

**FY 2016
FINANCIAL RESULTS**





Financial update

Stefano Landi
Chairman & CEO



Cristiano Musi
*General Manager
& CEO Elect*



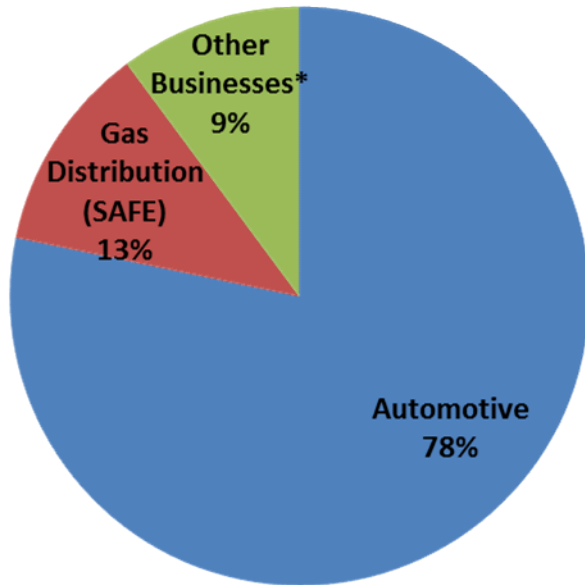
FY16 Profit & Loss Highlights

M€	FY 2016	FY 2015	Delta M€	Delta %
Revenues	184.2	205.5	-21.3	-10.4%
EBITDA Adj.	2.7	5.8	-3.1	-52.5%
<i>% on Revenues</i>	<i>1.5%</i>	<i>2.8%</i>		
EBITDA	-2.9	-1.3	-1.6	n.a.
<i>% on Revenues</i>	<i>-1.6%</i>	<i>-0.6%</i>		
EBIT	-18.9	-26.9	8.0	29.7%
<i>% on Revenues</i>	<i>-10.3%</i>	<i>-13.1%</i>		
Financials	-4.2	-5.8	1.6	-27.1%
EBT	-23.1	-32.7	9.6	29.2%
Taxes	-2.9	-2.9	0.0	n.a.
Net Income	-26.0	-35.6	9.6	26.9%

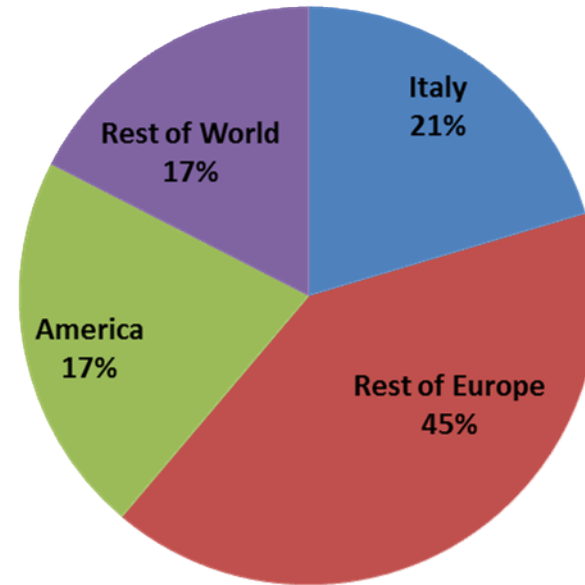
- **Revenues** decrease primarily driven by the After Market segment (Automotive) in America
- **Ebitda adj** has been impacted by the slowdown of the turnover
- **EBIT** loss has been contained thanks to lower depreciation, extraordinary expenses and write off
- Financial charges have decreased primarily due to favorable currency exchange rates, reducing the impact on 2016 loss

