



FY 2023 Financial Results

Caviago, 05th August 2024



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2023 results are negatively affected by unfavourable revenue mix in Green Transportation and delay of major orders for Clean Tech Solutions

Green Transportation (Automotive)

- **FY 2023 revenue reach 212,9 M€ (+5,5% vs. previous year)**, driven by strong **increase in demand for OEM-PC¹ and OEM-MHD² segments (28.7% vs. previous year)**
- **On the other hand, AfterMarket's sales drop (-20,7%) and low marginality associated with main PC customer influence negatively overall profitability**, with **3,1 M€ EBITDA adjusted achieved in 2023 (1,5% on revenue)**
- **Strong management focus on Working Capital optimization (mainly inventory reduction) brings significant results**, with a **reduction of NWC³ by 7,5M€ vs. end of 2022 (16,4% of 2022 value)**

Clean Tech Solutions (Infrastructure)

- **FY 2023 results are significantly affected by postponement of some major orders**, that caused a slowdown of production in Q3
- **Despite partial recovery in Q4, FY 2023 revenue stand at 90,4 M€ (-13,5% compared to previous year)**, with an **EBITDA adjusted of 3,9 M€ (4,3% on revenue)**
- **Slowdown affected mainly traditional CNG orders**, while **backlog composition indicate a continuous increase of H₂ and O&G projects**
- **NWC³ is negatively impacted by slowdown of production in Q3**, causing an **increase of 5,5 M€ vs. previous year (mainly due to loss of advance payments for postponed large orders in Q3)**

Despite Group's revenue are in line with previous year, segment's mix in Green Transportation and delay of major orders for Clean Tech Solutions cause a profitability d

M€; %	Green Transportation	Clean Tech Solutions	LRG ¹			
	FY 2023	FY 2023	FY 2023	FY 2022	delta	delta %
Revenues	212,9	90,4	303,3	306,3	-3,0	-1,0%
Adj. EBITDA	3,1	3,9	7,0	15,3	-8,2	-54,0%
% on rev.	1,5%	4,3%	2,3%	5,0%		
EBITDA	-2,3	2,4	0,1	11,0	-10,9	
% on rev.	-1,1%	2,7%	0,0%	3,6%		
EBIT	-16,1	-0,5	-16,6	-6,0	-10,6	
% on rev.	-7,6%	-0,5%	-5,5%	-2,0%		
EBT			-29,8	-13,9	-15,9	
% on rev.			-9,8%	-4,5%		
Net Result			-36,4	-14,3	-22,2	

Highlights

- **Green Transportation** accounts for **70%** of Group's FY sales vs. a **66%** incidence in **2022** and **drives** overall **revenue growth (+11,2 M€ YoY)**
- **Group's Adj. EBITDA** falls **below** previous year's level, due to **higher incidence** of **OEM Passenger Car volumes** in **Green Transportation** and **lower revenue** in **Clean Tech Solutions**
- **Increase** of **financial charges** and the **write-off** of **deferred taxes** generated a **negative impact** on the **Net Result** vs previous year

Revenue growth is mainly fueled by Passenger Car sales, while increase in MHD volumes vs. previous year partly offset Aftermarket's reduction

Highlights

Green Transportation (Automotive)

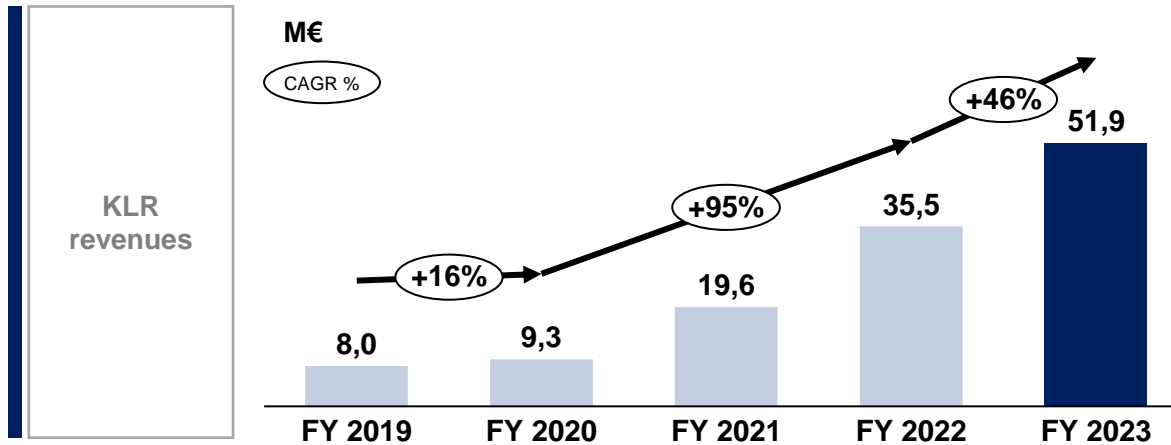
M€ ; %	FY 2023	FY 2022	delta	delta %
Revenues	212,9	201,7	+11,2	+5,5%
Adj. EBITDA	3,1	9,3	-6,2	-66,7%
% on rev.	1,5%	4,6%		
EBIT	-16,1	-8,6	-7,5	+86,9%
% on rev.	-7,6%	-4,3%		
NWC	38,1	45,6		
NFP ⁽¹⁾	82,0	68,5		

