

Informazione Regolamentata n. 0915-23-2024	Data/Ora Inizio Diffusione 7 Agosto 2024 18:46:21	Euronext Star Milan
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Societa' : LANDI RENZO

Identificativo Informazione
Regolamentata : 194541

Utenza - Referente : LANDIN03 - Cilloni

Tipologia : REGEM

Data/Ora Ricezione : 7 Agosto 2024 18:46:21

Data/Ora Inizio Diffusione : 7 Agosto 2024 18:46:21

Oggetto : PR - Financial Results 31 March 2024

Testo del comunicato

Vedi allegato

Press Release

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Landi Renzo: Board of Directors approves financial results as of March 31, 2024

- **Consolidated revenues** were equal to €68.8 million, compared to €71.2 million in the same period of the previous year.
- **Consolidated adjusted EBITDA** was negative and amounted to €0.5 million (negative and equal to €1.0 million in the same period of the previous year); **consolidated EBITDA** was negative and amounted to €1.6 million (negative and equal to €2.1 million as of March 31, 2023), including non-recurring costs amounting to €1.2 million (€1.1 million as of March 31, 2023).
- Revenues in the **Green Transportation** segment amounted to €51.0 million, compared to €48.1 million in the same period of the previous year. Adjusted EBITDA amounted to €0.1 million, a marked improvement compared to the same period of the previous year (negative for €2.5 million).
- The **Clean Tech Solutions** segment posted revenue of €17.8 million, compared to €23.1 million in the same period of the previous year; adjusted EBITDA was negative and amounted to negative €0.6 million, compared to positive €1.6 million in the same period of last year.
- **Consolidated Net Result** was negative for €9.0 million (negative for €9.9 million as March 31, 2023).
- **Consolidated Net Financial Position** amounted to €130.0 million compared to €112.4 million as of December 31, 2023.

Cavriago (RE), August 7, 2024 - The Board of Directors of Landi Renzo, chaired by Stefano Landi, met today and approved the financial results as of 31 March, 2024.

"The geopolitical tensions that characterised last year, persisted also in the first quarter of 2024, affecting the performance of the Group's business marked by a strong international footprint. Despite a highly complex scenario, the Group was able to record growing volumes and figures in the Green Transportation segment, whose results, both in the OEM and After Market channels, more than offset the performance in the Clean Tech Solutions segment, which was below expectations. However, the progress of the global energy transition and the investment plans of major governments around the world allow us to foresee a gradual realignment of the segment's results with respect to budget forecasts. Thanks to the strategic plan approved by the Board of Directors and the following financial manoeuvre signed at the beginning of August, the Group will have the resources needed to best ride the growth trends in hydrogen and biomethane, and consolidate its position in the sustainable mobility sector," commented **Stefano Landi, Chairman of Landi Renzo S.p.A.**

Annalisa Stupenengo, CEO of Landi Renzo S.p.A., added: *"The first quarter witnessed continued growth in the Green Transportation sector, both in terms of revenues and profitability, thanks to the positive trend in sales in the After Market channel and an increase in orders from "Mid & Heavy Duty" customers.*

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The results achieved in this sector had a positive impact on the Group's margins, which, while still negative, continue to reflect a trend of gradual improvement observed since the second half of 2023. The results of the Clean Tech Solutions segment, which were below expectations, were affected by contingent exogenous dynamics that are typical of a market that is still in a transitional stage. Forecasts for 2024, however, suggest a progressive improvement, particularly from the second half of the year onwards, confirming the path taken with the Business Plan, which is strongly focused on highly innovative and sustainable initiatives."

Key consolidated results highlights as of March 31, 2024

Consolidated revenues for the first three months of 2024 amounted to €68.8 million, slightly down compared to the same period of last year (€71.2 million).

Group's adjusted EBITDA, as of March 31, 2024, was negative for €0.5 million, with a sharp rise compared to a negative value equal to €1.0 million in the same period of the previous year; this positive trend is mainly attributable to the increase in profitability in the Green Transportation segment.

Group's EBITDA was negative and equal to €1.6 million (negative and equal to €2.1 million as of March 31, 2023), including non-recurring costs in the amount of €1.2 million (€1.1 million as of March 31, 2023).

