

FY 2015 FINANCIAL RESULTS



LANDIRENZO
GROUP™

SNAPSHOT



Challenging market conditions



Cost reduction plan implemented.



Bond issuance for 34€ mln – renegotiated conditions



2016 guidance – Revenues 200 - 210€ mln. EBITDA 12 - 15€ mln



Dieselgate – CNG and LPG, a practical solution



Iran - a key market showing some slight signs of recovery

FY 2015 PROFIT&LOSS HIGHLIGHTS

(Eur million)	FY 2015	%	FY 2014	%	Changes	%
Revenues (goods and services)	205,5		233,2		-27,7	-11,9%
Ebitda Adjusted	5,8	2,8%	18,3	7,8%	-12,5	-68,5%
Extraordinary expenses	7,1		0,0			
Ebitda	-1,3	-0,6%	18,3	7,8%	-19,6	N/A
Amortization, depreciation and impairment losses	25,6	12,5%	15,7	6,7%	9,9	62,9%
<i>of which non-recurring</i>	10,2		0,2		9,9	
Ebit	-26,9	-13,1%	2,6	1,1%	-29,5	N/A
Net Profit (Loss) before taxes	-32,7	-15,9%	-0,1	0,0%	-32,6	N/A
Net Profit (Loss) of the Group and minority interests	-35,6	-17,3%	-1,7	-0,7%	-33,8	N/A

🕒 **Revenues** – the decrease is mainly due to the “System for Cars” segment which followed the dynamics of the After Market channel

🕒 **EBITDA** decreases mainly for revenues drop and sales-product mix. Furthermore, extraordinary costs were sustained mainly for personnel cost reduction and to merge production plants in order to optimize operations

🕒 **EBIT** is impacted also by the negative effect of the impairments relative to the goodwill of some subsidiaries with no impacts on cash flow

🕒 **Net Loss** is also affected by an impairment of deferred tax assets which, although not involving cash outflows, is equal to €6.4 million

REVENUES BREAKDOWN

(Millions of Euro)

Geographical distribution of revenues	FY 2015	%	FY 2014	%	Delta	%
Italy	41,7	20,3%	42,7	18,2%	-0,9	-2,2%
Europa (ex Italy)	84,3	41,0%	103,9	44,6%	-19,6	-18,9%
America	43,4	21,1%	39,1	16,8%	4,3	10,9%
Asia and rest of the world	36,1	17,6%	47,5	20,4%	-11,4	-24,0%
Total	205,5	100,0%	233,2	100,0%	-27,7	-11,9%

(Million of Euro)

Distribution of revenues per area of activity	FY 2015	%	FY 2014	%	Delta	%
Gas sector - systems for cars	161,7	78,7%	185,8	79,7%	-24,1	-13,0%
Gas sector - distribution systems	23,3	11,4%	25,7	11,0%	-2,3	-9,0%
Total revenues - GAS sector	185,1	90,0%	211,5	90,7%	-26,4	-12,5%
Other (Antitheft, Audio, Robotics, Oil and Gas and other)	20,5	10,0%	21,7	9,3%	-1,3	-5,8%
Total revenues	205,5	100,0%	233,2	100,0%	-27,7	-11,9%

A new criterion for classification of revenues by segment was followed starting from the first half of 2014: this is in line with the logic of the management approach. The current composition shows the LPG and CNG lines in the segment "systems for cars" and includes revenues from sales of compressors for fueling stations, made by the company Safe SpA in the sector "distribution system".

The segment "Other - (Alarms, Sound, Robotics, Oil&Gas and other)," compared to previous results, does not include the sale of compressors for fuelling stations, by virtue of the above mentioned reclassification.

GEOGRAPHIC BREAKDOWN

📍 **Italy** – domestic turnover is substantially stable.

📍 **Europe** – revenues in this area decreased mainly for Russian market and other East Europe countries.

📍 **America** – good trend of Northern America market.

📍 **Asia and rest of the world** – the decrease is a consequence of negative trend in Far East. Iranian market begins to show positive signs of recovery.