- **OEM Passenger Car and Medium and Heavy-Duty segments drive revenue growth (+28.7 % YoY), partly mitigated by the reduction of Aftermarket volumes (-20.7% YoY)**
- **Adjusted EBITDA falls below previous year performances (-6,2 M€), due to lower product's marginality of PC segment compared to MHD and Aftermarket; however, MHD growing sales continue to generate improvement compared to previous quarters (Adj. EBITDA 9M 2023 was 1,3 M€)**
- **Negative impact of low profitability on cash absorption is partly mitigated by improvement of NWC, reduced by 7,5 M€ YoY (mainly through inventory optimization)**

Indian JV KLR (not consolidated) confirms to grow at high double-digit rate (+46% YoY), leveraging leading position in fast-growing Indian OEM market for CNG vehicles

Highlights

- KLR's leading position in the Indian CNG market continues driving company's performances



Postponement of some major orders in Q3 has significantly impacted FY 2023 results, with both Revenue and profitability below previous year levels

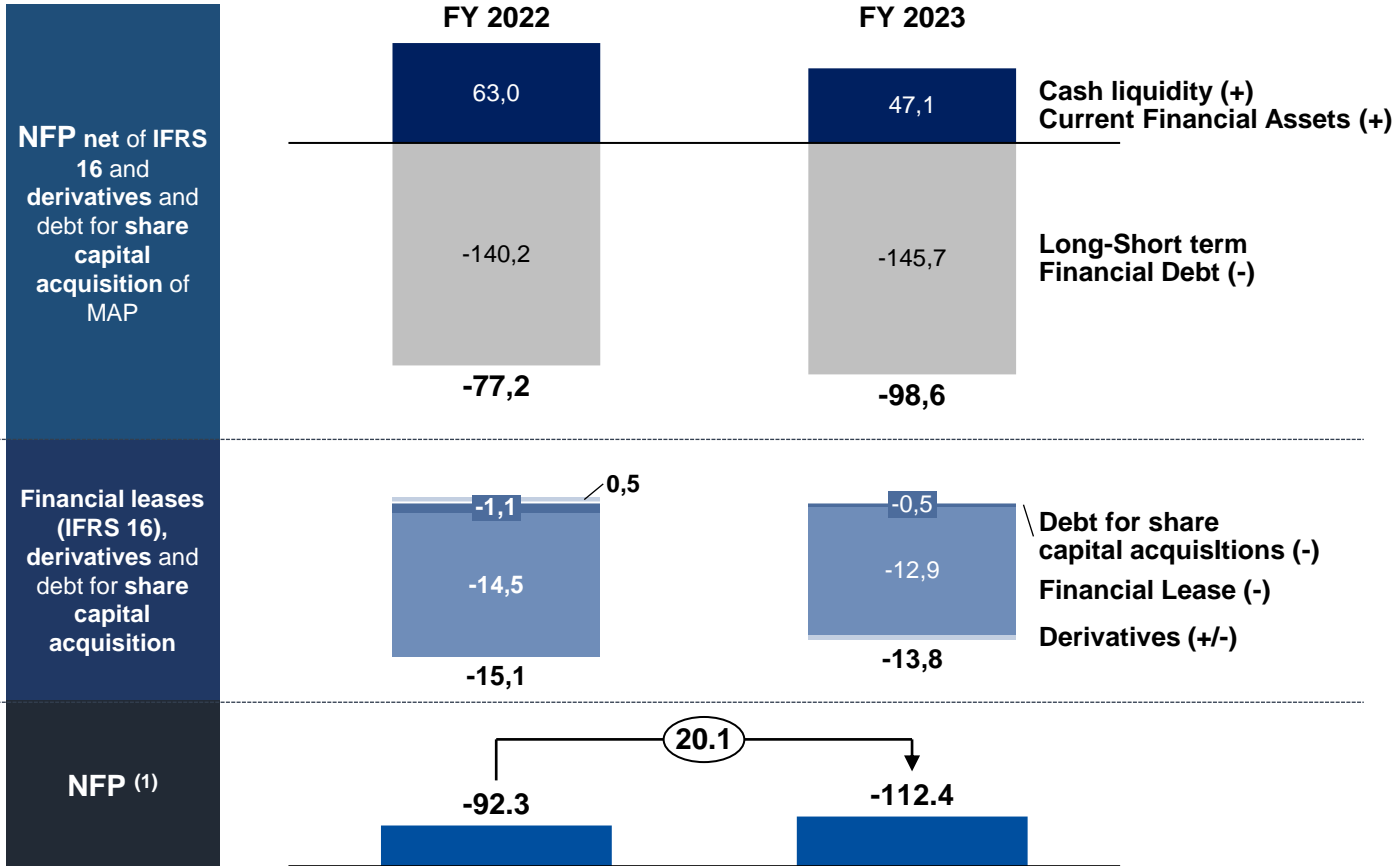
Clean Tech Solutions	M€ ; %	FY 2023	FY 2022	delta	delta %
	Revenues		90,4	104,6	-14,1
Adj. EBITDA		3,9	6,0	-2,1	-34,3%
% on rev.		4,3%	5,7%		
EBIT		-0,5	2,6	-3,1	
% on rev.		-0,5%	2,5%		
NWC		14,6	9,1		
NFP ⁽¹⁾		16,6	8,7		

