

9M 2016 FINANCIAL RESULTS



LANDIRENZO
GROUP™

9M 2016 PROFIT&LOSS HIGHLIGHTS

(Eur million)	9M 2016	%	9M 2015	%	Changes	%
Revenues (goods and services)	131,7		145,6		-13,9	-9,5%
Ebitda Adjusted	2,6	2,0%	1,9	1,3%	0,7	35,9%
Extraordinary Expenses	3,5		0,0			
Ebitda	-0,8	-0,6%	1,9	1,3%	-2,8	-100,0%
Amortization, depreciation and impairment losses	12,1	9,2%	11,5	7,9%	0,6	5,5%
Ebit	-13,0	-9,9%	-9,6	-6,6%	-3,4	-35,3%
Financial Expenses	3,5	2,7%	3,9	2,6%	-0,4	-9,1%
EBT	-16,5	-12,5%	-13,5	-9,2%	-3,0	-22,6%
Net Profit (Loss) of the Group	-17,8	-13,5%	-11,3	-7,8%	-6,5	-57,8%

🕒 **Revenues** – the decrease is mainly due to System for Cars segment. OEM reduces as a consequence of the delay of some E6 new car models, and AM business decreases for reduction of sales in America.

🕒 **EBITDA** – although volume decreases, EBITDA improves mainly for payroll cost and other operating expense reduction.

REVENUES BREAKDOWN

(Millions of Euro)

Geographical distribution of revenues	9M 2016	%	9M 2015	%	Delta	%
Italy	27,4	20,8%	28,6	19,6%	-1,2	-4,2%
Europa (ex Italy)	59,9	45,5%	62,5	42,9%	-2,6	-4,1%
America	22,5	17,1%	29,2	20,0%	-6,7	-22,9%
Asia and rest of the world	22,0	16,7%	25,4	17,4%	-3,4	-13,4%
Total Revenues	131,7	100,0%	145,6	100,0%	-13,9	-9,5%

(Million of Eur)

Distribution of revenues per area of activity	9M 2016	%	9M 2015	%	Delta	%
Gas sector - systems for cars	104,1	79,0%	116,6	80,1%	-12,5	-10,7%
Gas sector - distribution systems	14,7	11,1%	15,2	10,4%	-0,5	-3,2%
Total revenues - GAS sector	118,8	90,2%	131,8	90,5%	-13,0	-9,9%
Other (Alarm systems, Audio, Aquatronics (1), Robotics, Oil and Gas and other)	13,0	9,8%	13,8	9,5%	-0,9	-6,2%
Total Revenues	131,7	100,0%	145,6	100,0%	-13,9	-9,5%

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** – turnover is stable although the slight decrease of AM conversions.

📍 **Europe** – revenues in this area decrease mainly for delay of new E6 carlines in OEM segment.

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

📍 **Asia and Rest of the world** – some markets are ramping up but they do not offset the decrease in Middle East.