Group's EBIT of the period was negative and amounted to €5.6 million (negative and amounted to €6.3 million as of March 31, 2023) after accounting for amortization and depreciation of €4.0 million (€4.2 million as of March 31, 2023), of which €0.9 million was due to the application of IFRS 16 - Leases (€0.8 million as of March 31, 2023).

Total financial expenses (interest income, interest expense, and exchange rates effects) amounted to €2.4 million (€3.4 million as of March 31, 2023) and include exchange rate effects, mainly attributable to valuations, of positive €0.2 million (negative and amounting to €1.0 million as of 31 March 2023).

The first three months of 2024 close with negative Earnings Before Taxes (EBT) amounting to €9.0 million (negative and equal to €10.1 million as of March 31, 2023).

Group and third-party's Net Result as of March 31, 2024, reported a €9.0 million loss, compared to a negative result by the Group and third-party equal to €9.9 million as of March 31, 2023.

The Net Financial Position as of March 31, 2024, amounted to €130.0 million (€112.4 million as of December 31, 2023), of which €11.8 million was due to the application of IFRS 16 – Leases, a total negative €0.6 million related to the fair value of derivative financial instruments and €0.5 million related to the liability for the Put/Call concerning the Metatron Control System shares. The Adjusted Net Financial Position, i.e. net of these amounts, would have amounted to €117.1 million, of which €98.9 million was attributable to the Green Transportation segment and €18.2 million to the Clean Tech Solutions segment.

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Performance of the “Green Transportation” operating segment

Revenues of Green Transportation segment as of March 31, 2024, amounted to €51.0 million, with an increase of €3.0 million (+6.2%), driven in particular by double-digit growth recorded in the After Market channel (+12.7% compared to Q1 2023), which is historically marked by higher margins than the OEM channel.

More in depth, Group’s sales in the After Market channel amounted to €18.6 million (up €2.1 million compared to March 31, 2023), and are mainly related to orders from authorised distributors and installers, both domestic and foreign.

The Group’s sales in the OEM channel amounted to €32.4 million, up €0.9 million compared to March 31, 2023, mainly driven by the order trend in the 'Mid & Heavy Duty' segment, which shows higher profitability profiles than the 'passenger car' segment.

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

- In Italy, Group’s sales amounted to €6.0 million, up compared to the same period last year (+3.8%). According to data from UNRAE (Unione Nazionale Rappresentanti Autoveicoli Esteri), registrations of natural gas and LPG vehicles continue to account for more than 9% of total new registrations in the quarter.
- The rest of Europe accounts for 57% of total sales (61.5% in the first three months of 2023) and was down (-1.7%) compared to the same period of the previous year, following the orders trend of a major OEM passenger car customer.
- In the American continent sales in the first three months of 2024, equal to 10.4% of total sales, showed a 10.8% rise, especially as a result of the positive trend of some Latam markets.
- Sales in Asia and the Rest of the World account for 20.9% of total turnover (16.6% in the first three months of 2023), reporting a rise of 34.2%, mainly due to the sales performance of the 'Mid & Heavy Duty' OEM channel on the Chinese market.

In the first three months of 2024, the adjusted EBITDA of the Green Transportation segment was positive and amounted to €0.1 million, equal to 0.2% of revenues, showing a marked improvement over the same period of the previous year (negative and amounting to €2.5 million, i.e. - 5.2% of revenue).

EBITDA as of 31 March 2024 was negative and amounted to €0.7 million, an increase from negative €3.4 million as of 31 March 2023.

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Performance of the “Clean Tech Solutions” operating segment

In the first three months of 2024, the Clean Tech Solutions segment reported Revenues amounting to €17.8 million, compared to €23.1 million in the previous year. This trend is attributable to a rescheduling of the production timings of some very complex orders in the hydrogen business, as well as the postponement of some major orders.

Adjusted EBITDA as of March 31, 2024, was negative and amounted to €0.6 million, equal to -3.1% of revenue, compared to a positive €1.6 million in the same period of the previous year (6.7% of revenue). This result is attributable to sales trend, resulting in a higher incidence of fixed costs and non-compressible direct costs.

EBITDA as of March 31, 2024, was a negative and amounted to €0.9 million compared to positive €1.3 million as of March 31, 2023.

