

H1 2016 FINANCIAL RESULTS



LANDIRENZO
GROUP™

SNAPSHOT



Challenging market conditions



Margins improve even if revenues are down



Cost reduction plan: further actions to be implemented



2016 guidance – Revenues 180€ - 190mln. Normalized EBITDA 4€ - 6€ mln

H1 2016 PROFIT&LOSS HIGHLIGHTS

(Euro million)

	H1 2016	%	H1 2015	%	Change	%
Revenues (goods and services)	89.3		98.1		-8.8	-9.0%
Ebitda Adjusted	1.9	2.1%	0.2	0.2%	1.7	100.0%
Extraordinary Expenses	3.5		0.0			
Ebitda	-1.6	-1.7%	0.2	0.2%	-1.7	-100.0%
Amortization, depreciation and impairment losses	8.0	9.0%	7.7	7.9%	0.3	4.2%
Ebit	-9.6	-10.7%	-7.6	-7.7%	-2.0	-26.9%
Net Profit (Loss) of the Group	-12.8	-14.3%	-7.2	-7.4%	-5.5	-76.4%

⚠ **Revenues** – the decrease is due mainly to some Car Makers which had some delays in the introduction of new Euro VI lpg/cng engines.

⚠ **EBITDA** – although volumes decrease, EBITDA improves mainly thanks payroll cost and other operating expenses reduction.

REVENUES BREAKDOWN

(Millions of Euro)

Geographical distribution of revenues	H1 2016	%	H1 2015	%	Change	%
Italy	19.4	21.7%	19.9	20.3%	-0.5	-2.6%
Europe (ex Italy)	40.7	45.6%	44.4	45.2%	-3.6	-8.2%
America	14.3	16.0%	17.4	17.7%	-3.1	-17.8%
Asia and rest of the world	14.9	16.6%	16.4	16.7%	-1.6	-9.6%
Total Revenues	89.3	100.0%	98.1	100.0%	-8.8	-9.0%

(Million of Euro)

Distribution of revenues per area of activity	H1 2016	%	H1 2015	%	Change	%
Gas sector - systems for cars	71.8	80.4%	79.2	80.7%	-7.4	-9.3%
Gas sector - distribution systems	8.5	9.5%	11.2	11.4%	-2.7	-23.9%
Total revenues - GAS sector	80.3	89.9%	90.4	92.1%	-10.0	-11.1%
Other (Alarm systems, Audio, Aquatronics (1), Robotics, Oil and Gas and other)	9.0	10.1%	7.8	7.9%	1.2	15.6%
Total Revenues	89.3	100.0%	98.1	100.0%	-8.8	-9.0%

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 fuelling 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** – turnover is stable even if the AM conversions segment business decreases in this area.

📍 **Europe** – revenues decrease mainly as some Car Makers had delay in the introduction of new E VI lpg/cng engines.

📍 **America** – negative trend in some markets of South America partially offset by good trend of Brazilian market.

📍 **Asia and Rest of the world** – even if there are some good performances of Indian and Algerian market, the decrease refers to some Middle East markets.

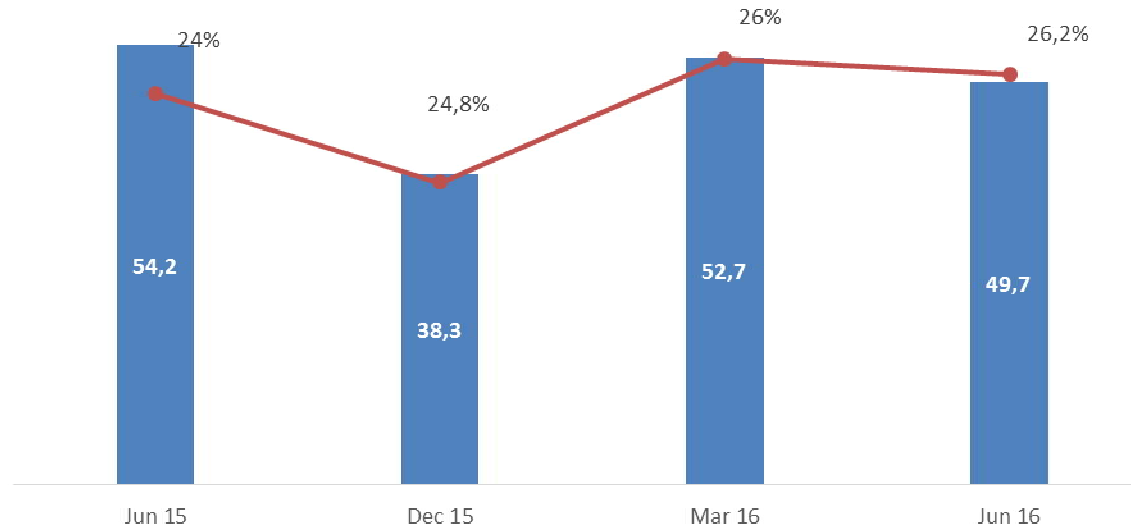
SECTOR BREAKDOWN

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

📍 **Distribution systems** – slowdown of revenues particularly in South East Asia.

📍 **Other** – the increase in this segment is mainly due to Loudspeakers sales (18Sound brand).

WORKING CAPITAL



(Euro mln)

	Jun 15	Dec 15	Mar 16	Jun 16
Receivable	40.4	33.8	35.7	36.2
Inventories	71.4	60.4	63.4	64.1
Payables	-61.3	-58.4	-52.6	-52.5
Other current assets/liabilities	3.7	2.5	6.3	1.9
Net working capital	54.2	38.3	52.7	49.7

📌 **Working Capital** – when compared with December 2015, the increase is mostly affected by the lower level of factorized receivable, the increase of stock level and the decrease of payables.