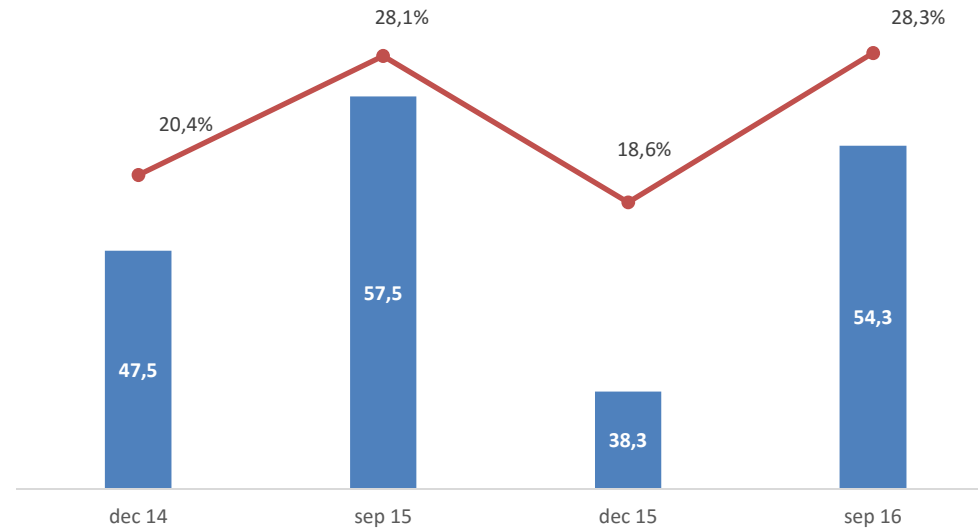
SECTOR BREAKDOWN

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

📍 **Distribution systems** – slight decrease in revenues particularly in South East Asia.


📍 **Other** – the decrease is in this segment is mainly due to Oil&Gas segment partially offset by Loudspeakers sales (18Sound brand).

WORKING CAPITAL

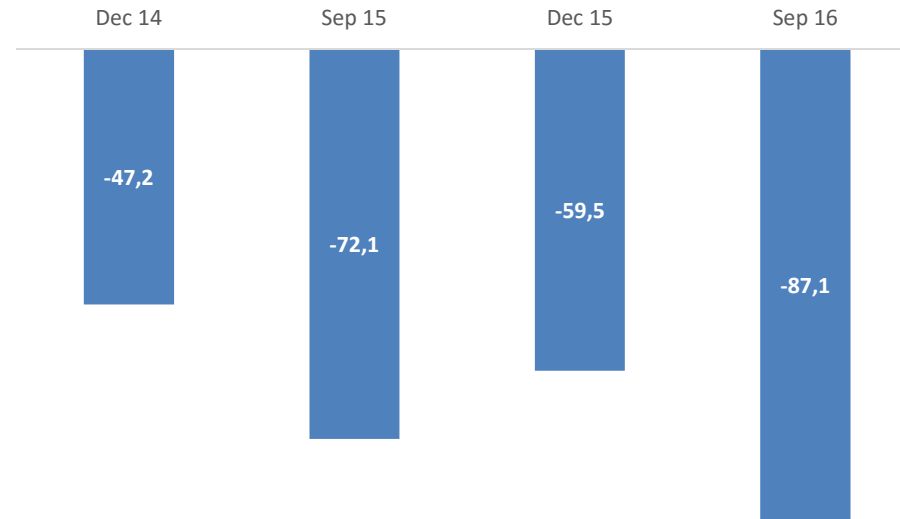


(Euro mln)

	dec 14	sep 15	dec 15	sep 16
Receivable	35,1	35,6	33,8	37,9
Inventories	65,9	65,2	60,4	62,3
Payables	-55,9	-47,4	-58,4	-48,4
Other current assets/liabilities	2,5	4,1	2,5	2,5
Net working capital	47,5	57,5	38,3	54,3

 **Working Capital** – compared with December 2015, the increase is mostly affected by lower receivables discounted through factor, increase of stock level and, above all, a cyclical decrease in payables

NET DEBT



🕒 **Net financial position** – the increase is generated mainly by the working capital trend during the first half.

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

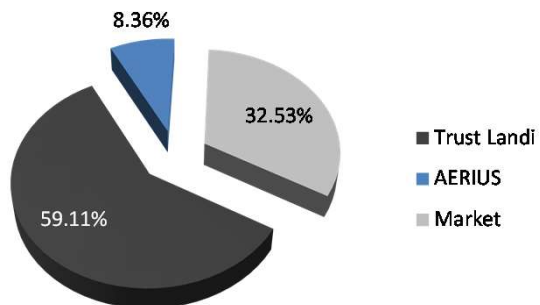


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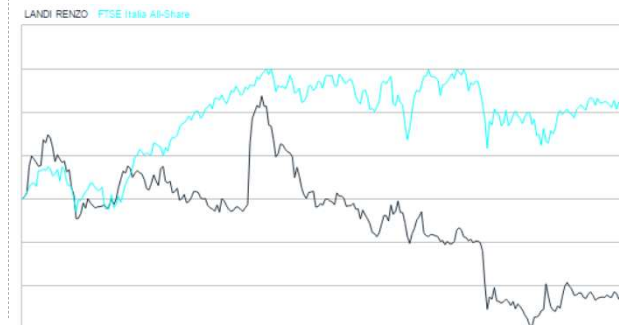
SHAREHOLDING



