

Informazione Regolamentata n. 0915-22-2023	Data/Ora Inizio Diffusione 11 Settembre 2023 20:54:45	Euronext Star Milan
--------------------------------------------------	----------------------------------------------------------------	---------------------

Societa' : LANDI RENZO
Identificativo : 181004
Informazione
Regolamentata
Nome utilizzatore : LANDIN03 - Cilloni
Tipologia : 1.2
Data/Ora Ricezione : 11 Settembre 2023 20:54:43
Data/Ora Inizio : 11 Settembre 2023 20:54:45
Diffusione
Oggetto : PR Financial Results 30 june 2023

<i>Testo del comunicato</i>

Vedi allegato.

Landi Renzo: Board of Directors approves financial results as of June 30, 2023

Consolidated revenues increased compared to the same period of the previous fiscal year and to the first three months of 2023. The growth in the Green Transportation segment's turnover continued, recording positive results in terms of industry margin in the second quarter, showing a turnaround compared to the first quarter of the year.

Clean Tech Solutions segment reports an improvement in terms of profitability and steady demand growth for bio-methane and hydrogen applications.

- Consolidated revenues were equal to €151.8 million, up (+5.1%) from €144.4 million in the same period of the previous year.
- Adjusted EBITDA amounted to €3.9 million, compared to €6.5 million as of June 30, 2022; EBITDA was negative and amounted to €0.3 million (compared to €5.3 million as of June 30, 2022), including non-recurring costs amounting to €4.2 million (€1.2 million as of June 30, 2022). With respect to the second quarter of 2023, adjusted EBITDA was positive and amounted to €4.9 million, strongly improving compared to negative €1.0 million as of March 31, 2023, thanks to turnover growth and to an action to improve margins with one of the Group's major customers.
- In the first six months of 2023, Green Transportation segment reported revenues of €104.3 million, up €10.4 million (+11.1%) compared to the same period of the previous. Adjusted EBITDA was positive and amounted to €0.2 million, with a decline equal to €3.2 million compared to the first half of the previous year. It should be noted that in the second quarter of 2023 a strong improvement of the figure was reported compared to the negative result reported in the first quarter of the same year (adjusted EBITDA was positive and amounted to €2.7 million in the second quarter compared to negative adjusted EBITDA amounting to €2.5 million in the first quarter).
- Clean Tech Solutions segment revenues amounted to €47.5 million, with a slight decrease (-6%) from the first quarter of 2022; adjusted EBITDA amounted to €3.8 million, growing from the same period of the previous year (€3.2 million).
- Net Result was negative and equal to €20.9 million (after depreciation of deferred tax assets amounting to €5.9 million), compared to negative net result amounting to €6.6 million as of June 30, 2022.
- Net Financial Position of the Group was negative and amounted to €103.9 million (negative and equal to €92.3 million as of December 31, 2022); as of June 30, 2023, adjusted Net Financial Position, excluding the application of IFRS 16, the fair value of derivative financial instruments and the residual debt for Put/Call shares of Metatron Control System, amounted to €89.7 million.

Press Release

September 11, 2023



Cavriago (RE), September 11, 2023 - The Board of Directors of Landi Renzo, chaired by Stefano Landi, met today and approved the Company's quarterly Financial Statements as of June 30, 2023.

Global economy in the first half of 2023 continued to perform well, although at a slower pace than in 2022 and with different speeds in various geographical areas.

There is a growing acknowledgement among governments around the world that in order to ensure resilient and lasting growth, new energy and socio-economic models based on the use of renewable energy sources are required. In this scenario, the production of sustainable energy sources, mainly including biomethane and hydrogen, is gaining increasing attention from lawmakers and international policymakers, in the field of policies aimed at supporting investments as a means of fostering both their implementation and development.

