



H1 2023 Financial Results

Caviago, 12th September 2023



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Both Clean Tech and Green Transportation BUs show recovery of margins in Q2, with strong momentum for RNG and H2 demand (infrastructure) and MHD sales (Automotive)

Green Transportation (Automotive)

- **Persisting difficulties of emerging economies** continue penalizing After Market's performances
- **OEM – PC strong demand** continue also in Q2; a **major marginality improvement** with main European client contributes significantly to **overall profitability improvement**
- **M&HD European** market is in **line** with **expectations**, while **strong market momentum** in **China** is boosting **CNG** and **LNG** sales

Clean Tech Solutions (Infrastructure)

- **Q2 results** are in line with previous year performances, but **recovering marginality** improves BU's profitability
- **Traditional CNG refueling station** sales are **progressively** being replaced by **different applications** along the (O&G) **value chain**; **RNG** and **H₂** demand is growing at **fast rate**, with **large contribution already** in **2023** and several **advanced negotiations** expected to guarantee a **solid backlog for 2024**

Operation improvement

- For the **Automotive BU**, **Q2** shows **first results** of management dedicated focus on **working capital optimization**, with **further financial benefit** expected in the **second half** of the **year**
- For the **Infrastructure BU**, improved **credit collection** and continuous **inventory reduction** offset **lower customer deposits** vs. previous period; **lean manufacturing project** under development expected to bring **further operational improvements** by the end of FY 2023

Group's H1 revenue show a ~5% growth vs. 2022, however unfavorable segment mix in Green Transportation division dilutes overall profitability

M€; %	Green Transportation	Clean Tech Solutions	LRG ¹		delta	delta %
	H1 2023	H1 2023	H1 2023	H1 2022		
Revenues	104,3	47,5	151,8	144,4	+7,4	+5,1%
Adj. EBITDA	0,2	3,8	3,9	6,5	-2,6	-40,0%
<i>% on rev.</i>	<i>0,2%</i>	<i>7,9%</i>	<i>2,6%</i>	4,5%		
EBITDA	-3,3	3,0	-0,3	5,3	-5,6	<i>n.a.</i>
<i>% on rev.</i>	<i>-3,2%</i>	<i>6,3%</i>	<i>-0,2%</i>	3,7%		
EBIT	-10,4	1,5	-8,8	-3,4	-5,4	<i>n.a.</i>
<i>% on rev.</i>	<i>-9,9%</i>	<i>3,2%</i>	<i>-5,8%</i>	-2,4%		
EBT			-15,6	-6,1	-9,5	<i>n.a.</i>
<i>% on rev.</i>			<i>-10,3%</i>	-4,2%		
Net Result			-20,9	-6,6	-14,3	<i>n.a.</i>

Highlights

- **Revenues increase vs. 2022 (+7.4 M€, 5.1%)** is driven by **Green Transportation** division, supported by **increasing volumes** in the **OEM** business (both passenger and mid/ heavy-duty vehicles)
- In terms of **marginality**, growing **OEM Passenger Car volumes** (replacing below expectations Aftermarket sales) imply an **unfavorable segment mix**, only **partly offset** by **OEM Mid/Heavy Duty growth**
- Despite **revenue in line with previous years**, **Clean Tech Solutions increases profitability**, leveraging **improving industrial margins**
- **Group's EBITDA and Net Results below previous year** are negatively affected by **Green Transportation** marginality loss

Green Transportation double-digit revenue growth is fueled by OEM volumes, but reduced share of Aftermarket sales impacts negatively division's profitability

Green Transportation (Automotive)

