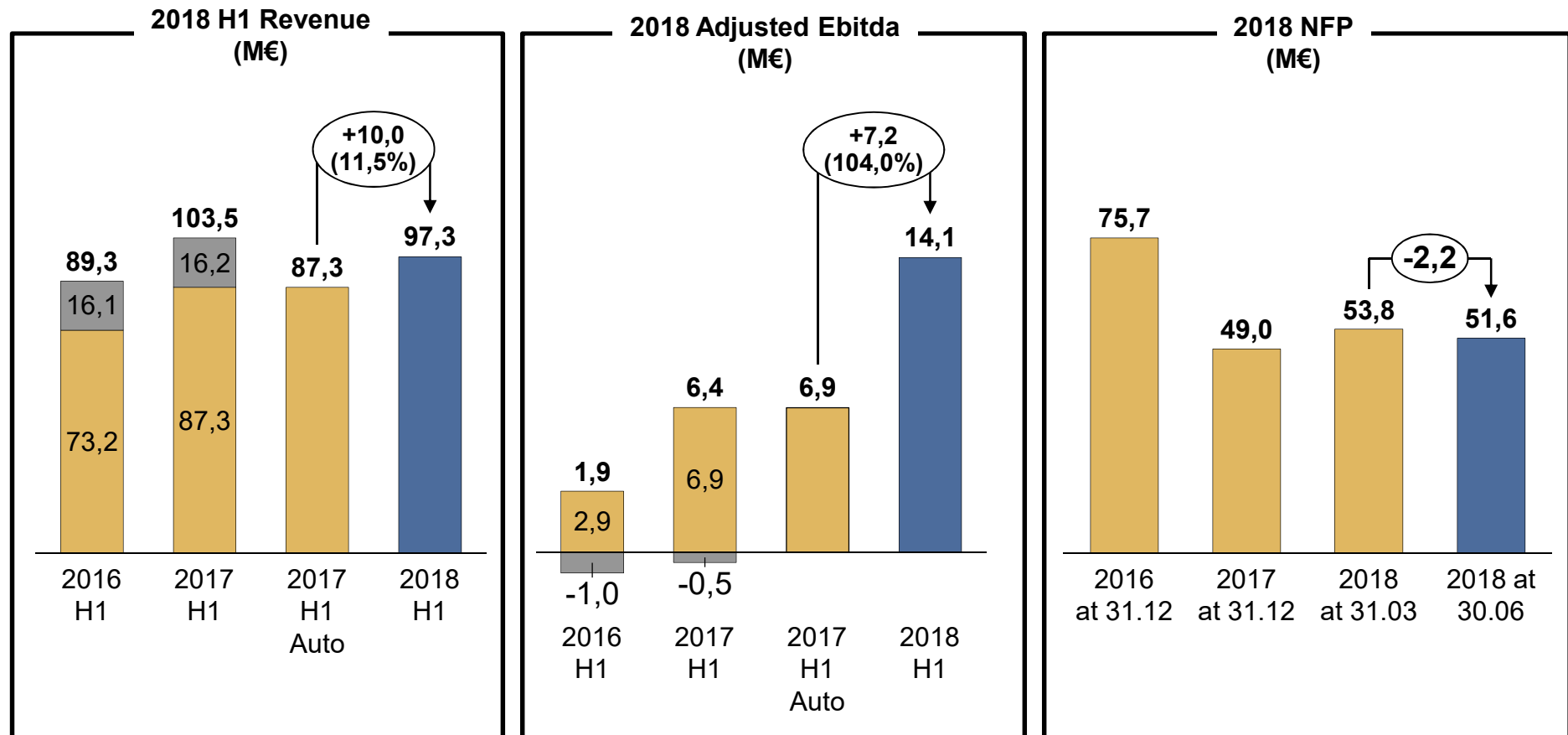




The Clean Air Group
Driving the Future

2018 H1 FINANCIAL RESULTS

H1 2018 LRG shows significant performance improvement compared to H1 2017



Due to the deconsolidation of Gas Distribution and Compressed Natural Gas and Sound sectors, H1 2018 financial figures are **not** directly comparable with the same period of previous year

To provide a meaningful explanation of main difference, in the following of this document H1 2018 results are compared only with H1 2017 Automotive sector figures

H1 2018 P&L highlight results are higher than strategic plan, with strong increase on EBITDA and EBIT

M€	2018 H1	2017 H1 ⁽¹⁾	Delta		2017 H1 Automotive	like for like	
			M€	Delta %		Delta M€	Delta %
Revenues	97,3	103,5	-6,2	-6,0%	87,3	10,0	11,5%
EBITDA Adj.	14,1	6,4	7,6	118,9%	6,9	7,2	104,0%
<i>% on Revenues</i>	<i>14,5%</i>	<i>6,2%</i>			<i>7,9%</i>		
EBITDA	12,7	4,5	8,2	184,6%	4,9	7,8	157,4%
<i>% on Revenues</i>	<i>13,0%</i>	<i>4,3%</i>			<i>5,6%</i>		
EBIT Adj.	8,9	-1,5	10,4	N/A	-0,1	9,0	N/A
<i>% on Revenues</i>	<i>9,1%</i>	<i>-1,5%</i>			<i>-0,1%</i>		
EBIT	7,5	-5,6	13,0	N/A	-4,2	11,7	N/A
<i>% on Revenues</i>	<i>7,7%</i>	<i>-5,4%</i>			<i>-4,8%</i>		
Capital Gain/Loss	-1,2	0,0	-1,2	N/A			
Financials	-2,9	-3,1	0,2	6,3%			
EBT	3,4	-8,6	12,0	140,0%			
Taxes	-1,7	0,0	-1,8	N/A			
Net Income	1,7	-8,6	10,3	119,7%			
<i>% on Revenues</i>	<i>1,7%</i>	<i>-8,3%</i>					