Such dynamics are beneficial to the positioning of Landi Renzo Group, which is operating along the whole value chain in both the natural gas, biomethane and hydrogen distribution ("Clean Tech Solutions" Group segment), and in the Green Mobility one, where the Group is an acknowledged as leader in designing, developing and marketing vehicle components or other off-road applications powered by natural gas, biomethane, liquefied natural gas, LPG or hydrogen ("Green Transportation" Group segment).

The Group managed to deliver an increase of the turnover in the first quarter of 2023, despite the persisting unfavorable macroeconomic condition that weighed on profitability, resulting in an overall performance below expectations. However, second quarter results already show a turnaround, with an improvement in both operating margins and cash flow. Despite the deflationary market trend, price reductions towards clients are not foreseen. The existing order backlog is also improving, with further commercial negotiations in an advanced stage, especially for biomethane and hydrogen applications.

"The first half of the year saw the continuing effects produced by geopolitical tensions and economic and financial turmoil on the markets, which led to a slowdown of the After Market channel in some geographical areas" Stefano Landi, Chairman of Landi Renzo S.p.A., said. "Even in an overly uncertain context, Landi Renzo Group strengthened its position within its target markets, thanks to a volume increase in the "Green Transportation" segment and to a significant margin improvement in the "Clean Tech Solutions" segment. Investments made to strengthen the structure, as well as the recent management renewal, ensure the necessary conditions for the Group to continue to leverage the positive trends already reported in the second quarter and to accelerate its growth path."

Annalisa Stupenengo, Chief Executive Officer of Landi Renzo S.p.A., added: *"Half year results, although not in line with expectations, show a positive trend in both segments in which the Group works, with a special reference to the last three months. The implementation of a series of measures aimed also at improving operation management will enable Landi Renzo to build new momentum for the achievement of its growth plan targets. In this context, actions will be strengthened to consolidate the Group's*

Press Release

September 11, 2023



leadership in sustainable mobility, especially within the areas that today are already showing outstanding results and which will also be the foundation for future business development.

Key Consolidated results as of June 30, 2023

In the first half of the year, Landi Renzo Group reported revenues equal to € 151.8 million (€ 144.4 million as of June 30, 2022), up 5.1% compared to the first half of 2022.

As of June 30, 2023, Group's adjusted EBITDA amounted to €3.9 million, compared to €6.5 million in the same period of the previous year. The decline was mainly due to an unfavorable sales mix for the Green Transportation segment, which was only partially offset by the improved margins in the Clean Tech Solutions segment.

In the second quarter of 2023, adjusted EBITDA (€4.9 million) improved significantly compared to the first quarter of 2023 (negative and equal to €1.0 million), thanks to the increase in turnover and an action to improve margins with one of the Group's main customers.

Group's EBIT was negative and amounted to €8.8 million (negative and equal to €3.4 million as of June 30, 2022), as a result of amortization and depreciation of €8.5 million (€8.7 million as of June 30, 2022). €1.7 million were due to the application of IFRS 16 – Leases, compared to €1.8 million as of June 30, 2022.

Total financial expenses (interest income, interest expense, and exchange rates effects) amounted to €6.8 million (€2.7 million as of June 30, 2022) and included negative exchange rate effects amounting to €1.8 million (positive and amounting to €0.8 million as of June 30, 2022). Financial expenses alone, amounting to €5.4 million, were up compared to the same period of the previous year (€3.5 million) and are directly linked to rising interest rates and higher conditions on bank debt (compared to 2022, which was characterized by lower interest rates, or even negative in the first half of the year).

In the first six months of 2023 Group's EBT was negative and amounted to €15.6 million (negative and equal to €6.1 million as of June 30, 2022).

Group and third-party's Net Result as of June 30, 2023, after a write-down on the recoverability of deferred tax assets in Q2 2023, equal to €5.9 million, reported a €20.9 million loss, compared to a loss equal to €6.6 million as of June 30, 2022.

