



FY 2022 Financial Results

Cavriago, 15th March 2023



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

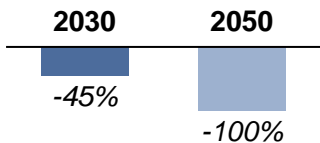
Landi Renzo Group's mission is to contribute to the world's energy transition, promoting decarbonization through an approach based on technological neutrality



Climate change centrality in world agenda and LRG positioning

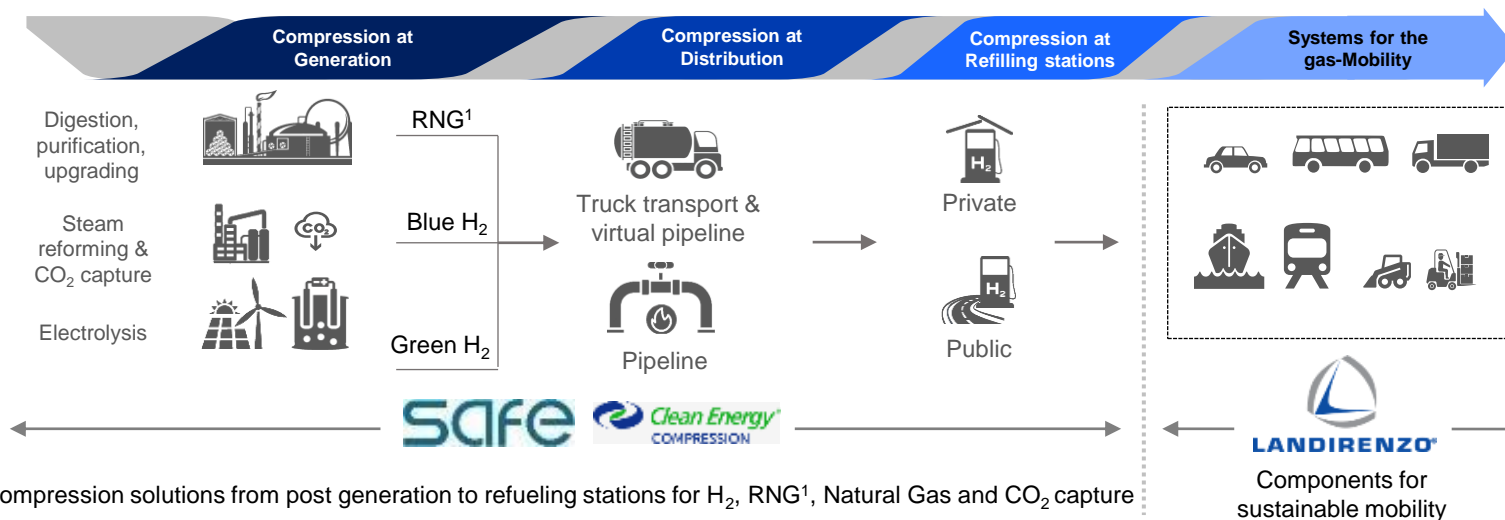
As for COP21 agreement, **CO₂ emissions** need to be **reduced** to limit global warming

CO₂ emission reduction targets



- As highlighted by **daily debate** worldwide, **emission reduction** is an **essential target** for the all societies in the **world**
- **All viable solution** must be taken **into consideration** with a **scientific approach**, based on **technological neutrality**, and the **optimal utilization of existing know-how/ capabilities**

Landi Renzo Group strategy focuses on promoting the **energy transition**, through **innovation** based on **technological neutrality** to **reduce CO₂ emissions**



(1) Renewable Natural Gas (Biomethane)
Source: United Nation, Landi Renzo Grupo business plan

LRG's 2022 results have been impacted by several exogenous factors, with Q4 results suggesting a recovery path

Russian-Ukrainian war

- Persistence of the conflict has caused the **surge of natural gas cost worldwide**
- **Geo-political tension** has directly **impacted** group's **performances** in the ex-CIS region

Raw material cost increase

- Cost of **raw material** has been **rising throughout 2022** for all **components purchased** (e.g., metals, electronics)
- **Pricelist adjustments** have **not fully reflected** increased **cost**, leading to **LRG's gross margin erosion**

Chinese market slowdown

- **Chinese** economy **slowdown** and pandemic restrictions have caused a remarkable **drop of M&HD¹ vehicle production**
- Despite overall **volume reduction**, **natural gas** and **hydrogen** products have **maintained** expected **penetration rates**