Revenues breakdown

Business breakdown



Geographical breakdown



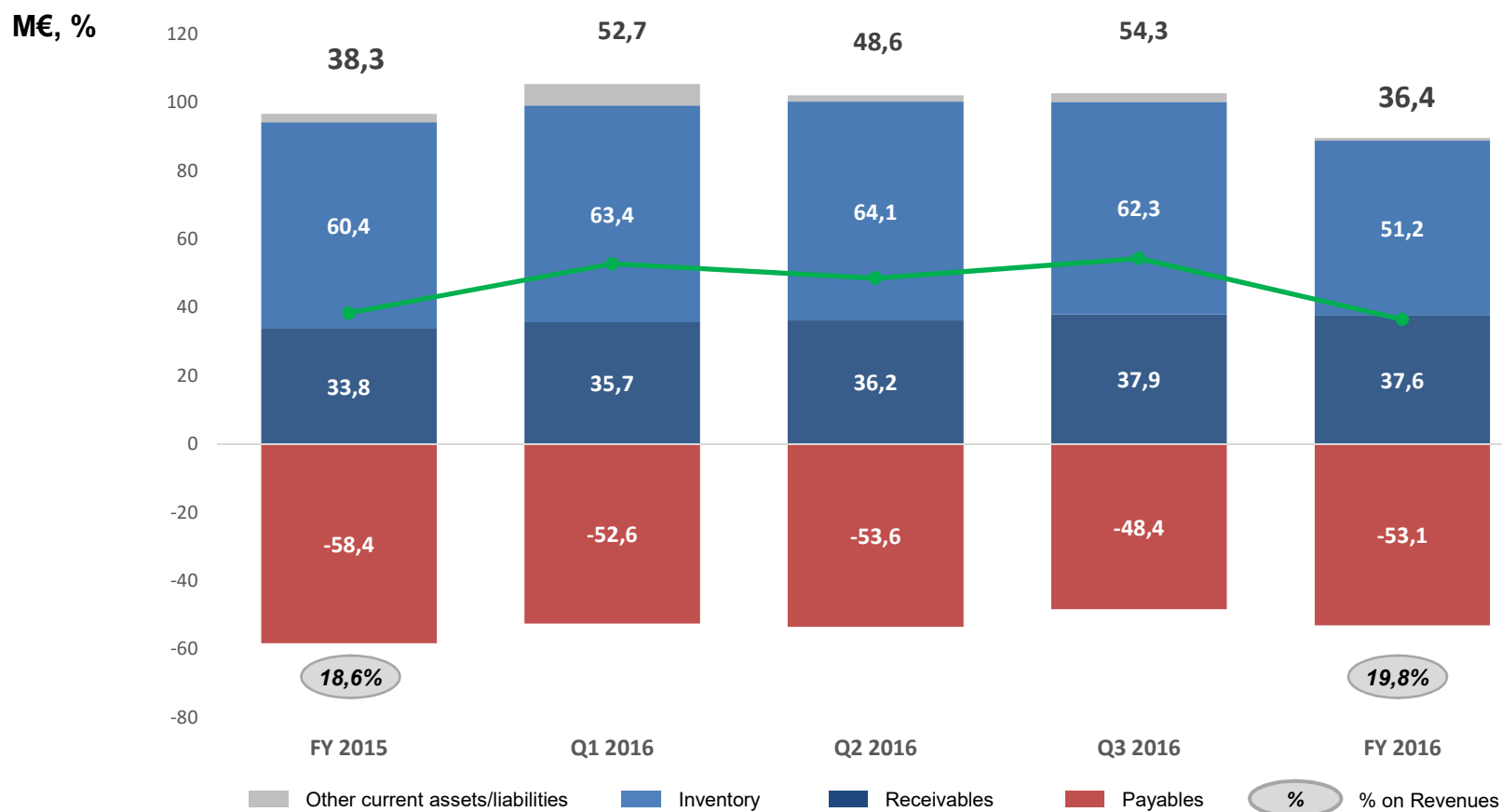
- *After Market segment* (Automotive): underperformance in America, only partially offset by Brazil
- *OEM segment* (Automotive): temporary slowdown in Italy and Europe, driven by the switch from Euro V to Euro VI engines
- *Gas Distribution* (SAFE): +3% growth compared to FY15
- *Other Businesses*: slight decrease attributable to Oil&Gas
- Stable revenues in Europe sustained primarily by *Gas Distribution* (SAFE)
- The performance of the American area, particularly in the *After Market* segment, was not homogeneous, characterized by Countries performing above (e.g. Brazil) and below (e.g. US, Colombia, Bolivia) expectations

Balance Sheet Overview

M€, %

Balance Sheet	FY 2016	FY 2015
Intangible Assets	58,9	61,2
Tangible Assets	30,5	35,4
Other non-current Assets	7,6	8,3
Fixed Capital	97,0	104,9
Receivables	37,6	33,8
Inventory	51,2	60,4
Paybles	-53,1	-58,4
Other current assets/liabilities	0,8	2,5
Working Capital	36,4	38,3
<i>% on Revenues</i>	<i>19,8%</i>	<i>18,6%</i>
TFR and other Funds	-12,6	-11,9
Invested Capital	120,8	131,3
Shareholder's Equity	45,1	71,8
Net Financial Position	75,7	59,5
Total Sources	120,8	131,3

