



SPAFID CONNECT

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Diffusione presunta
Oggetto : R&D center closing

Testo del comunicato

Vedi allegato.

LANDI RENZO and AVL finalize the sale of the business branch concerning the management of the laboratories of the new technical center

Cavriago (Reggio Emilia), August 1, 2017

Today, Landi Renzo and AVL completed the selling process for the sale of the business branch concerning the portion of the technical center dedicated to the management of laboratories, to the AVL Group, a world leading powertrain solutions developer. The related preliminary agreement was signed on April 26, 2017.

With this transaction, the Landi Renzo Group achieves two significant results: on one hand it launches an important partnership with a leading automotive operator on CNG, LNG and hydrogen powertrain and, on the other hand, continues the Group's reorganization process undertaken by the new management with the aim of reducing its fixed-cost structure and of focusing its activities on the core business.

The consideration for the sale amounted to 5.7 million Eur, gross of the liabilities transferred for about 40.000 Eur: the amount will be paid in 10 annually instalments. On 2017 expected results the transaction will have an economic negative non cash impact of around 500,000 Eur, but a positive impact of about € 1,000,000 in cash and it also allows a significant reduction in the break-even of the business. The economic impact is related to the non-monetary loss on the book value of the assets, equal to Eur 1.9 million, partially offset by the declining costs for the period August to December 2017 for approximately Eur 1.4 million.

On an annual basis, the transaction has a positive impact on the reduction of fixed costs, and in particular about Eur 3.0 million annually at EBIT level, of which approximately Eur 1.5 million at EBITDA level, as well as a positive impact of about Eur 2.0 million annually at financial management level (lower costs and price payment). The divestment of the branch also allows to reduce annual investments between 500,000 and 700,000 Eur needed to maintain and upgrade equipment sold.

The Chairman Landi and the Chief Executive Officer Musi highlighted that this transaction on one hand free financial resources that will be devoted partly to debt reduction and partly to R & D activities and, on the other hand, it is part of the strategic project to focus the Group on its core assets.

This press release is a translation. The Italian version will prevail

Landi Renzo is a world leader in LPG and natural gas fuel systems and components for motor vehicles. The Company, based in Cavriago (Reggio Emilia) with 60 years' experience in the field, stands out for its international scope, operating in more than 50 countries, with international sales accounting for around 80% of total sales. Landi Renzo has been listed on the STAR segment of the Italian Stock Exchange since June 2007.

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