Highlights

- **Reduction of turnover** (-13,5% YoY) is mainly affected by **postponement of some large orders in Q3**
- **Volume reduction in Q3** has a **significant impact** also on **profitability**: despite revenue increase in Q4, **EBITDA adj.** closes at **3,9 M€ YoY** (-2,1 M€ compared to previous year)
- **NFP growth** is mainly driven by **lower economic performances** and **NWC growth** (reduction of advance payments due to order postponement)

Unfavourable revenue mix in Green Transportation and delay of major orders for Clean Tech Solutions lead to a 20 M€ increase of NFP

M€



Highlights

- **NFP increases by 20,1 M€**, mainly impacted by **limited profitability** (Group's EBITDA at 0,1 M€), **capital expenditures** and **financial charges**
- **Cash reduction** at the end of the period is driven by **operational** and **financial absorption** occurred throughout the **FY 2023**
- Based on the **Bank agreement signed in July 2024**, **73 M€ of long-term debt** were **rescheduled to 2030** vs the previous deadline of **2028**

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

Last months have been focused on defining LRG's industrial plan and securing all the financial resources required to implement it



July 2023



Appointment of
LR Group New CEO

Oct. 2023 – Jan. 2024

Preparation and BoD approval of
LRG business plan 2024-2028



Jan. 2023 – August 2024

LRG financial structure optimization to
sustain Business Plan Targets

- ❖ Assessment of financial resources required to **implement Business Plan's strategic directions**
- ❖ Definition of a “**financial optimization project**”, with the aim of **ensuring** to the **company** the **necessary resources** to **implement the industrial plan** (see next page focus)
- ❖ **Signing of agreements** concerning “**financial optimization project**” with **Invitalia** and **financing banks** (1st August 20024)
- ❖ **BoD approval of FY 2023 results** (5th August 2024)

Press Release
12th July 2023



Landi Renzo: Annalisa Stupenengo is the new Group CEO

Financial resources required to implement the Industrial Plan are guaranteed through the capital structure reinforcement and the extension of financing banks support



FY 2024
outlook

- Turnover expected in line with 2023, with **improving profitability** in **Green Transportation division**
- More **favorable sales mix** for **Green Transportation** and **acceleration** of order intake for **Clean Tech Solutions** are **expected** to generate **improvements** in the **second half** of **2024**

