, not yet fully transferred to final customers
- **NWC** increase is mostly linked to specific sourcing needs, which require advance stocking
- **NFP** decreased due to the capital increase, partially offset by the payments for the acquisitions and by operational cash flow
- The Indian JV KLR, consolidated with the equity method, is not included in the above results

Indian JV KLR, not consolidated



Highlights

- **KLR revenue** maintain a steep growth trend (+11,7M€, 81% YoY)
- The Indian JV is the leading component supplier to OEM clients
- CNG-powered cars accounted for 8,6% of total sales in 2022, thanks to a larger model offering, to Government plans and to the increase of CNG refilling stations
- Biogas is gaining interest as a solution that is both cost-effective and low-emission, with 5.000 compressed biogas plants expected by 2029

SAFE&CEC key financial

Clean Tech Solutions	M€ ; %	9M 2022	9M 2021 ⁽¹⁾	delta	delta %
	Revenues		75,1	66,3	+8,8
Adj. EBITDA		4,3	5,4	-1,0	-20,2%
% on rev.		5,7%	8,1%	-240bps	
EBIT		1,9	2,7	-0,8	-28,7%
% on rev.		2,6%	4,1%	-150bps	
NWC		18,8	9,6	+9,2	
NFP ⁽²⁾		19,0	4,0	+15,0	

Highlights

- **Revenue increased 13,3% YoY, thanks** to the growth on CNG (+13%) and new revenues in Hydrogen thanks to Idro Meccanica
- **Adj. EBITDA** affected by the increased cost of raw materials
- **NWC** increase due to strong demand and shortage of materials and electronic components that delayed shipments and increased inventory. All WIPs are covered by orders
- **NFP** entails the acquisition of Idro Meccanica (6,4M€) and is affected by the NWC increase

Landi Renzo launched a boost program to improve Group's profitability

Green Transportation

OEM segment

- Ongoing negotiation with major clients to align selling prices to inflation that increased production costs (raw materials, energy, transports, ...), recovering already incurred extraordinary costs

AM segment

- List price are constantly updated, following the evolution of production costs, as it has been done during the first part of the year