Net Working Capital

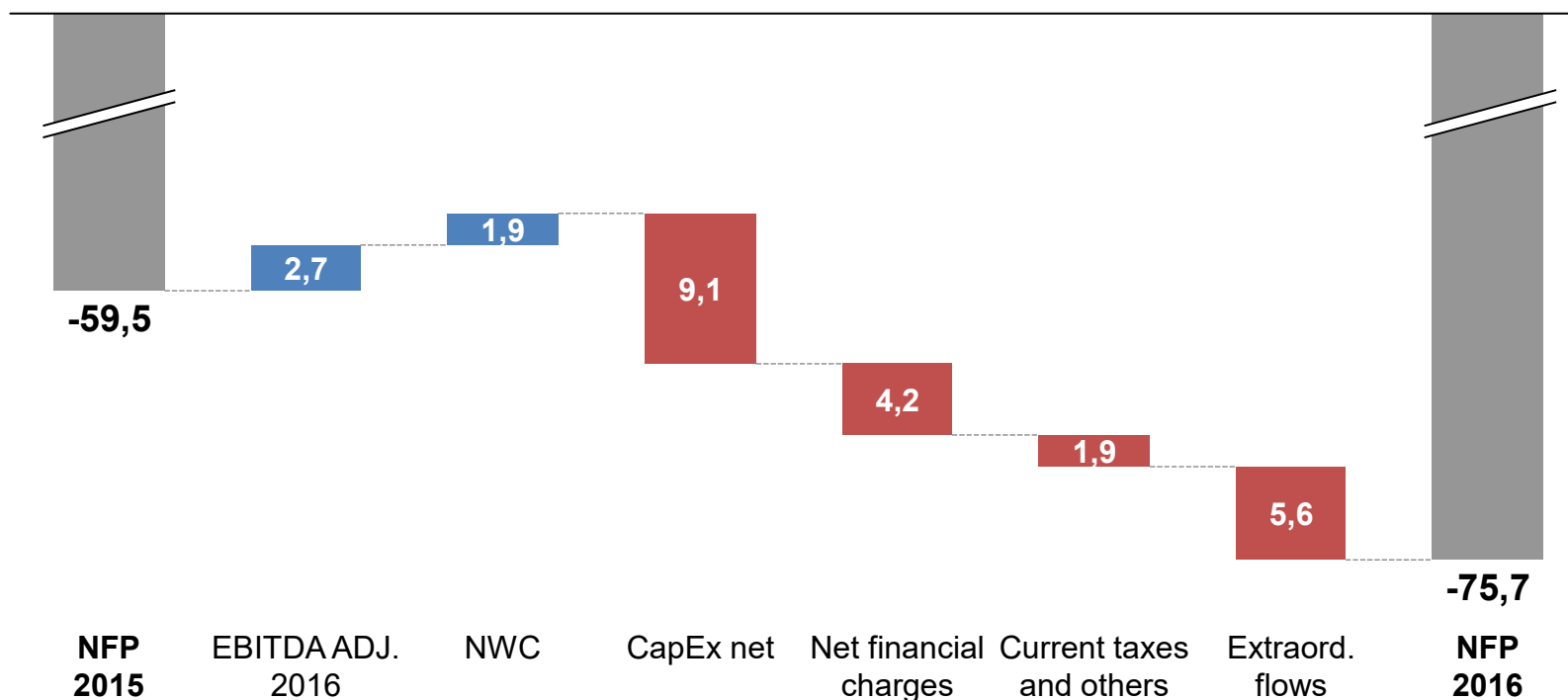


	FY 2015	FY 2016
Days Sales Outstanding	60	74
Days Payable Outstanding	133	136
Days Inventory on Hand	107	101

* Transferred receivables in 2016 lower than in 2015 by 13,3 M€

Net financial position evolution

M€



FY 2015	NFP	FY 2016
38,3	Cash liquidity (+)	16,5
-51,2	Short-term debts (-)	-41,1
-13,4	Long-term debts (-)	-19,7
-33,1	Bond (-)	-31,4
-97,7	Tot. Gross Debt (-)	-92,2
-59,5	NFP	-75,7

Financial structure optimization consistent with the Group's new strategy

1. Commitment of the controlling shareholders on **an advance payment for a future capital increase 8.9€ M** effective in March (subject to pending conditions). Extraordinary shareholders' meeting to be called within December 2018 to increase the share capital by total amount of 15 M€ including the advance payment of the controlling shareholders for 8.9€ M
2. *Short-term credit lines*: **confirmation of a relevant portion of the existing credit commitment on short-term credit lines**
3. *Mid/long-term credit lines*: **reshaping of the amortization plans** of the mid/long-term credit lines and Bond loan with instalments of increasing amount **up to 2022**
4. **Revision of the financial parameters** set by some mid/long-term credit lines and Bond loan

Banks have already subscribed the new financial structure with the exception of one bank which should sign within March 2017

Bondholders will be asked to underwrite it on March 30th, 2017

Landi Renzo Group has launched a structured program to recover the marginality and sustain the Group performance



Given the set of launched actions, the Group expects moderate business growth and marginality recovery at EBITDA Adj. level already in 2017