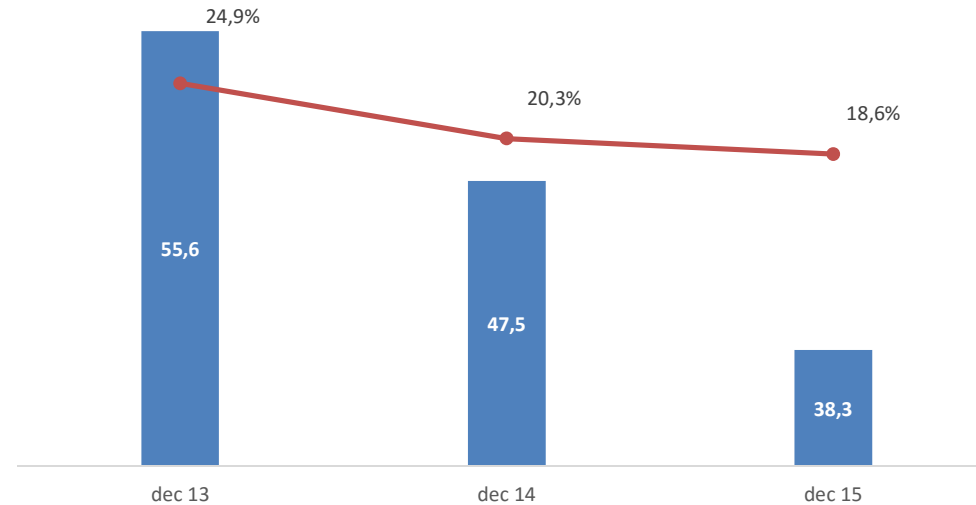
SECTOR BREAKDOWN

📍 **Systems for cars** – the decrease is mainly due to the AM segment.

📍 **Distribution systems** – slowdown of revenues particularly in Russia for geopolitical situation.

📍 **Other** – the decrease in this segment is due mainly to the Oil&Gas sector.

WORKING CAPITAL

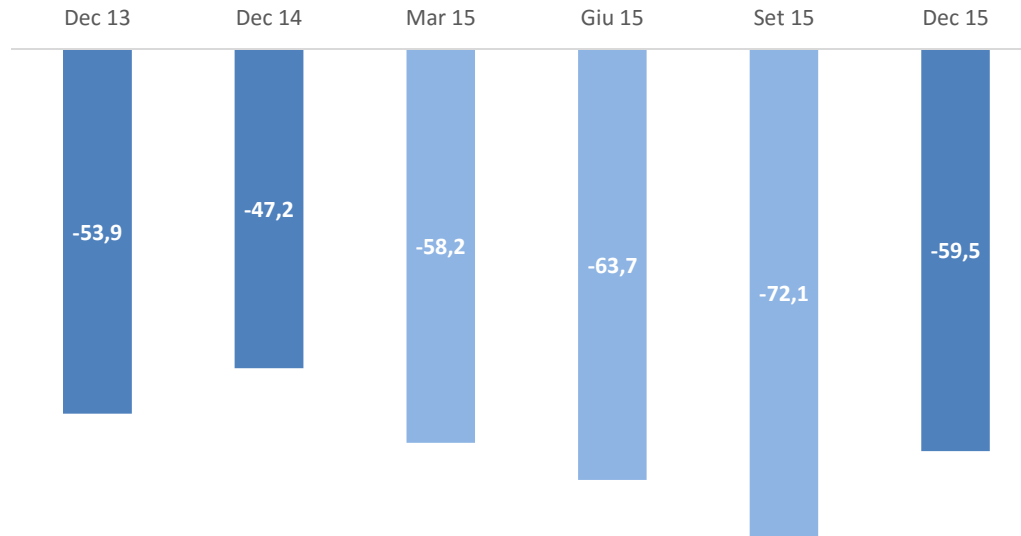


(Euro mln)

	dec 13	dec 14	dec 15
Receivable	38,5	35,1	33,8
Inventories	64,6	65,9	60,4
Payables	-52,1	-55,9	-58,4
Other current assets/liabilities	4,6	2,5	2,5
Net working capital	55,6	47,5	38,3

📌 **Working Capital** – compared with December 2014, the decrease is due to the improvement of management of all items, particularly on inventories

NET DEBT



🕒 **Net financial position** – although negative cash flow registered for about € 12 million compared to December 2014, it's to be highlighted the increase in cash recovery during last quarter of 2015 due to cost saving actions and good level of revenues that partially reduced the net financial position, worsened during previous quarters

ANNEXES



LANDI RENZO COMPANY PROFILE

BOARD OF DIRECTORS

Stefano Landi – President & CEO
Giovannina Domenichini – Honorary President
Claudio Carnevale - Executive Director
Herbert Paiarl - Director
Antonia Fiaccadori – Director
Alessandro Ovi - Indip. Director
Tomaso Tommasi di Vignano – Indip. Director