Cyber attack to LRG's IT system

- In October 2022, a **severe cyber attack** has **damaged LRG IT systems**, causing a **3-weeks delay** in **operations**
- **Restoring measures** and **extraordinary activities** to recover **production** lost have generated **extra cost** in **Q4**

Green Transportation recovery in Q4

- In **Q4 Green Transportation BU** has shown **improving EBITDA**, despite cyber attack costs
- **Recovery** has been led by **pricelist increases/ extra cost recognition** from main **OEM customers**

Strong momentum of Infrastructure

- **Despite marginality erosion** due to delayed execution of older projects, **Infrastructure BU** has **recorded double-digit growth** and is expected to **accelerate further**, driven by **biomethane** and **hydrogen** demand

2022 exogenous dynamics have impacted both divisions, but Hydrogen plus RNG¹ growth and organization reinforcement are expected to lead improvements in 2023

Green Transportation (Automotive)

- In **After Market**, drop of **CNG²** has been partly **offset** by **LPG³** increase (mainly in EU)
- **OEM Passenger Car demand** has strongly **increased**, driven by **LPG** penetration in **Europe** and **CNG** in **India**
- **Natural gas crisis** has **frozen M&HD sales** and **delayed investments**, with **LRG MS⁴** and **revenues in line** with **2021**

Clean Tech Solutions (Infrastructure)

- **Operational efficiencies** have **partly offset** **marginality erosion**, with strong **cash generation** in **North America**
- The **order book** has **remained solid** along the **whole year**, with **increasing demand** driven by **RNG¹** and **hydrogen**
- **Advancements** in **hydrogen solution development** has favored **international market expansions**

Hydrogen (Group)

- **Growing demand** for **hydrogen components** in **LCV** and **M&HD Automotive** segments is **fueling current sales** (mainly in **China**) and **leading** to **several R&D projects**, with returns expected in **late 2024-2025**
- In the **Infrastructure division**, worldwide **incentives** are favoring a **steep acceleration** of the **market**, leading to **strategic partnership** and **commercial agreements** in different areas of the value chain (e.g., power generation, transmission infrastructure, energy storage, etc.)

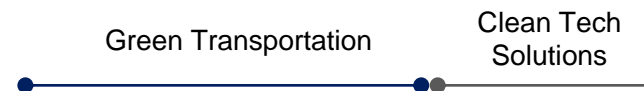
Operational improvement (Group)

- The **Group** has **completed** the **Management Team reinforcement**, with relevant impact on **business development** and **operational improvement** expected in **2023**
- **Main projects** are focused on detailing **hydrogen** and **RNG go-to-market strategy**, improving **purchasing efficiency** and **optimizing working capital** requirements
- **Integration** of **Metatron** and **Idro Meccanica** is expected to **be completed** in **2023**, leading to **cost savings**

Landi Renzo Group's pro-forma¹ revenues account for ~336 M€, with Clean Tech Solutions representing more than 30% of total revenues

- Group revenues account for ~336 M€, with ~10 M€ related to Group's **hydrogen** solutions, also thanks to Idro Meccanica
- Group's ~40 M€ revenue growth vs. 2021 has been mainly **driven** by **Clean Tech Solutions**, **Indian Automotive performance** and **European OEM – PC channel**
- Clean Tech Solutions growth driven by new revenues in **Hydrogen**, and **RNG application** in both Europe and North America
- Automotive investment mainly driven by new Hydrogen and **M&HD product development**
- SAFE&CEC investment include the **acquisition** of **Idro Meccanica** completed in January 2022

Full year pro-forma figures



	<u>Landi plus Metatron</u>	<u>KLR</u>	<u>SAFE&CEC</u>	<u>Landi Renzo Group²</u>
Revenues	201,7M€	35,5M€	104,6M€	335,9M€
Adj. EBITDA	9,3M€	5,7M€	6,0M€	19,2M€
NFP ³	68,5M€	2,0M€	8,7M€	78,6M€
Investments	7,4M€	0,5M€	9,5M€	17,4M€

FY results show a revenue increase, driven also by a different perimeter

M€; %	Green Transportation	Clean Tech Solutions	LRG ¹			
	FY 2022	FY 2022	FY 2022	FY 2021	delta	delta %
Revenues	201,7	104,6	306,3	242,0	+64,3	+26,6%
Adj. EBITDA	9,3	6,0	15,3	14,6	+0,6	+4,4%
<i>% on rev.</i>	<i>4,6%</i>	<i>5,7%</i>	<i>5,0%</i>	6,0%		
EBITDA	5,6	5,5	11,0	12,6	-1,6	-12,5%
<i>% on rev.</i>	<i>2,8%</i>	<i>5,2%</i>	<i>3,6%</i>	5,2%		
EBIT	-8,6	2,6	-6,0	-3,0	-3,0	-101,0%
<i>% on rev.</i>	<i>-4,3%</i>	<i>2,5%</i>	<i>-2,0%</i>	-1,2%		
EBT			-13,9	1,7	-15,6	n.a.
<i>% on rev.</i>			<i>-4,5%</i>	0,7%		
Net Result			-14,3	0,5	-14,8	n.a.