NET DEBT



🕒 **Net financial position** – the increase with respect to December 2015 is generated mainly by the working capital trend during the first quarter. Then it stabilizes

ANNEXES



LANDI RENZO COMPANY PROFILE

BOARD OF DIRECTORS

Stefano Landi – President & CEO
 Giovannina Domenichini – Honorary President
 Claudio Carnevale - Executive Director
 Angelo Iori – Director
 Silvia Landi - Director
 Anton Karl - Director
 Sara Fornasiero - Indip. Director
 Ivano Accorsi – Indip. Director

TOP MANAGERS

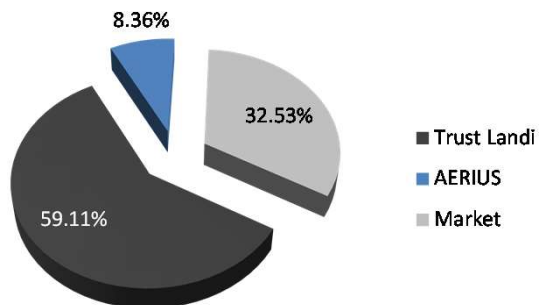


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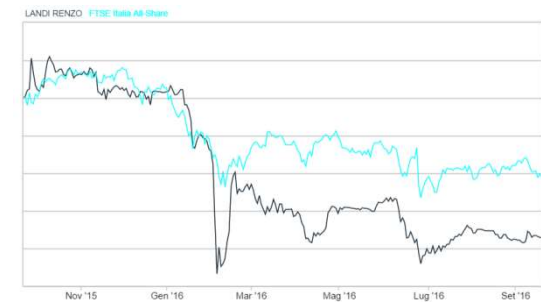
SHAREHOLDING



SHARE INFORMATION

N. of shares outstanding: 112.500.000
 Price as of 22/09/16 € 0.456
 Capitalization: € 51,3 mln
 FTSE Italia STAR

STOCK VS MARKET



CONSOLIDATED BALANCE SHEET

(thousands of Euro)

ASSETS	30/06/2016	31/12/2015
Non-current assets		
Property, plant and equipment	32,889	35,364
Development expenditure	8,319	8,404
Goodwill	30,094	30,094
Other intangible assets with finite useful lives	21,594	22,696
Equity investments consolidated using the equity method	45	109
Other non-current financial assets	622	574
Deferred tax assets	12,896	13,779
Total non-current assets	106,459	111,020
Current assets		
Trade receivables	33,810	31,340
Trade receivables - related parties	2,388	2,424
Inventories	60,878	57,528
Contract works in progress	3,182	2,904
Other receivables and current assets	12,126	16,347
Cash and cash equivalents	18,749	38,264
Total current assets	131,133	148,807
TOTAL ASSETS	237,592	259,827

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

	30/06/2016	31/12/2015
EQUITY AND LIABILITIES		
Group shareholders' equity		
Share capital	11,250	11,250
Other reserves	59,374	95,428
Profit (loss) of the period	-12,541	-35,288
Total equity attributable to the shareholders of the parent	58,083	71,390
Minority interests	205	425
TOTAL EQUITY	58,288	71,815
Non-current liabilities		
Non-current bank loans	17,200	11,935
Other non-current financial liabilities	26,305	1,468
Provisions for risks and charges	9,731	8,059
Defined benefit plans	3,333	3,313
Deferred tax liabilities	6,512	6,691
Total non-current liabilities	63,081	31,466
Current liabilities		
Bank overdrafts and short-term loans	46,913	50,797
Other current financial liabilities	6,600	33,523
Trade payables	49,367	56,260
Trade payables - related parties	3,086	2,091
Tax liabilities	1,652	4,990
Other current liabilities	8,605	8,885
Total current liabilities	116,223	156,546
TOTAL EQUITY AND LIABILITIES	237,592	259,827

CONSOLIDATED PROFIT&LOSS

(thousands of Euro)

INCOME STATEMENT	30/06/2016	30/06/2015
Revenues (goods and services)	89,219	97,990
Revenues (goods and services) - related parties	71	135
Other revenue and income	559	864
Cost of raw materials, consumables and goods and change in inventories	-42,240	-46,701
Costs for services and use of third party assets	-24,286	-27,098
<i>of which non-recurring</i>	-1,050	
Costs for services and use of third party assets - related parties	-1,614	-1,561
Personnel expenses	-18,966	-22,206
Accruals, impairment losses and other operating expenses	-4,297	-1,263
<i>of which non-recurring</i>	-2,400	0
Gross Operating Profit	-1,554	160
Amortization, depreciation and impairment losses	-8,037	-7,716
Net Operating Profit	-9,591	-7,556
Financial income	65	224
Financial expenses	-2,677	-2,101
Gains (losses) on exchange rate	660	597
Gains (losses) on equity investments consolidated using the equity method	-64	-100
Profit (Loss) before tax	-11,607	-8,936
Current and deferred taxes	-1,159	1,703
Profit (loss) of the period for the Group and minority interests, including:	-12,766	-7,233
Minority interests	-225	-64
Profit (Loss) of the period for the Group	-12,541	-7,169
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0.1115	-0.0637
Diluted earnings (loss) per share	-0.1115	-0.0637

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