TOP MANAGERS

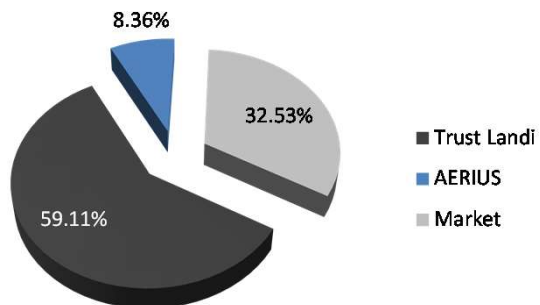


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SHAREHOLDING



SHARE INFORMATION

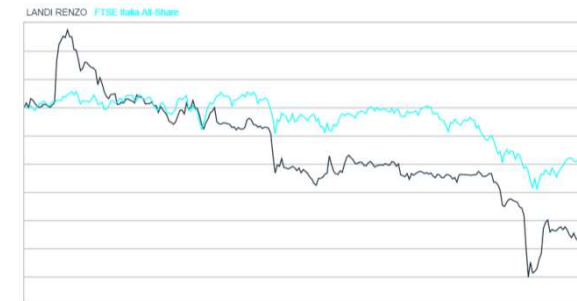
N. of shares outstanding: 112.500.000

Price as of 11/03/15 € 0.5137

Capitalization: € 57,8 mln

FTSE Italia STAR

STOCK VS MARKET



CONSOLIDATED BALANCE SHEET

(thousands of Euros)

ASSETS	31/12/2015	31/12/2014
Non-current assets		
Property, plant and equipment	35.364	35.277
Development expenditure	8.404	7.101
Goodwill	30.094	39.942
Other intangible assets with finite useful lives	22.696	24.637
Investments measured using the equity method	109	180
Other non-current financial assets	574	773
Deferred tax assets	13.779	17.247
Total non-current assets	111.020	125.157
Current assets		
Trade receivables	33.764	35.055
Inventories	57.528	63.269
Contract works in progress	2.904	2.590
Other receivables and current assets	16.347	15.533
Cash and cash equivalents	38.264	31.820
Total current assets	148.807	148.267
TOTAL ASSETS	259.827	273.424

CONSOLIDATED BALANCE SHEET

(thousands of Euros)

EQUITY AND LIABILITIES	31/12/2015	31/12/2014
Equity		
Share capital	11.250	11.250
Other reserves	95.428	98.018
Profit (loss) of the period	-35.288	-1.783
Total equity attributable to the shareholders of the parent	71.390	107.485
Minority interests	425	591
TOTAL EQUITY	71.815	108.076
Non-current liabilities		
Non-current bank loans	11.935	26.171
Other non-current financial liabilities	1.468	1.178
Provisions for risks and charges	8.059	5.055
Defined benefit plans	3.313	3.818
Deferred tax liabilities	6.691	8.417
Total non-current liabilities	31.466	44.639
Current liabilities		
Bank overdrafts and short-term loans	50.797	51.580
Other current financial liabilities	33.523	137
Trade payables	58.351	55.936
Tax liabilities	4.990	4.492
Other current liabilities	8.885	8.564
Total current liabilities	156.546	120.709
TOTAL EQUITY AND LIABILITIES	259.827	273.424

CONSOLIDATED PROFIT&LOSS

(thousands of Euros)

CONSOLIDATED INCOME STATEMENT	31/12/2015	31/12/2014
Revenues (goods and services)	205.522	233.213
Other revenue and income	1.883	1.542
Cost of raw materials, consumables and goods and change in inventories	-100.439	-108.321
Costs for services and use of third party assets	-58.483	-63.022
<i>of which non-recurring</i>	-1.296	
Personnel expenses	-43.854	-42.395
<i>of which non-recurring</i>	-3.058	
Accruals, doubtful debts and other operating expenses	-5.913	-2.724
<i>of which non-recurring</i>	-2.700	
Gross Operating Profit	-1.284	18.293
Amortization, depreciation and impairment losses	-25.617	-15.721
<i>of which non-recurring</i>	-10.178	-248
Net Operating Profit	-26.901	2.572
Financial income	412	501
Financial expenses	-4.966	-4.074
Exchange rate gains (losses)	-930	1.194
Profit (loss) from investments measured using the equity method	-288	-301
Profit (Loss) before tax	-32.673	-108
Current and deferred taxes	-2.914	-1.636
Profit (loss) for the Group and minority interests, including:	-35.587	-1.744
Minority interests	-299	39
Profit (Loss) for the Group	-35.288	-1.783
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0,3137	-0,0158
Diluted earnings (loss) per share	-0,3137	-0,0158

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