Key performance highlights of Landi Renzo S.p.A. (Parent Company) as of March 31, 2024

In the first three months of 2024 Landi Renzo S.p.A. reported revenues of €33.2 million, compared to €31.7 million in the same period of the previous year. EBITDA was negative and amounted to €3.3 million (including non-recurring charges totalling €0,8 million) compared to € -2.4 million as of March 31, 2023 (including non-recurring charges totalling €0.3 million), while Net Financial Position was negative and amounted to €98.1 million (negative and equal to €93.9 million, excluding the effects of the application of IFRS 16 and of the fair value of derivative financial contracts) compared to negative €81.7 million as of December 31, 2023 (negative and amounting to €77.2 million excluding the effects of the application of IFRS 16, the fair value of derivative financial contracts).

At the end of the quarter, the Parent Company had 292 employees, substantially in line with December 31, 2023 (287 employees).

Significant events after the end of Q1 2024

Subsequent to the end of the quarter and up to the present date, it should be noted that:

- On July 10, 2024, the Board of Directors of Landi Renzo S.p.A. announced to the market that it had received the support of the banks for the rescheduling of the medium-and long-term financing agreements in the context of a capital strengthening operation that provides for the entry of the Fondo salvaguardia imprese, promoted by the Ministry of Enterprise and Made in Italy (MIMIT) and managed by Invitalia, the National Agency for Development, into the shareholding structure of Landi Renzo S.p.A.. The entry will take place through a capital increase under option for a total maximum of €25 million guaranteed up to €20 million by the majority shareholder GBD - Green by Definition S.p.A., and conditional on the execution of the former for at least €20 million, a capital increase of €20 million reserved for Invitalia.

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In this context, Landi Renzo S.p.A. received:

- communication by Invitalia of its Board of Directors' approval of the investment in Landi Renzo, an investment subject to certain conditions precedent, including the favourable outcome of the necessary ministerial authorisations and the finalisation of the contractual documentation relating to the Financial Optimisation Project
 - adherence by the banks that contracted the pool financing (Banco BPM S.p.A., Intesa Sanpaolo S.p.A. and UniCredit S.p.A.) to the proposed financial and capital optimisation project. In fact, all the banks resolved in favour of extending the maturities of the credit lines, confirmed the existing economic conditions, and agreed on new covenant levels.
- On July 17, 2024, Landi Renzo's Board of Directors approved the financial optimisation project (the 'Financial Manoeuvre') aimed at stabilising the Company's capital structure and ensuring that it has the resources to implement the new five-year business plan. The approved manoeuvre is based on three pillars:
 - a capital increase under option for a maximum total amount of €25 million guaranteed up to €20 million by the majority shareholder GBD – Green by Definition S.p.A.; and
 - a €20 million share capital increase reserved for Invitalia;
 - and a rescheduling of the financial reimbursement of the Company's existing medium- and long-term financial debt towards the financing banks.
 - On July 17, 2024, as well, the Board of Directors of Landi Renzo, after receiving the non-binding approval by the Committee for Related Party Transactions, authorised the renewal of the lease agreements with Gireimm S.r.l. (a related party pursuant to the Related Party Procedure as Gireimm S.r.l, together with Girefin S.p.A., companies that are part of the Landi Trust, indirectly hold, through GBD - Green by Definition S.p.A., the control of the Company), on the building for commercial and production use located in Cavriago (RE), as well as on the prefabricated boxes designated as technical and technological plants serving the productive property compendium. The operation has been considered as "operation between related parties of Lesser Significance" by the Related Party Transactions Committee in accordance with applicable laws and regulations.
 - As recently disclosed to the market on July 23, 2024, the Board of Directors of Landi Renzo S.p.A. in view of the timelines related to the Financial Manoeuvre, as well as for the signing of the agreements inherent to it, updated the calendar of board meetings and shareholders' meetings.
 - On August, 1 2024, in the context and implementation of the financial manoeuvre approved on July 17, 2024 by the Board of Directors (the "Financial Manoeuvre"), GBD Green by definition S.p.A. ("GBD") the Company's majority shareholder, Invitalia, as well as, with regards to certain provisions, Girefin S.p.A. ("Girefin"), Gireimm S.r.l. ("Gireimm") and Itaca GAS S.r.l. ("Itaca GAS"), the shareholders of GBD, signed an investment agreement governing, i.a., the implementation of a capital increase under option to the current Company's shareholders for a total maximum amount of €25 million (the "Capital Increase Under Option"), which is guaranteed up to €20 million by the majority shareholder GBD, and conditional on the execution of the first capital increase for an amount of at least €20 million, of a second capital increase for €20 million

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reserved to Invitalia, through the issue of special class unlisted shares (the “Reserved Capital Increase”), increases that will be submitted to the approval of the competent corporate bodies (the “Investment Agreement”).