Net Financial Position as of June 30, 2023, was negative and equal to €103.9 million (negative and equal to €92.3 million as of December 31, 2022). Adjusted Net Financial Position, excluding €14.2 million due to the application of IFRS 16 – Leases, €0.5 million (positive) due to the fair value of derivative financial instruments, and the Put/Call debt related to Metatron Control System shares amounting to €0.5 million, amounted to €89.7 million, of which €80.5 million related to the Green Transportation segment and

Press Release

September 11, 2023



€9.2 million related to the Clean Tech Solutions segment.

It should be noted that, after a Q1 2023 marked by a significant cash absorption mainly due to operations management, Q2 2023 was against this trend, in particular in the 'Clean Tech Solutions' segment, where cash increased by €5.5 million.

Performance of the "Green Transportation" operating segment (Automotive)

Revenues of Green Transportation segment as of June 30, 2023, amounted to €104.3 million, with an increase of €10.4 million (+11.1%), driven by rising volumes in the OEM sector.

The Group's sales in the OEM channel amounted to €65.9 million, up by €16.7 million compared to June 30, 2022. Said growth is driven by a strong boost of bi-fuel and LPG engines in Passenger Cars in Europe and by an increase in sales in China (natural gas) in the Mid&Heavy Duty segment.

Sales in the After Market channel, equal to €38.4 million (down by €6.2 million compared to June 30, 2022), are mainly related to orders from distributors and authorised installers, both domestic and foreign, and are decreasing as a result of the slowdown in sales in some areas, such as North Africa, LatAm and Eastern Europe.

As for the sales distribution by geographical area in the *Green Transportation* sector:

- In Italy, Group's sales in the first half of 2023 were significantly in line with those of previous year.
- The rest of Europe (58.5% of total sales) increased by 37.3% compared to the same period of previous year (47.3%), thanks to increased sales to a major OEM customer.
- In the American continent, sales amounted to €10.0 million (€15.2 million as of June 30, 2022), recording a 34.3% decline due to the challenging macroeconomic environment, especially in Brazil and Argentina.
- Markets in Asia and the Rest of the World accounted for 20.1% of total sales and were essentially in line with the first six months of 2022.

In the first six months of 2023, adjusted EBITDA of the Green Transportation segment, excluding nonrecurring costs amounting to €3.5 million, was positive and amounted to €0.2 million (equal to 0.2% of revenues), decreasing from the same period of the previous year (€3.3 million or 3.5% of revenue and net of non-recurring costs of €1.1 million).

It should be noted that, in the second quarter of 2023, there was a significant improvement of the figure compared to the negative result recorded in the first quarter of the same year (positive adjusted EBITDA of €2.7 million in the second quarter compared to negative adjusted EBITDA of €2.5 million in the first quarter.)

Press Release

September 11, 2023



Performance of the “Clean Tech Solutions” operating segment

In the first six months of 2023, the Clean Tech Solutions segment reported revenues amounting to €47.5 million, slightly down (-6%) compared to the same period of the previous year (€50.6 million). Despite the sales increase in bio-methane and hydrogen applications (positive effects on North America and Europe), revenues were negatively affected by declining volumes for methane applications, largely seen in the North African market.

Adjusted EBITDA, as of June 30, 2023, amounted to €3.8 million, showing an improvement (+16.6%) compared to the same period of last year.

Key performance highlights of Landi Renzo S.p.A. (Parent Company) as of June 30, 2023

In the first six months of 2023 Landi Renzo S.p.A. reported revenues of €70.9 million, compared to €68.5 million in the same period of the previous year. EBITDA was negative in the amount of €2.2 million (including non-recurring expenses in the amount of €2.4 million) compared to positive €2.6 million as of June 30, 2022 (including non-recurring expenses in the amount of €1.1 million), while net financial position was negative and equal to €79.0 million compared to negative €68.5 million as of December 31, 2022.

At the end of the half-year, the Parent Company had 282 employees, which was mostly in line with the figure as of December 31, 2022 (289 employees).