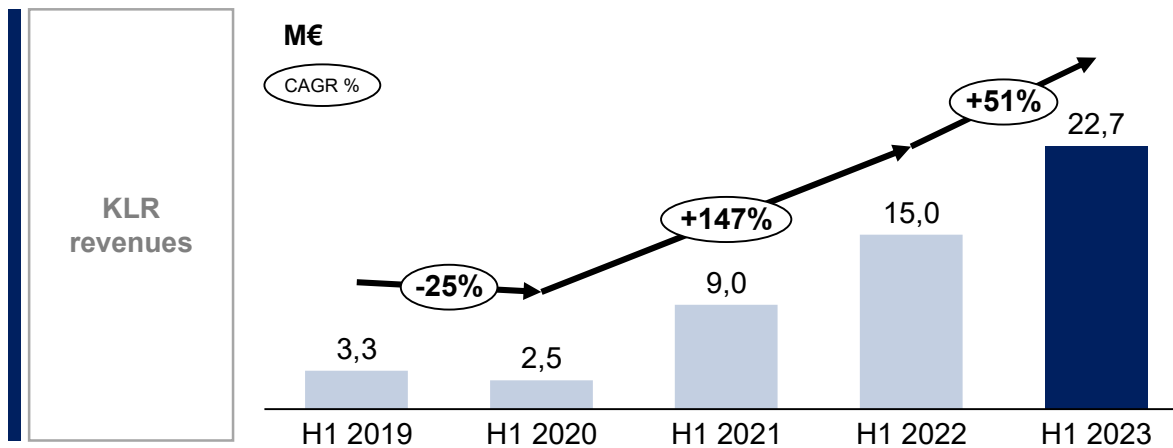
M€ ; %	H1 2023	H1 2022	delta	delta %
Revenues	104,3	93,8	+10,4	+11,1%
Adj. EBITDA	0,2	3,3	-3,2	n.a.
% on rev.	0,2%	3,5%		
EBIT	-10,4	-5,1	-5,2	n.a.
% on rev.	-9,9%	-5,5%		
NWC	46,1	49,4		
NFP ⁽¹⁾	80,5	68,5 ^(*)		

^(*) at 31/12/2022

Highlights

- **Double-digit revenues growth** (11.1%) is mainly driven by **OEM Passenger Car** volumes, with significant demand from main EU Client **offsetting performances below expectations** in the **Aftermarket segment**
- Almost null **adj. EBITDA** is influenced by **product mix shifted towards OEM** segment; however, increasing revenue of **MHD** sales and **improving margin** with **main Passenger Car Client** lead to a **recovery in Q2 vs. Q1 results**
- **First results** of management plan to **optimize NWC** are already **visible**, with main activities focused on inventory level reduction; **further improvements** expected for the **second half** of the year

After Q1's slowdown, strong recovery in Q2 realigns Indian JV KLR (not consolidated) with expected performances



Highlights

- **Normalization of natural gas price at the pump pushes revenue recovery in Q2, aligning H1 2023 results with expected performances**
- **Positive outlook** is expected also for the **second half** of the year, favored by **more stable natural gas price dynamics** and confirmed **fast-growing volumes** for main Indian OEM

Despite a light revenue contraction, Clean Tech Solutions shows improving profitability, driven by recovery of previous raw material cost increases and operational efficiencies