APPENDIX



Landi Renzo - Company profile

BOARD OF DIRECTORS

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

TOP MANAGERS

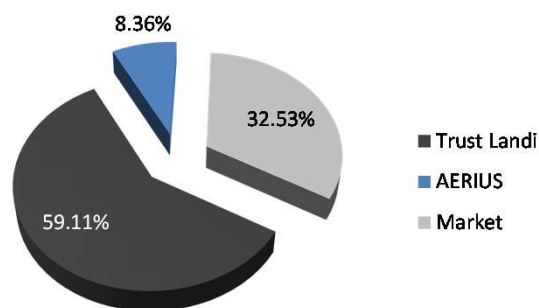


INVESTOR RELATIONS

Investor Relations Contacts:

Pierpaolo Marziali
Tel: +39 0522 9433
E-mail: ir@landi.it
www.landit.it

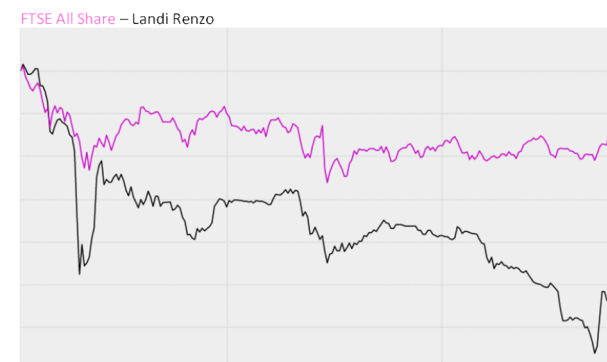
SHAREHOLDING



SHARE INFORMATION

N. of shares outstanding: 112.500.000
Price as of 23/03/17 € 0.471
Capitalization: € 53,0 mln
FTSE Italia STAR

STOCK VS MARKET



CONSOLIDATED PROFIT & LOSS

(thousands of Euro)

INCOME STATEMENT	31/12/2016	31/12/2015
Revenues (goods and services)	184,242	205,522
Other revenue and income	1,217	1,883
Cost of raw materials, consumables and goods and change in inventories	-94,236	-100,439
<i>of which non-recurring</i>	-1,000	0
Costs for services and use of third party assets	-51,601	-58,483
<i>of which non-recurring</i>	-2,345	-1,296
Personnel expenses	-36,364	-43,854
<i>of which non-recurring</i>	0	-3,058
Accruals, impairment losses and other operating expenses	-6,160	-5,913
<i>of which non-recurring</i>	-2,300	-2,700
Gross Operating Profit	-2,902	-1,284
Amortization, depreciation and impairment losses	-16,018	-25,617
<i>of which non-recurring</i>	0	-10,178
Net Operating Profit	-18,920	-26,901
Financial income	117	412
Financial expenses	-5,161	-4,966
Gains (losses) on exchange rate	904	-930
Gains (losses) on equity investments consolidated using the equity method	-66	-288
Profit (Loss) before tax	-23,126	-32,673
Current and deferred taxes	-2,878	-2,914
Profit (loss) of the period for the Group and minority interests, including:	-26,004	-35,587
Minority interests	-759	-299
Profit (Loss) of the period for the Group	-25,245	-35,288
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0.2244	-0.3137
Diluted earnings (loss) per share	-0.2244	-0.3137

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

ASSETS	31/12/2016	31/12/2015
Non-current assets		
Property, plant and equipment	30,500	35,364
Development expenditure	8,420	8,404
Goodwill	30,094	30,094
Other intangible assets with finite useful lives	20,359	22,696
Equity investments consolidated using the equity method	43	109
Other non-current financial assets	664	574
Deferred tax assets	6,887	7,615
Total non-current assets	96,967	104,856
Current assets		
Trade receivables	37,551	33,764
Inventories	49,872	57,528
Contract works in progress	1,281	2,904
Other receivables and current assets	10,082	16,347
Cash and cash equivalents	16,484	38,264
Total current assets	115,270	148,807
TOTAL ASSETS	212,237	253,663

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

EQUITY AND LIABILITIES	31/12/2016	31/12/2015
Group shareholders' equity		
Share capital	11,250	11,250
Other reserves	59,400	95,428
Profit (loss) of the period	-25,245	-35,288
Total equity attributable to the shareholders of the parent	45,405	71,390
Minority interests	-323	425
TOTAL EQUITY	45,082	71,815
Non-current liabilities		
Non-current bank loans	18,687	11,935
Other non-current financial liabilities	22,812	1,468
Provisions for risks and charges	8,973	8,059
Defined benefit plans	3,124	3,313
Deferred tax liabilities	514	527
Total non-current liabilities	54,110	25,302
Current liabilities		
Bank overdrafts and short-term loans	40,662	50,797
Other current financial liabilities	10,039	33,523
Trade payables	53,090	58,351
Tax liabilities	2,604	4,990
Other current liabilities	6,650	8,885
Total current liabilities	113,045	156,546
TOTAL EQUITY AND LIABILITIES	212,237	253,663