Significant events after the end of H1 2023

- On July 11, 2023, the Board of Directors of Landi Renzo coopted Annalisa Stupenengo as CEO of Landi Renzo Group, appointing her General Director as well. Annalisa Stupenengo boasts almost thirty years of experience in the mobility sector, developed worldwide holding roles of increasing responsibility at the Iveco Group, CNH Industrial and FCA. She currently sits on the Board of Directors and on the Remuneration and Appointments Committee of Prysmian. The Board of Directors also appointed Paolo Cilloni as Group’s Chief Financial Officer, as well as Investor Relator and Financial Reporting Manager, and announced the continuation of the relationship with Cristiano Musi as CEO of SAFE&CEC, Safe and Idro Meccanica, all subsidiaries of the Landi Renzo Group.

Foreseeable management development

Visibility on market performance in 2023 is still low due to macroeconomic uncertainties, with high inflation and rising interest rates.

Based on first-half results and the existing order backlog, revenue growth in the “Green Trasportation” segment is expected in the current year, mainly driven by higher sales in the OEM channel, while

Press Release

September 11, 2023



revenues in the “Clean Tech Solutions” segment are expected to be in line with last year. As regards profitability (adjusted EBITDA), in the “Green Transportation” segment, results are expected to be lower compared to the full year 2022, but better than in the first half of the year. As regards the “Clean Tech Solutions” segment, profitability (adjusted EBITDA) is expected to improve from last year, in line with what was already recorded in the first half of the year.

Pursuant to Article 154-bis, paragraph 2, of Italian Legislative Decree No. 58 of February 24, 1998, the Financial Reporting Manager in charge of drawing 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

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.

This press release is a translation. The Italian version will prevail

LANDI RENZO

Paolo Cilloni

CFO and Investor Relator

ir@landi.it

Media Contacts: Community

Roberto Patriarca – 335 6509568

Silvia Tavola – 338 6561460

Lucia Fava – 366 5613441

landirenzo@community.it

Press Release

September 11, 2023



(thousands of Euro)		
	30/06/2023	30/06/2022
CONSOLIDATED INCOME STATEMENT		
Revenues from sales and services	151,805	144,446
Other revenues and income	1,024	484
Cost of raw materials, consumables and goods and change in inventories	-94,405	-87,949
Costs for services and use of third-party assets	-28,386	-26,836
Personnel costs	-25,124	-22,515
Allocations, write downs and other operating expenses	-5,226	-2,322
Gross Operating Profit	-312	5,308
Amortization, depreciation and impairment	-8,511	-8,724
Net Operating Profit	-8,823	-3,416
Financial income	447	55
Financial expenses	-5,399	-3,531
Exchange gains (losses)	-1,836	826
Income (expenses) from equity investments	-27	-138
Income (expenses) from joint venture measured using the equity method	20	143
Profit (Loss) before tax	-15,618	-6,061
Taxes	-5,316	-557
Net profit (loss) for the Group and minority interests, including:	-20,934	-6,618
Minority interests	21	214
Net profit (loss) for the Group	-20,955	-6,832
Basic earnings (loss) per share (calculated on 225,000,000 shares)	-0.0931	-0.0607
Diluted earnings (loss) per share	-0.0931	-0.0607



LANDIRENZO®

Press Release

September 11, 2023

(thousands of Euro)	30/06/2023	31/12/2022
ASSETS		
Non-current assets		
Land, property, plant, machinery and other equipment	13,411	14,015
Development expenditure	10,027	11,141
Goodwill	80,132	80,132
Other intangible assets with finite useful lives	16,131	17,263
Right-of-use assets	13,305	13,618
Equity investments measured using the equity method	2,487	2,496
Other non-current financial assets	1,027	847
Other non-current assets	1,710	1,710
Deferred tax assets	9,219	14,109
Assets for derivative financial instruments	372	103
Total non-current assets	147,821	155,434
Current assets		
Trade receivables	65,093	73,559
Inventories	81,056	76,680
Contract work in progress	14,966	20,429
Other receivables and current assets	17,292	17,148
Current financial assets	25,161	412
Cash and cash equivalents	25,034	62,968
Total current assets	228,602	251,196
TOTAL ASSETS	376,423	406,630