Landi Renzo S.p.A.
Headquarter

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Cavriago (RE), Italy

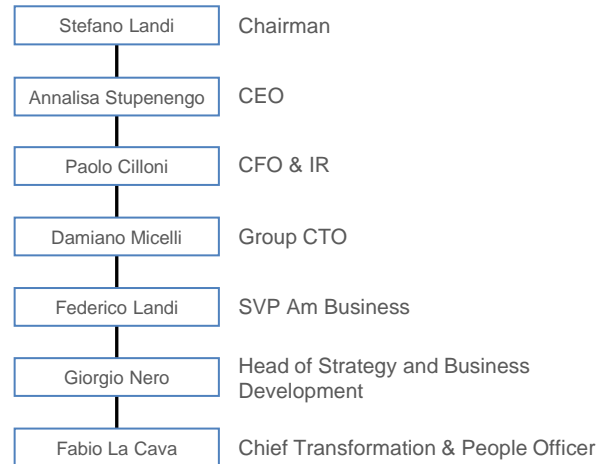
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Landi Renzo - Company profile

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 02/08/2024: €0,25

CONSOLIDATED P&L

(thousands of Euro)

CONSOLIDATED INCOME STATEMENT	31/12/2023	31/12/2022 Restated
Revenues from sales and services	303,339	306,297
Other revenues and income	2,305	1,249
Cost of raw materials, consumables and goods and change in inventories	-189,468	-188,979
Costs for services and use of third-party assets	-57,699	-54,780
Personnel costs	-51,010	-47,218
Allocations, write downs and other operating expenses	-7,378	-5,525
Gross Operating Profit	89	11,044
Amortization, depreciation and impairment	-16,706	-17,077
Net Operating Profit	-16,617	-6,033
Financial income	1,460	1,129
Financial expenses	-11,646	-7,630
Exchange gains (losses)	-1,626	-1,453
Income (expenses) from hyperinflation	-1,272	-217
Income (expenses) from equity investments	-224	-275
Income (expenses) from joint venture measured using the equity method	107	597
Profit (Loss) before tax	-29,818	-13,882
Taxes	-6,621	-385
Net profit (loss) for the Group and minority interests, including:	-36,439	-14,267
Minority interests	-1,270	14
Net profit (loss) for the Group	-35,169	-14,281
Basic earnings (loss) per share (calculated on 225,000,000 shares)	-0.1563	-0.0635
Diluted earnings (loss) per share	-0.1563	-0.0635

CONSOLIDATED BALANCE SHEET

(thousands of Euro)		
ASSETS	31/12/2023	31/12/2022
Non-current assets		
Land, property, plant, machinery and other equipment	13,232	14,015
Development expenditure	9,987	11,141
Goodwill	80,132	80,132
Other intangible assets with finite useful lives	15,034	17,263
Right-of-use assets	11,945	13,618
Equity investments measured using the equity method	2,498	2,496
Other non-current financial assets	902	847
Other non-current assets	0	1,710
Deferred tax assets	8,745	14,109
Non-current assets for derivative financial instruments	39	103
Total non-current assets	142,514	155,434
Current assets		
Trade receivables	72,821	73,559
Inventories	76,260	76,680
Contract work in progress	17,377	20,429
Other receivables and current assets	17,355	17,148
Current financial assets	20,647	0
Current assets for derivative financial instruments	0	412
Cash and cash equivalents	26,495	62,968
Total current assets	230,955	251,196
TOTAL ASSETS	373,469	406,630

CONSOLIDATED BALANCE SHEET

(thousands of Euro)		
SHAREHOLDERS' EQUITY AND LIABILITIES	31/12/2023	31/12/2022
Shareholders' Equity		
Share capital	22,500	22,500
Other reserves	77,596	91,698
Profit (loss) for the period	-35,169	-14,281
Total Shareholders' Equity of the Group	64,927	99,917
Minority interests	5,277	5,967
TOTAL SHAREHOLDERS' EQUITY	70,204	105,884
Non-current liabilities		
Non-current bank loans	67,785	8,169
Other non-current financial liabilities	18,503	24,456
Non-current liabilities for right-of-use	10,090	11,314
Provisions for risks and charges	6,244	5,484
Defined benefit plans for employees	3,257	3,413
Deferred tax liabilities	3,048	2,910
Liabilities for derivative financial instruments	515	0
Total non-current liabilities	109,442	55,746
Current liabilities		
Bank financing and short-term loans	51,987	103,629
Other current financial liabilities	7,459	3,956
Current liabilities for right-of-use	2,792	3,196
Trade payables	100,115	98,033
Tax liabilities	2,440	3,697
Other current liabilities	29,030	32,489
Total current liabilities	193,823	245,000
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	373,469	406,630