SHARE INFORMATION

N. of shares outstanding: 112.500.000
Price as of 09/11/16 € 0.31
Capitalization: € 34,875 mln
FTSE Italia STAR

STOCK VS MARKET



CONSOLIDATED BALANCE SHEET

(thousands of Euro)

ASSETS	30/09/2016	31/12/2015	30/09/2015
Non-current assets			
Property, plant and equipment	31,788	35,364	34,917
Development expenditure	7,871	8,404	7,524
Goodwill	30,094	30,094	39,942
Other intangible assets with finite useful lives	20,922	22,696	23,384
Equity investments consolidated using the equity method	34	109	186
Other non-current financial assets	720	574	792
Deferred tax assets	12,629	13,779	20,047
Total non-current assets	104,058	111,020	126,792
Current assets			
Trade receivables	35,522	31,340	33,202
Trade receivables - related parties	2,389	2,424	2,408
Inventories	59,283	57,528	61,416
Contract works in progress	2,979	2,904	3,744
Other receivables and current assets	12,708	16,347	15,609
Cash and cash equivalents	12,616	38,264	29,517
Total current assets	125,497	148,807	145,896
TOTAL ASSETS	229,555	259,827	272,688

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

EQUITY AND LIABILITIES	30/09/2016	31/12/2015	30/09/2015
Group shareholders' equity			
Share capital	11,250	11,250	11,250
Other reserves	59,214	95,428	96,035
Profit (loss) of the period	-17,534	-35,288	-11,151
Total equity attributable to the shareholders of the parent	52,930	71,390	96,134
Minority interests	157	425	575
TOTAL EQUITY	53,087	71,815	96,709
Non-current liabilities			
Non-current bank loans	21,579	11,935	34,990
Other non-current financial liabilities	26,363	1,468	34,093
Provisions for risks and charges	8,565	8,059	3,902
Defined benefit plans	3,313	3,313	3,385
Deferred tax liabilities	6,311	6,691	8,172
Total non-current liabilities	66,131	31,466	84,542
Current liabilities			
Bank overdrafts and short-term loans	45,119	50,797	32,266
Other current financial liabilities	6,620	33,523	268
Trade payables	44,695	56,260	45,500
Trade payables - related parties	3,705	2,091	1,909
Tax liabilities	1,737	4,990	1,603
Other current liabilities	8,461	8,885	9,891
Total current liabilities	110,337	156,546	91,437
TOTAL EQUITY AND LIABILITIES	229,555	259,827	272,688

CONSOLIDATED PROFIT&LOSS

(thousands of Euro)

INCOME STATEMENT	30/09/2016	30/09/2015
Revenues (goods and services)	131,539	145,453
Revenues (goods and services) - related parties	196	158
Other revenue and income	792	1,443
Cost of raw materials, consumables and goods and change in inventories	-63,459	-70,666
Costs for services and use of third party assets	-35,905	-39,185
<i>of which non-recurring</i>	-2,150	
Costs for services and use of third party assets - related parties	-2,407	-2,339
Personnel expenses	-27,456	-31,232
Accruals, impairment losses and other operating expenses	-4,148	-1,718
<i>of which non-recurring</i>	-1,300	
Gross Operating Profit	-848	1,914
Amortization, depreciation and impairment losses	-12,137	-11,509
Net Operating Profit	-12,985	-9,595
Financial income	81	314
Financial expenses	-3,914	-3,437
Gains (losses) on exchange rate	400	-525
Gains (losses) on equity investments consolidated using the equity method	-75	-210
Profit (Loss) before tax	-16,493	-13,453
Current and deferred taxes	-1,334	2,157
Profit (loss) of the period for the Group and minority interests, including:	-17,827	-11,296
Minority interests	-293	-145
Profit (Loss) of the period for the Group	-17,534	-11,151
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0.1559	-0.0991
Diluted earnings (loss) per share	-0.1559	-0.0991

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