

# Bit Market Services

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Oggetto : Financial Results as at June, 30 2015

*Testo del comunicato*

Vedi allegato.

## Landi Renzo: Board of Directors approves H1 2015 Results

- Revenues of Euro 98.1 mln (Euro 112.4 mln in H1 2014)
- EBITDA of Euro 0.16 mln (Euro 7.6 mln in H1 2014)
- EBIT loss of Euro 7.6 mln (Euro 0.2 mln in H1 2014)
- Net Loss of Euro 7.2 mln (loss of Euro 1.8 mln in H1 2014)
- Net Debt of Euro 63.7 mln (debt of Euro 58.2 mln at March 31, 2015)

*Cavriago (RE), August 27, 2015*

The Board of Directors of Landi Renzo, in a meeting chaired today by Stefano Landi, approved the Half-Year Report at June 30, 2015.

“The general economic and geopolitical conditions in the first six months of 2015 were particularly challenging, also in view of the considerable and continuing drop in the price of oil and the consequent impact on the alternative fuels sector.

Despite these repercussions - stated Chief Executive Officer Stefano Landi - prospects remain encouraging, as seen for example from the Italian LPG and methane new vehicle registration figures and from the methane projects undertaken and supported by a number of countries.

The Group therefore continues to invest in the innovation necessary to consolidate its sector leadership and to tap into all available opportunities; important cost streamlining actions also continue, which will be reflected in margins from the second half of 2015”.

### H1 2015 Key Financial Highlights

**Revenues** totalled Euro 98.1 million, compared to Euro 112.4 million in H1 2014: this result was achieved amid a drop in the price of oil, down approx. 46% on H1 2014, with direct impacts on the price of traditional fuels and on the number of vehicle conversions on the After Market channel.

**EBITDA** amounted to Euro 0.16 million (Euro 7.6 million in H1 2014). The reduction is due to the lower volumes in the period and the altered sales mix, with the After Market channel strongly impacted - it features higher margins; costs were also incurred of approx. Euro 0.35 million for the transfer of a production plant from an external factory to a local unit already operating within the Group in order to optimise production and streamline industrial costs.

**EBIT** saw a loss of Euro 7.6 million (Euro 0.2 million in H1 2014), after amortisation and depreciation of Euro 7.7 million (Euro 7.5 million in H1 2014).

The **Pre-tax result** was a loss of Euro 8.9 million (loss of Euro 1.7 million in H1 2014); net financial charges of Euro 1.3 million were reported, improving on Euro 1.8 million in H1 2014. The **Net Loss** was Euro 7.2 million (loss of Euro 1.8 million in H1 2014).

The **Net Debt** totalled Euro 63.7 million (debt of Euro 58.2 million at March 31, 2015). **Shareholders' Equity** amounted to Euro 101.3 million (Euro 108.1 million at December 31, 2014).

### Sales overview

#### Segments

**Gas Segment** revenues amounted to Euro 90.4 million (Euro 102.2 million in H1 2014). In particular:

- *Vehicle System (LPG and Methane)* sales revenues amounted to Euro 79.2 million (Euro 91.5 million in H1 2014); the reduction is principally due to the impact on the After Market channel from the drop in oil prices, partially offset by the good OEM channel performance;
- *Distribution System* sales revenues amounted to Euro 11.2 million (Euro 10.6 million in H1 2014).

Other sector revenues (*Anti-theft, Sound, Aquatronics, Robotics, Oil&Gas and other*) totalled Euro 7.8 million (Euro 10.2 million in H1 2014).

## Regional performances

Overseas revenues totalled Euro 78.2 million, 79.7% of total revenues (Euro 90.2 million in H1 2014, 80.3%), confirming the recognised historically strong international focus of the Landi Renzo Group.