- Under the Investment Agreement, as of the implementation date of the Reserved Capital Increase, subject to the fulfilment of a set of conditions precedent, (i) Girefin, Gireimm and Itaca GAS will enter into a shareholders’ agreement with Invitalia, which will govern some obligations undertaken by GBD shareholders, in relation to the circulation of GBD’s shares, (ii) GBD and Invitalia will sign shareholders’ agreement relating to Landi Renzo’s governance concerning, i.a., the recognition to Invitalia of some administrative rights relating to the special class shares underwritten by Invitalia, as well as the circulation of the Company’s shares held by GBD and Invitalia, and (iii) Girefin and Gireimm sign an agreement with Itaca GAS, amending the shareholders’ agreement that was entered into on July 14, 2022, regulating, i.a., the circulation of GBD’s shares and the governance of both GBD and Landi Renzo.
- On August 1, 2024, as well, the agreements amending the medium-and-long-term financing pool agreements that were previously signed on June 29, 2022 (the “MLT Pool Financing”) were also signed between the Company and the financing banks (i.e. UniCredit S.p.A., Intesa Sanpaolo S.p.A. and Sagitta SGR S.p.A, the latter replacing Banco BPM S.p.A.) in order to implement the Financial Manoeuvre, as per the Company’s previous announcements dated July 10, 2024, and July 17, 2024. More specifically, through these amending agreements, a rearrangement was made to the repayment profile of the MLT Pool Financing, in line with the generation of the cash flows to service the debt set forth in the 2024-2028 Business Plan, as well as a consequent rearrangement of the financial ratios set forth therein, all while confirming the economic terms and conditions in force. These amending agreements will come into effect (with backdated status to June 28, 2024) by August 30, 2024, upon completion of the conditions precedent set forth therein, and will be subject to, i.a., the execution of the Capital Increase Under Option and the Reserved Capital Increase according to the agreed timetable.

Foreseeable management development

The slow decrease in inflationary phenomena on a global scale and the persistence of various conflict situations will continue to affect the several markets in which the Group operates, also in 2024.

The Group's new business plan, with a horizon of 2024-2028, confirms a first year of the plan with performance in continuity with FY2023, with a strong focus of the management in implementing the business and financial initiatives necessary for the development of the subsequent years of the plan.

In the "Green Transportation" segment, results are expected to be in line with FY2023, albeit with a more balanced sales mix between Aftermarket, OEM - Passenger car and OEM - Mid&Heavy Duty, with a related benefit in terms of margins.

In the “Clean Tech Solutions” segment, the gradual increase in projects linked to the biomethane and hydrogen markets and positioned along the entire value chain continues. However, the strong connection of these initiatives to government incentives and the still incipient stage of development of new markets suggest a still transitional year, with acceleration expected in the second half of the year

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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

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(thousands of Euro)	31/03/2024	31/03/2023 (Restated)
CONSOLIDATED INCOME STATEMENT		
Revenues from sales and services	68,772	71,168
Other revenues and income	148	201
Cost of raw materials, consumables and goods and change in inventories	-41,832	-46,189
Costs for services and use of third-party assets	-14,941	-13,729
Personnel costs	-12,859	-12,365
Allocations, write downs and other operating expenses	-912	-1,177
Gross Operating Profit	-1,624	-2,091
Amortization, depreciation and impairment	-3,954	-4,193
Net Operating Profit	-5,578	-6,284
Financial income	202	175
Financial expenses	-2,816	-2,583
Exchange gains (losses)	204	-993
Income (expenses) from hyperinflation	-550	-96
Income (expenses) from equity investments	-207	-7
Income (expenses) from joint venture measured using the equity method	-243	-269
Profit (Loss) before tax	-8,988	-10,057
Taxes	-1	118
Net profit (loss) for the Group and minority interests, including:	-8,989	-9,939
Minority interests	-847	-34
Net profit (loss) for the Group	-8,142	-9,905
Basic earnings (loss) per share (calculated on 225,000,000 shares)	-0.0362	-0.0440
Diluted earnings (loss) per share	-0.0362	-0.0440