Highlights

- **Revenues +64 M€ (+26,6%)** increase due also to a **different consolidation perimeter**. On a comparable basis, Group's turnover increased by 10,1% YoY
- **Adj. EBITDA** reflects the reduced marginality due to inflation (raw materials, energy, transportation) on all business lines and time gap on price increases in Clean Tech Solution
- **EBT** in 2021 was positively affected by the consolidation profit (8,8M€) connected to the fair value evaluation of SAFE&CEC

Green Transportation shows an improvement in both revenues and Adj. EBITDA

Green Transportation (Automotive)

M€ ; %	FY 2022	FY 2021	delta	delta %
Revenues	201,7	172,9	28,8	+16,7%
Adj. EBITDA	9,3	7,2	2,1	+28,7%
% on rev.	4,6%	4,2%		
EBIT	-8,6	-8,3	-0,3	n.a.
% on rev.	-4,3%	-4,8%		
NWC	45,6	44,3	1,3	
NFP (1)	68,5	91,1	-22,6	

Highlights

- On a comparable basis (including Metatron 2021 on a full year basis), **Green Transportation revenues growth by 8,5%**
- **Adj. EBITDA**, even if growing compared to 2021, still under expectation. Growth driven by volume effect, with significant Q4 positive impact on 2022 performance
- **Ebit impacted** by extraordinary cost mostly related to 2022 strategic consultancy, depreciation and cyber attack
- **NWC** increase mainly linked to specific sourcing needs, requiring stocking in advance (electronic components)
- **NFP** improved due to Capital increase, partly offset by payments for Metatron acquisition
- The **Indian JV** (KLR) consolidated with the equity method, is not included in the above results

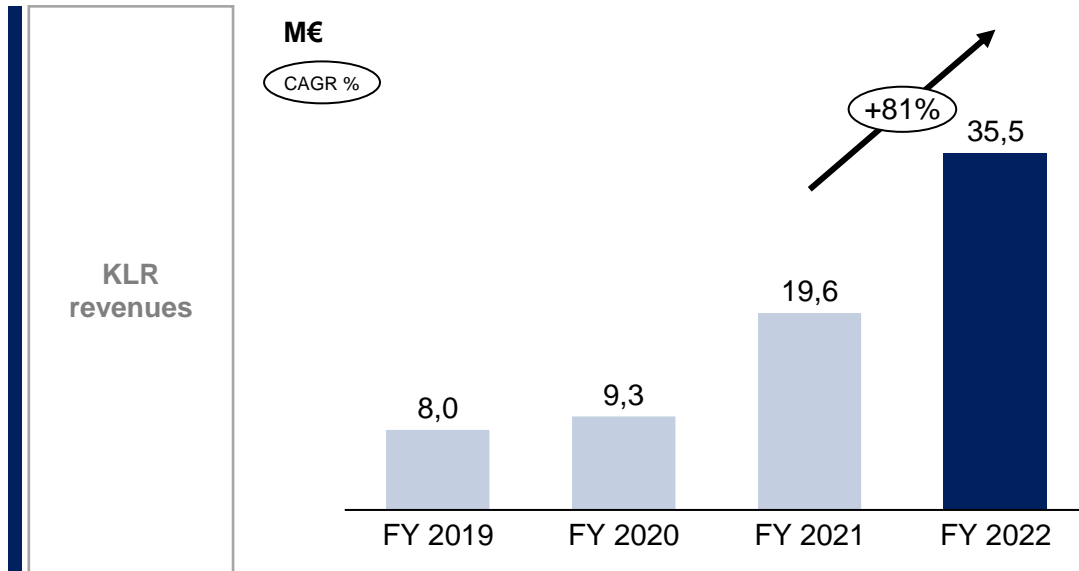
Growth of Clean Tech Solution 2022 revenue driven also by Idro Meccanica acquisition; marginality impacted by time gap on price increases