- Revenues in **Italy** totalled Euro 19.9 million, reducing 10.3% compared to H1 2014. The decrease is principally due to the general performance of conversions on the After Market channel, which reduced in the period on the previous year according to the Ecogas Consortium figures. Despite this reduction, the domestic market share of the Landi Group on the After Market channel was close to 33%.
- In **Europe**, revenues amounted to Euro 44.4 million compared to Euro 48.7 million in H1 2014, principally due to poor performances on a number of Eastern European markets impacted by geopolitical instability.
- In the **Americas**, revenues totalled Euro 17.4 million; the contained decrease on H1 2014 (Euro 18.4 million) reflects the strong performances in Brazil, Argentina and Columbia.
- In **Asia and the Rest of the World**, revenues totalled Euro 16.4 million, reducing 29%, substantially due to weak sales in a number of areas. We highlight the strong sales in Iran, more than doubling on the first half of 2014 - supported by the gradual easing of international tensions.

## Outlook

Current sector conditions, with difficulties related to general economic and geopolitical factors, reduce the Group's visibility: 2015 revenues are expected at approx. Euro 210 million, with 2015 EBITDA of approx. Euro 10 million. The Group will continue to closely focus on operating and management cost streamlining, in addition to the monitoring of the economic and financial indicators.

## Multi-voting rights

The Board of Directors today also approved the Regulation governing the process for inclusion in the Special List of shareholders for the obtaining of multi-voting rights. The Regulation and the registration form are available to shareholders on the company website <http://www.landi.it>, in the Investor Relations, Governance, Multi-vote shares section.

*The executive responsible for the preparation of the corporate accounting documents Mr. Paolo Cilloni declares in accordance with Article 154 bis, paragraph 2, of Leg. Decree No. 58 of February 24, 1998, that the accounting information contained in the present press release corresponds to the underlying accounting documents, records and accounting entries.*

*The present press release is available on the company website and at [www.1info.it](http://www.1info.it).*

*The present press release, together with the presentation, is available also on the company's website. At 4 PM the Group Top Management will hold a teleconference. Connection details are available on the company website in the Investor Relations section.*

Landi Renzo is the global leader in the LPG and Methane gas components and systems for motor vehicles sector. The Company is based in Cavriago (Reggio Emilia) and has over 60 years' experience in the sector, is renowned for the extent of its international activities in over 50 Countries, with export sales of approx. 80%. Landi Renzo SpA has been listed on the STAR segment of the MTA Market of Borsa Italiana since June 2007.

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# Press Release

August 27, 2015



## Attachments:

- Consolidated Income Statement H1 2015
- Consolidated Balance Sheet at June 30, 2015
- Consolidated Cash Flow Statement at June 30, 2015

# Press Release

August 27, 2015



(thousands of Euros)

<b>INCOME STATEMENT</b>	<b>30/06/2015</b>	<b>30/06/2014</b>
Revenues (goods and services)	97,990	111,618
Revenues (goods and services)- related parties	135	752
Other revenue and income	864	876
Cost of raw materials, consumables and goods and change in inventories	-46,701	-50,635
Costs for services and use of third party assets	-27,098	-30,025
Costs for services and use of third party assets – related parties	-1,561	-1,248
Personnel expenses	-22,206	-21,921
Accruals, impairment losses and other operating expenses	-1,263	-1,770
<b>Gross Operating Profit</b>	<b>160</b>	<b>7,647</b>
Amortization, depreciation and impairment losses	-7,716	-7,481
<b>Net Operating Profit</b>	<b>-7,556</b>	<b>166</b>
Financial income	224	219
Financial expenses	-2,101	-2,237
Gains (losses) on exchange rate	597	217
Gains (losses) on equity investments consolidated using the equity method	-100	-77
<b>Profit (Loss) before tax</b>	<b>-8,936</b>	<b>-1,712</b>
Current and deferred taxes	1,703	-94
<b>Profit (loss) of the period for the Group and minority interests, including:</b>	<b>-7,233</b>	<b>-1,806</b>
Minority interests	-64	64
Profit (Loss) of the period for the Group	-7,169	-1,870
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0.0637	-0.0166
Diluted earnings (loss) per share	-0.0637	-0.0166



(thousands of Euros)