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(thousands of Euro)	31/03/2024	31/12/2023 (*)
ASSETS		
Non-current assets		
Land, property, plant, machinery and other equipment	12,609	13,232
Development expenditure	9,679	9,987
Goodwill	80,132	80,132
Other intangible assets with finite useful lives	14,465	15,034
Right-of-use assets	11,329	11,945
Equity investments measured using the equity method	2,298	2,498
Other non-current financial assets	902	902
Other non-current assets	0	0
Deferred tax assets	9,035	8,745
Non-current assets for derivative financial instruments	26	39
Total non-current assets	140,475	142,514
Current assets		
Trade receivables	77,396	72,821
Inventories	76,385	76,260
Contract work in progress	14,233	17,377
Other receivables and current assets	17,782	17,355
Current financial assets	584	20,647
Cash and cash equivalents	26,210	26,495
Total current assets	212,590	230,955
TOTAL ASSETS	353,065	373,469

(thousands of Euro)	31/03/2024	31/12/2023 (*)
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' Equity		
Share capital	22,500	22,500
Other reserves	42,958	77,596
Profit (loss) for the period	-8,142	-35,169
Total Shareholders' Equity of the Group	57,316	64,927
Minority interests	4,633	5,277
TOTAL SHAREHOLDERS' EQUITY	61,949	70,204
Non-current liabilities		
Non-current bank loans	67,264	67,785
Other non-current financial liabilities	17,578	18,503
Non-current liabilities for right-of-use	9,228	10,090
Provisions for risks and charges	6,093	6,244
Defined benefit plans for employees	3,322	3,257
Deferred tax liabilities	3,014	3,048
Non-current Liabilities for derivative financial instruments	643	515
Total non-current liabilities	107,142	109,442
Current liabilities		
Bank financing and short-term loans	51,302	51,987
Other current financial liabilities	7,758	7,459
Current liabilities for right-of-use	2,577	2,792
Trade payables	87,378	100,115
Tax liabilities	2,628	2,440
Other current liabilities	32,331	29,030
Total current liabilities	183,974	193,823
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	353,065	373,469

(*) The financial results for the year ended 31 December 2023 (approved on August 5th, 2024) are "unaudited" as the audit firm has not yet issued its audit report

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(thousands of Euro)		
CONSOLIDATED CASH FLOWS STATEMENT	31/03/2023	31/03/2023 (Restated)
Financial flows deriving from operating activities		
Pre-tax profit (loss) for the period	-8,988	-10,057
<i>Adjustments for:</i>		
Depreciation of property, plant and machinery	947	1,046
Amortisation of intangible assets	2,136	2,305
Depreciation of right-of-use assets	871	842
Loss (profit) from disposal of tangible and intangible assets	-45	-91
Share-based incentive plans	0	0
Impairment loss on receivables	229	56
Net financial charges	2,410	3,401
Net expenses (income) form hyperinflation	550	96
Net expenses (income) form equity investments	207	7
Net expenses (income) form equity investments measured using the equity method	243	269
	-1,440	-2,126
<i>Changes in:</i>		
Inventories and work in progress	3,019	-292
Trade receivables and other receivables	-5,446	5,233
Trade payables and other payables	-11,717	-15,422
Provisions and employee benefits	-119	-294
Cash generated from operation	-15,703	-12,901
Interest paid	-1,195	-916
Interest received	98	43
Taxes paid	-85	-41
Net cash generated (absorbed) from operating activities	-16,885	-13,815
Financial flows from investment		
Proceeds from sale of property, plant and machinery	257	91
Purchase of property, plant and machinery	-544	-778
Purchase of intangible assets	-119	-69
Development expenditure	-1,130	-1,157
Net cash absorbed by investment activities	-1,536	-1,913
Free Cash Flow	-18,421	-15,728
Financial flows from financing activities		
Disbursements (reimbursement) of medium/long-term loans	-1,259	4,176
Change in short-term bank debts	-574	1,147
Repayment of leases IFRS 16	-964	-887
Net cash generated (absorbed) by financing activities	-2,797	4,436
Net increase (decrease) in cash and cash equivalents	-21,218	-11,292
Cash and cash equivalents as at 1 January	26,495	62,968
Net decrease/(Increase) in short-term deposits	20,064	0
Effect of exchange rate fluctuations on cash and cash equivalents	869	428
Cash and cash equivalents at the end of the period	26,210	52,104

Fine Comunicato n.0915-23-2024

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