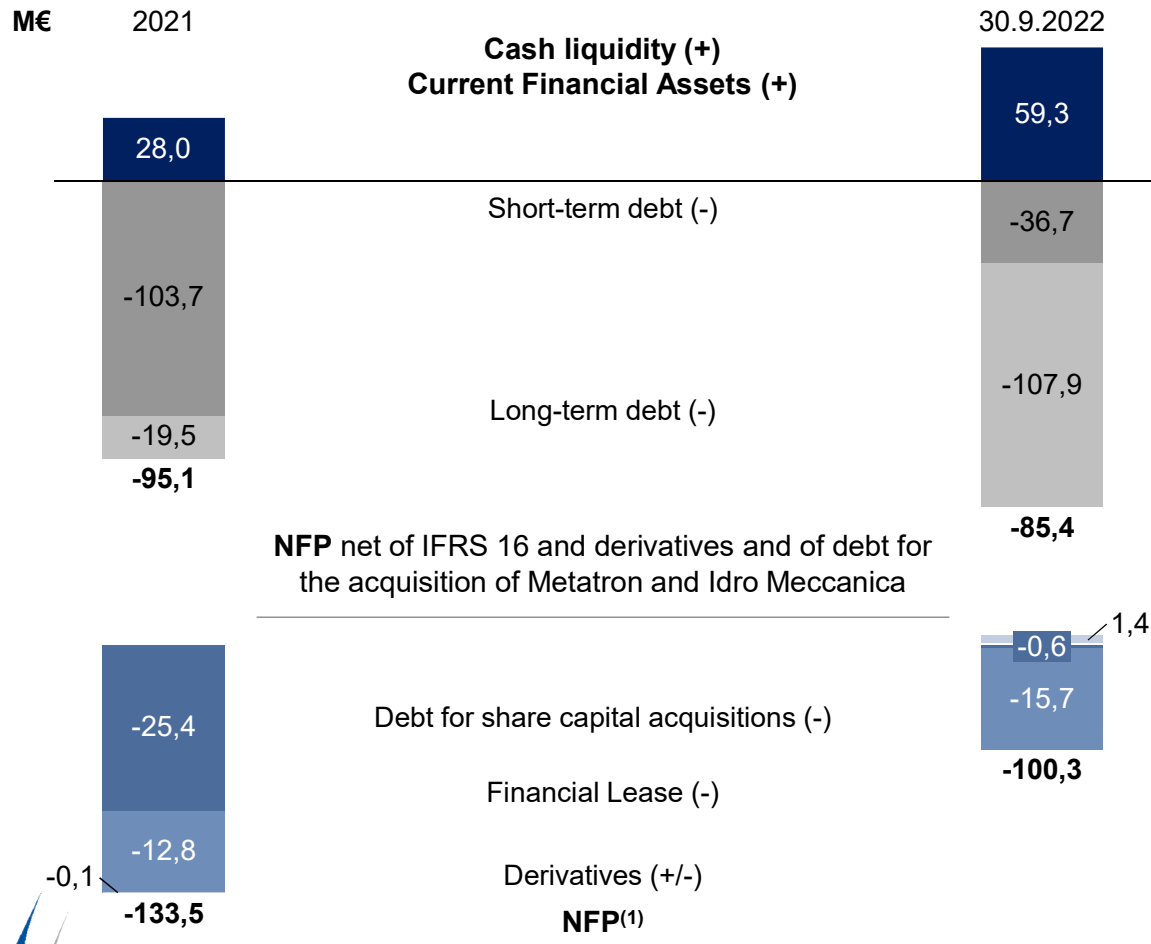
Clean Tech Solutions

- New offers are being prepared based on updated list prices, in line with current market standards
- Deployment of action plans to recover extra costs on existing orders
- Standardization of key system components

Group wide activities

- Make vs buy evaluation on selected components
- Identify improvement efficiency opportunities in all Group's areas, also though the implementation of a digitalization plan
- Accelerate the integration of newly acquired companies into the Group, to exploit synergies and both fixed and variable cost reductions

Landi Renzo Group's net debt evolution

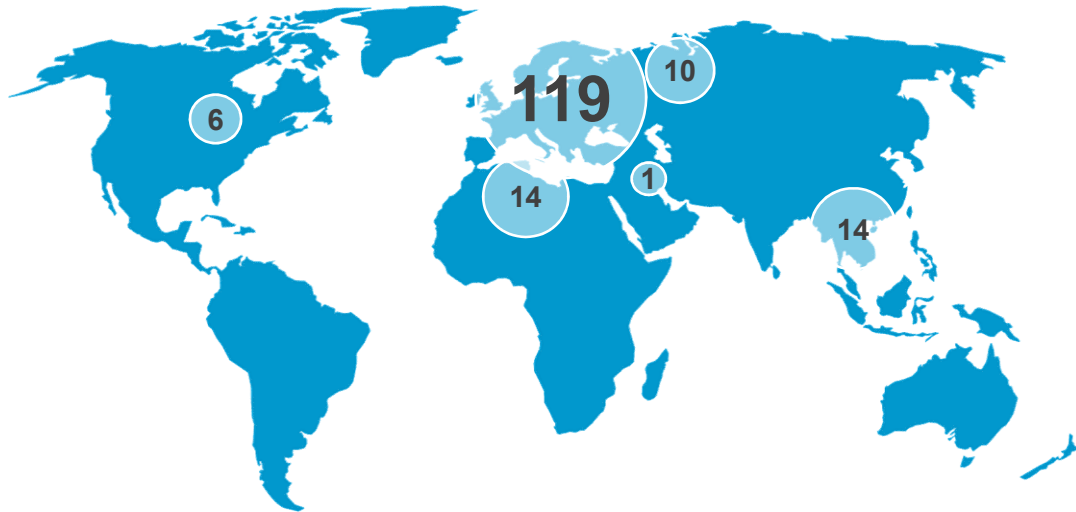


Highlights

- NPF positive contribution due to the capital increase of 58,6M€ (net of expenses), partially offset by the payments for the acquisitions of Metatron (25,4M€) and Idro Meccanica (6,4M)
- The increase of working capital related to the need of stocking components to counter supply chain disruption affected the free cash flow from operations
- Short-term debts of 2021 have been reclassified under long-term debts upon request to the financing banks through consent letter

SAFE&CEC is one of the top player in Hydrogen Compression solutions with advanced products

Hydrogen LRG units footprint



- One of the most established player having **SAFE&CEC 160+ units installed worldwide**
- More than **40 new H2 compressors** in order pipeline
- **Demand increasing along the full value chain**
- **Ongoing negotiation with different international players**

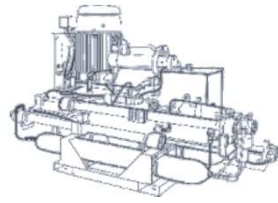
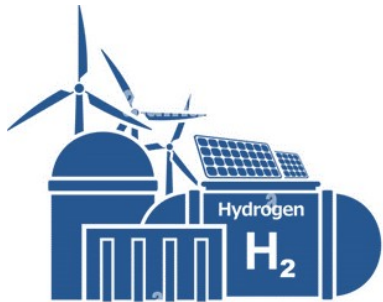
New advanced Hy-HC compressor available



Key success factors

- Enlarged **product range from 200BAR to 900BAR** with state of the art technology
- **Capabilities to support as system integrator** from post generation to transportation

**With hundred billions dollars to be invested in H2 development...
SAFE&CEC well positioned to capture H2 economic trend along the extend value chain**