ASSETS	30/06/2015	31/12/2014	30/06/2014
<b>Non-current assets</b>			
Property, plant and equipment	35,118	35,277	34,674
Development expenditure	7,491	7,101	6,329
Goodwill	39,942	39,942	40,190
Other intangible assets with finite useful lives	23,802	24,637	25,518
Equity investments consolidated using the equity method	297	180	364
Other non-current financial assets	797	773	535
Deferred tax assets	19,450	17,247	17,903
<b>Total non-current assets</b>	<b>126,897</b>	<b>125,157</b>	<b>125,513</b>
<b>Current assets</b>			
Trade receivables	38,001	33,069	41,301
Trade receivables - related parties	2,426	1,986	593
Inventories	67,382	63,269	68,024
Contract works in progress	3,993	2,590	4,812
Other receivables and current assets	15,787	15,533	17,093
Cash and cash equivalents	58,942	31,820	28,127
<b>Total current assets</b>	<b>186,531</b>	<b>148,267</b>	<b>159,950</b>
<b>TOTAL ASSETS</b>	<b>313,428</b>	<b>273,424</b>	<b>285,463</b>

(thousands of Euros)

EQUITY AND LIABILITIES	30/06/2015	31/12/2014	30/06/2014
<b>Group shareholders' equity</b>			
Share capital	11,250	11,250	11,250
Other reserves	96,549	98,018	97,748
Profit (loss) of the period	-7,169	-1,783	-1,870
<b>Total equity attributable to the shareholders of the parent</b>	<b>100,630</b>	<b>107,485</b>	<b>107,128</b>
Minority interests	660	591	522
<b>TOTAL EQUITY</b>	<b>101,290</b>	<b>108,076</b>	<b>107,650</b>
<b>Non-current liabilities</b>			
Non-current bank loans	32,299	26,171	30,138
Other non-current financial liabilities	34,041	1,178	661
Provisions for risks and charges	4,399	5,055	5,190
Defined benefit plans	3,374	3,818	3,613
Deferred tax liabilities	8,324	8,417	8,816
<b>Total non-current liabilities</b>	<b>82,437</b>	<b>44,639</b>	<b>48,418</b>
<b>Current liabilities</b>			
Bank overdrafts and short-term loans	56,041	51,580	47,286
Other current financial liabilities	268	137	25
Trade payables	59,569	54,632	67,192
Trade payables - related parties	1,756	1,304	1,101
Tax liabilities	2,360	4,492	4,120
Other current liabilities	9,707	8,564	9,671
<b>Total current liabilities</b>	<b>129,701</b>	<b>120,709</b>	<b>129,395</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>313,428</b>	<b>273,424</b>	<b>285,463</b>

# Press Release

August 27, 2015



LANDIRENZO®

(thousands of Euros)

STATEMENT OF CASH FLOWS	30/06/2015	30/06/2014
<b>Cash flow from operating activities</b>		
Profit (Loss) of the period	-7,233	-1,806
<i>Adjustments for:</i>		
Depreciation	4,383	4,593
Amortization of intangible assets	3,333	2,888
impairment loss on trade receivables	215	287
Net finance costs including forex exchange	1,280	1,801
Gain on curtailment	-444	-126
Tax expense	-1,703	94
	-169	7,731
<i>Changes in:</i>		
inventories	-5,516	-8,214
trade and other receivables	-8,068	-4,620
trade and other payables	6,942	17,856
provisions and employee benefits	-356	-1,161
Cash generated from operating activities	-7,167	11,592
Interest paid	-1,562	-1,857
income taxes paid	-582	-471
<b>Net cash flow from (for) operating activities</b>	<b>-9,311</b>	<b>9,264</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment	111	226
Affiliates consolidated using the equity method	-117	-364
Acquisition of property, plant and equipment	-4,335	-3,329
Acquisition of intangible assets	-414	-186
Development expenditure	-2,475	-1,432
<b>Net cash used in investing activities</b>	<b>-7,230</b>	<b>-5,085</b>
<b>Cash flow from financing activities</b>		
Net proceeds from the issue of bonds	32,994	
Net repayments and financings	10,589	-8,771
<b>Net cash from (used in) financing activities</b>	<b>43,583</b>	<b>-8,771</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>27,042</b>	<b>-4,592</b>
Cash and cash equivalents at 1 January	31,820	32,953
Effect of exchange rate fluctuations on cash held	80	-234
Cash and cash equivalents at the end of the period	58,942	28,127

Fine Comunicato n.0915-27

Numero di Pagine: 8