(thousands of Euro)	30/06/2023	31/12/2022
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' Equity		
Share capital	22,500	22,500
Other reserves	79,101	91,698
Profit (loss) for the period	-20,955	-14,281
Total Shareholders' Equity of the Group	80,646	99,917
Minority interests	6,537	5,967
TOTAL SHAREHOLDERS' EQUITY	87,183	105,884
Non-current liabilities		
Non-current bank loans	11,296	8,169
Other non-current financial liabilities	21,452	24,456
Non-current liabilities for right-of-use	11,099	11,314
Provisions for risks and charges	6,607	5,484
Defined benefit plans for employees	3,095	3,413
Deferred tax liabilities	2,931	2,910
Liabilities for derivative financial instruments	0	0
Total non-current liabilities	56,480	55,746
Current liabilities		
Bank financing and short-term loans	102,051	103,629
Other current financial liabilities	4,941	3,956
Current liabilities for right-of-use	3,140	3,196
Trade payables	94,554	98,033
Tax liabilities	2,386	3,697
Other current liabilities	25,688	32,489
Total current liabilities	232,760	245,000
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	376,423	406,630



Press Release
September 11, 2023

(thousands of Euro)

CONSOLIDATED CASH FLOWS STATEMENT	30/06/2023	30/06/2022
Financial flows deriving from operating activities		
Pre-tax profit (loss) for the period	-15,618	-6,061
<i>Adjustments for:</i>		
Depreciation of property, plant and machinery	2,105	2,131
Amortisation of intangible assets	4,696	4,836
Depreciation of right-of-use assets	1,710	1,757
Loss (profit) from disposal of tangible and intangible assets	-338	53
Share-based incentive plans	0	0
Impairment loss on receivables	869	563
Net financial charges	6,788	2,650
Net expenses (income) form equity investments measured using the equity method	-20	-143
Net expenses (income) form equity investments	27	138
	219	5,924
<i>Changes in:</i>		
Inventories and work in progress	1,086	-22,569
Trade receivables and other receivables	7,341	3,031
Trade payables and other payables	-12,458	5,867
Provisions and employee benefits	903	-166
Cash generated from operation	-2,909	-7,913
Interest paid	-3,520	-1,435
Interest received	93	26
Taxes paid	-420	-440
Net cash generated (absorbed) from operating activities	-6,756	-9,762
Financial flows from investment		
Proceeds from sale of property, plant and machinery	267	59
Purchase of property, plant and machinery	-1,763	-1,243
Purchase of intangible assets	-211	-135
Development expenditure	-2,416	-2,651
Variation in consolidation area	0	-23,323
Net cash absorbed by investment activities	-4,123	-27,293
Free Cash Flow	-10,879	-37,055
Financial flows from financing activities		
Disbursements (reimbursement) of loans from parent company	0	18,062
Disbursements (reimbursement) of medium/long-term loans	-252	10,714
Change in short-term bank debts	-218	1,072
Repayment of leases IFRS 16	-1,898	-1,955
Net cash generated (absorbed) by financing activities	-2,368	27,893
Net increase (decrease) in cash and cash equivalents	-13,247	-9,162
Cash and cash equivalents as at 1 January	62,968	28,039
Net decrease/(increase) in short-term deposits (*)	-25,000	0
Effect of exchange rate fluctuations on cash and cash equivalents	313	1,817
Cash and cash equivalents at the end of the period	25,034	20,694

(*) Active financing time deposit

Fine Comunicato n.0915-22

Numero di Pagine: 11