Clean Tech Solutions	M€ ; %	FY 2022	FY 2021	delta	delta %
	Revenues		104,6	69,1	35,5
Adj. EBITDA		6,0	7,4	-1,4	-19%
% on rev.		5,7%	10,7%		
EBIT		2,6	5,4	-2,8	-52%
% on rev.		2,5%	7,8%		
NWC		9,1	9,6	-0,5	
NFP ⁽¹⁾		8,7	4,0	4,7	

Highlights

- On a comparable basis (2021 SAFE&CEC full year consolidation) **revenue increased 13,3% YoY**, mainly thanks to the **growth of H₂ and RNG applications**
- **Adj. EBITDA** impacted by **raw material cost** increase orders not recharged to customers on “old backlog”. The company has put in place action to review price list configuration and new contract to pass through cost increase
- **NWC** decrease due to higher advanced payment from customers
- **NFP** entails the acquisition of Idro Meccanica (6,4M€)

The Indian JV KLR, not consolidated, is achieving significant results with an outlook of further growth



Highlights

- **KLR revenues** maintain a steep growing trend (+15,9 M€, 81% YoY), with **KLR** being the **leading component supplier** to **different OEM players**
- In India **CNG-powered cars** accounted for ~ 10% of total sales in 2022, thanks to a larger model offering and the increase of CNG refilling stations
- **New programs** with different customers expected to go SOP during 2023 for both Passenger cars and M&HD
- **Hydrogen** is gaining momentum in India sustained by **Government strategy** to support H₂, as India energy carrier for the future

Landi Renzo Group closes 2022 with 63 M€ in cash and a reduced NFP

M€	2021		31.12.2022
	28,0	Cash liquidity (+)	63,0
	-103,7	Current Financial Assets (+)	-107,6
	-19,5	Short-term debt (-)	-32,6
	-95,1	Long-term debt (-)	-77,2
		NFP net of IFRS 16 and derivatives and of debt for the acquisition of Metatron and Idro Meccanica	
	-25,4	Debt for share capital acquisitions (-)	-1,1
	-12,8	Financial Lease (-)	-14,5
	-133,5	Derivatives (+/-)	-92,3
		NFP(1)	0,5

Highlights

- NPF positive contribution due to the **capital increase of 58,6 M€** (net of expenses), partially offset by the payments for the acquisitions of Metatron (25,4 M€) and Idro Meccanica (6,4 M€)
- Both in December 2021 and December 2022, due to IFRS applicable rules, part of long-term debt has been reclassified in short-term debt
- In March 2023, Landi Renzo Group has received the waiver from financing banks, allowing to reclassify, in Q1 2023, 73 M€ of short term-debt as long-term debt
- Debt for share capital acquisitions in 2021 refers to Metatron acquisition

(1) Short and long terms debt are inclusive of amortized cost effect

2023 Outlook

Green Transportation

- **AM¹** expects **market consolidation** and **stable marginality**, driven by **local market dynamics** and **pricelist increases**
- **OEM – PC** with **stable volumes** (phase-out slowdown), with potential **growth** in **India**
- **OEM – M&HD** market still **affected** by **natural gas crisis** in the **first half** of the **year**, with **potential upsides** in the **last quarter** and **growing outlook** for **H₂**

Clean Tech Solutions (SAEFE&CEC)

- **Strong revenue growth** expected in 2023, backed by **significant backlog** (50%+ of sales target), **RNG** and **H₂ demand**
- **Margin recovery** vs. 2022, led by **termination** of “**old**” **orders** and set-up of **dedicated procedures** to **monitor** project **cost evolution** and **evaluate extra cost**
- Relevant **business development activities** already ongoing, coupled with **targeted R&D investments** on **technological developments** (e.g., 1MW compressor, CO₂ compressor)

Group operations

- **Main optimization** focused on **purchasing** and **working capital management**
- **Prosecution** of **organization structure reinforcement**, in line with group **strategic plan**

2023 performance outlook

- Expected **improvement** vs. **2022**, with **growing EBITDA** and **cash from operations**
- **Sales mix**, **gradual deployment** of **operational efficiencies** and **Infrastructure division business dynamics** imply **stronger performance** in **H2 '23** vs. **H1 '23**