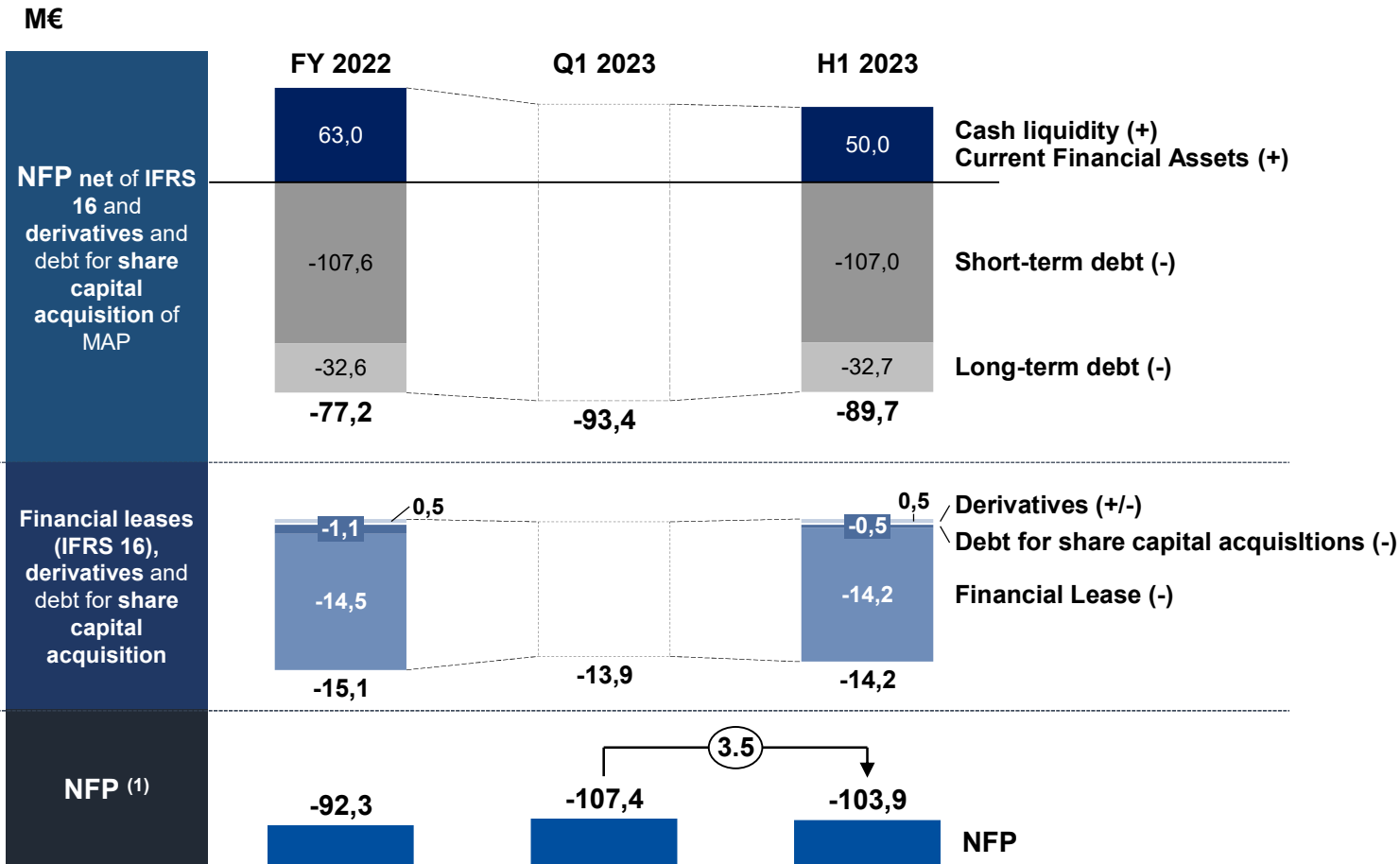
Highlights

Clean Tech Solutions	M€ ; %	H1 2023	H1 2022	delta	delta %
	Revenues		47,5	50,6	-3,1
Adj. EBITDA		3,8	3,2	+0,5	+16,6%
% on rev.		7,9%	6,4%		
EBIT		1,5	1,7	-0,2	-10,0%
% on rev.		3,2%	3,4%		
NWC		10,1	18,0		
NFP ⁽¹⁾		9,2	8,7 ^(*)		

(*) at 31/12/2022

- **Postponement** of some important orders in the traditional **CNG refueling station business** is partly offset by **fast-growing demand** for applications in **O&G, bio-methane** and **hydrogen**
- **Adj. EBITDA improves**, with **+16.6% increase** vs. **H1'22** favored by **recovery** of previous **raw material price increases** and **operational efficiencies**
- **Significant reduction** of **NWC** is caused by progressive **completion** of **company's WIP**, while **PFN slightly increases** compared to the **end of 2022**; **both measures** are in line with **normal business cycle** (mainly related to advance payments for equipment orders)
- **“Lean World Class Manufacturing”** initiative (mainly focused on reducing waste on not value-adding activities), started in Q2, is expected to bring **first results** already in the **second half** of the year

Improvement of NFP by 3.5 M€ (vs. Q1) is driven by Clean Tech Solution increasing profitability and optimization of NWC for Green Transportation



Highlights

- **Q2 2023** shows a **NFP reduction** compared to **Q1 2023**, thanks to **Clean Tech Solutions** improved **profitability** and **optimization of NWC for Green Transportation**:
- **Despite Q2 improvement, H1'23 NFP⁽¹⁾ increases by 11.6€ vs. FY 22**, mainly due to **negative economic performance of Green Transportation** division
- Due to **IFRS applicable rules**, part of **long-term debt** has been **reclassified in short-term debt**; however, **Landi Renzo Group** has **received the waiver** from **financing banks** both for **FY 2022** and **H1 2023**, allowing to **maintain most of short term-debt as long-term debt**

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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 11/09/2023: €0,5320

CONSOLIDATED P&L

(thousands of Euro)

CONSOLIDATED INCOME STATEMENT	30/06/2023	30/06/2022
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

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

ASSETS	30/06/2023	31/12/2022
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

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

SHAREHOLDERS' EQUITY AND LIABILITIES	30/06/2023	31/12/2022
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