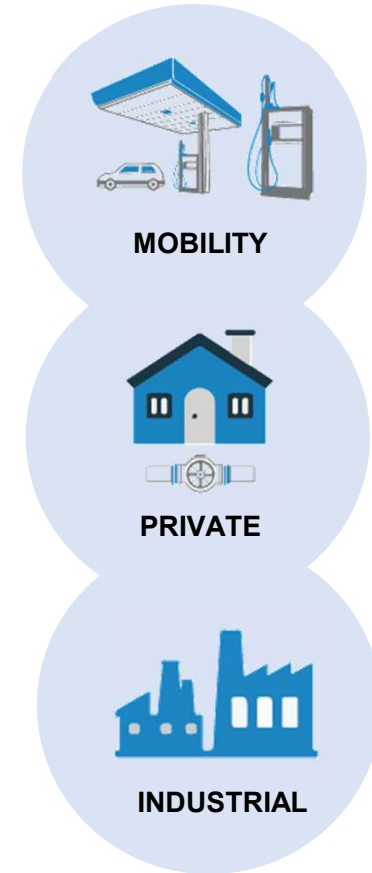
**From 100 to 500
BAR pressure**



**Max discharge
pressure up to 950
BAR**



**Solutions for Grid Injection,
Storage, H2 Transportation
and Industrial use**



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

www.landirenzogroup.com
www.landirenzo.com



Landi Renzo - Company profile

BOARD OF DIRECTORS

Stefano Landi – Chairman
 Sergio Iasi – Deputy Chairman
 Cristiano Musi - 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

Investor Relations Contacts:

Vittorio Tavanti
 Tel: +39 0522 9433
 E-mail: ir@landi.it
www.landirenzogroup.com

SHARE INFORMATION

Euronext STAR Milan segment of Borsa Italiana

N. of shares outstanding: 220.281.064

Price as of 29/11/2022: €0,526

CONSOLIDATED P&L

(thousands of Euro)

CONSOLIDATED INCOME STATEMENT	30/09/2022	30/09/2021 Restated
Revenues from sales and services	216,351	162,558
Other revenues and income	582	1,568
Cost of raw materials, consumables and goods and change in inventories	-134,846	-101,648
Costs for services and use of third-party assets	-39,455	-29,879
Personnel costs	-32,368	-24,473
Allocations, write downs and other operating expenses	-3,194	-2,174
Gross Operating Profit	7,070	5,952
Amortization, depreciation and impairment	-13,065	-11,389
Net Operating Profit	-5,995	-5,437
Financial income	988	150
Financial expenses	-5,484	-3,081
Exchange gains (losses)	1,128	-690
Income (expenses) from equity investments	-288	8,768
Income (expenses) from joint venture measured using the equity method	778	219
Profit (Loss) before tax	-8,873	-71
Taxes	-1,019	-996
Net profit (loss) for the Group and minority interests, including:	-9,892	-1,067
Minority interests	223	829
Net profit (loss) for the Group	-10,115	-1,896
Basic earnings (loss) per share (calculated on 225,000,000 shares)	-0.0450	-0.0167
Diluted earnings (loss) per share	-0.0450	-0.0167

CONSOLIDATED BALANCE SHEET

(thousands of Euro)		
ASSETS	30/09/2022	31/12/2021 restated
Non-current assets		
Land, property, plant, machinery and other equipment	13,763	14,977
Development expenditure	11,047	12,222
Goodwill	80,707	73,256
Other intangible assets with finite useful lives	17,957	19,543
Right-of-use assets	14,756	11,991
Equity investments measured using the equity method	2,806	2,028
Other non-current financial assets	807	882
Other non-current assets	1,710	2,556
Deferred tax assets	12,303	12,694
Total non-current assets	155,856	150,149
Current assets		
Trade receivables	61,552	66,048
Inventories	81,719	68,896
Contract work in progress	28,750	15,653
Other receivables and current assets	18,454	14,443
Current assets for derivative financial instruments	1,422	0
Cash and cash equivalents	59,268	28,039
Total current assets	251,165	193,079
TOTAL ASSETS	407,021	343,228

CONSOLIDATED BALANCE SHEET

(thousands of Euro)		
SHAREHOLDERS' EQUITY AND LIABILITIES	30/09/2022	31/12/2021 re state d
Shareholders' Equity		
Share capital	22,500	11,250
Other reserves	91,802	44,615
Profit (loss) for the period	-10,115	-1,020
Total Shareholders' Equity of the Group	104,187	54,845
Minority interests	6,524	5,738
TOTAL SHAREHOLDERS' EQUITY	110,711	60,583
Non-current liabilities		
Non-current bank loans	80,062	10,174
Other non-current financial liabilities	27,887	9,320
Non-current liabilities for right-of-use	12,405	10,197
Provisions for risks and charges	5,206	4,535
Defined benefit plans for employees	3,776	3,977
Deferred tax liabilities	1,204	1,452
Liabilities for derivative financial instruments	0	99
Total non-current liabilities	130,540	39,754
Current liabilities		
Bank financing and short-term loans	34,279	103,408
Other current financial liabilities	2,435	274
Current liabilities for right-of-use	3,252	2,624
Trade payables	90,045	82,886
Tax liabilities	4,411	3,758
Other current liabilities	31,348	49,941
Total current liabilities	165,770	242,891
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	407,021	343,228