Landi Renzo S.p.A.
Headquarter

Via Nobel 2 - 42025 Corte Tegge
Cavriago (RE), Italy

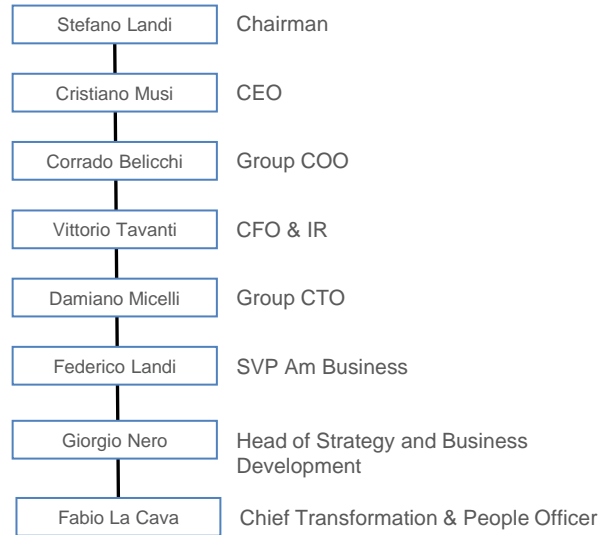
www.landirenzogroup.com
www.landirenzo.com

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 13/03/2023: €0,560

CONSOLIDATED P&L

(thousands of Euro)

CONSOLIDATED INCOME STATEMENT	31/12/2022	31/12/2021 Restated
Revenues from sales and services	306,297	241,994
Other revenues and income	1,249	2,610
Cost of raw materials, consumables and goods and change in inventories	-188,979	-150,272
Costs for services and use of third-party assets	-54,780	-43,075
Personnel costs	-47,218	-34,920
Allocations, write downs and other operating expenses	-5,525	-3,722
Gross Operating Profit	11,044	12,615
Amortization, depreciation and impairment	-17,077	-15,617
Net Operating Profit	-6,033	-3,002
Financial income	1,129	217
Financial expenses	-7,630	-4,344
Exchange gains (losses)	-1,670	-362
Income (expenses) from equity investments	-275	8,581
Income (expenses) from joint venture measured using the equity method	597	620
Profit (Loss) before tax	-13,882	1,710
Taxes	-385	-1,208
Net profit (loss) for the Group and minority interests, including:	-14,267	502
Minority interests	14	1,522
Net profit (loss) for the Group	-14,281	-1,020
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0.0635	-0.0091
Diluted earnings (loss) per share	-0.0635	-0.0091

CONSOLIDATED BALANCE SHEET (1/2)

(thousands of Euro)

ASSETS	31/12/2022	31/12/2021 Restated
Non-current assets		
Land, property, plant, machinery and other equipment	14,015	14,977
Development expenditure	11,141	12,222
Goodwill	80,132	73,256
Other intangible assets with finite useful lives	17,263	19,543
Right-of-use assets	13,618	11,991
Equity investments measured using the equity method	2,496	2,028
Other non-current financial assets	847	882
Other non-current assets	1,710	2,556
Deferred tax assets	14,109	12,694
Non-current assets for derivative financial instruments	103	0
Total non-current assets	155,434	150,149
Current assets		
Trade receivables	73,559	66,048
Inventories	76,680	68,896
Contract work in progress	20,429	15,653
Other receivables and current assets	17,148	14,443
Current assets for derivative financial instruments	412	0
Cash and cash equivalents	62,968	28,039
Total current assets	251,196	193,079
TOTAL ASSETS	406,630	343,228

CONSOLIDATED BALANCE SHEET (2/2)

(thousands of Euro)

SHAREHOLDERS' EQUITY AND LIABILITIES	31/12/2022	31/12/2021 Restated
Shareholders' Equity		
Share capital	22,500	11,250
Other reserves	91,698	44,615
Profit (loss) for the period	-14,281	-1,020
Total Shareholders' Equity of the Group	99,917	54,845
Minority interests	5,967	5,738
TOTAL SHAREHOLDERS' EQUITY	105,884	60,583
Non-current liabilities		
Non-current bank loans	8,169	10,174
Other non-current financial liabilities	24,456	9,320
Non-current liabilities for right-of-use	11,314	10,197
Provisions for risks and charges	5,484	4,535
Defined benefit plans for employees	3,413	3,977
Deferred tax liabilities	2,910	1,452
Liabilities for derivative financial instruments	0	99
Total non-current liabilities	55,746	39,754
Current liabilities		
Bank financing and short-term loans	103,629	103,408
Other current financial liabilities	3,956	274
Current liabilities for right-of-use	3,196	2,624
Trade payables	98,033	82,886
Tax liabilities	3,697	3,758
Other current liabilities	32,489	49,941
Total current liabilities	245,000	242,891
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	406,630	343,228