Highlights

- Automotive sector **revenues** increased by 10,0M€ (+11,5%), mainly on AM
- **Automotive Adj. EBITDA** up to 14,1M€ (+104,0%), positively impacted by the improvement of the gross margin (volumes and direct cost optimization) and leveraging the reduction of fixed cost. Extraordinary costs consisting in the last part of the “excellence project” started in 2017
- **Adj. EBIT** in line with best practice in the sector, also positively impacted by the 2017 AVL deal
- **Capital Loss** from SAFE&CEC up to 300K€ in Q2, with a strong reduction compared to Q1 (-900K€), thanks to the first set of actions implemented in the integration phase as well as the turnover growth

(1): 2017 H1 P&L included sectors that were out of consolidation perimeter (Gas Distribution and Compressed Natural Gas) or no longer present in 2018 (Sound)
2017 H1 “Automotive” figures refer to the same perimeter of 2018 H1

Q2 results improve compared to last year both in revenues (+19%) and in profitability (adj. Ebitda +4,8M€;+125%)

H1 P&L by quarter

M€	2018 Q1	2018 Q2	2018 H1
Revenues	42,0	55,3	97,3
EBITDA Adj.	5,4	8,7	14,1
<i>% on Revenues</i>	<i>12,8%</i>	<i>15,8%</i>	<i>14,5%</i>
EBITDA	4,5	8,2	12,7
<i>% on Revenues</i>	<i>10,8%</i>	<i>14,7%</i>	<i>13,0%</i>
EBIT Adj.	2,7	6,1	8,9
<i>% on Revenues</i>	<i>6,4%</i>	<i>11,1%</i>	<i>9,1%</i>
EBIT	1,9	5,6	7,5
<i>% on Revenues</i>	<i>4,5%</i>	<i>10,1%</i>	<i>7,7%</i>

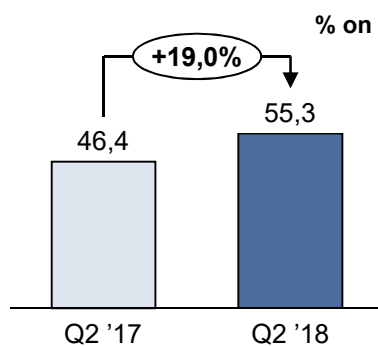
Q2 '17 vs '18

	2017 Q2	2018 Q2
Revenues	46,4	55,3
EBITDA Adj.	3,9	8,7
<i>% on Revenues</i>	<i>8,3%</i>	<i>15,8%</i>
EBITDA	2,3	8,2
<i>% on Revenues</i>	<i>5,0%</i>	<i>14,7%</i>
EBIT Adj.	0,4	6,1
<i>% on Revenues</i>	<i>0,9%</i>	<i>11,1%</i>
EBIT	-3,2	5,6
<i>% on Revenues</i>	<i>-6,9%</i>	<i>10,1%</i>

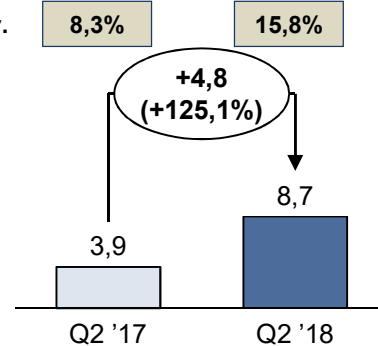
Highlights

- Q2 Automotive **revenues** increased by 13,3M€ (+31,7%) compared to Q1 thanks to a growth on AM as well as on OEM
- **Q2 EBITDA** increased by more than 80% compared to Q1 due to volumes increase, direct cost optimization and to the reduction of fixed cost
- **Q2 EBIT** (5,6M€ and 10,1% of revenues) shows a strong improvement compared to first quarter
- **Compared to last year**
 - Q2 revenues up by 19%
 - Q2 Adj. Ebitda up by 4,8M€ (+125%)
 - Q2 Ebit up by 8,8M€

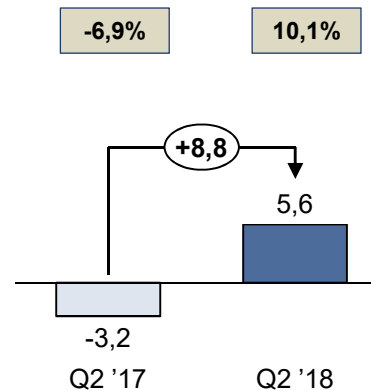
Q2 Automotive Revenues (Meur)



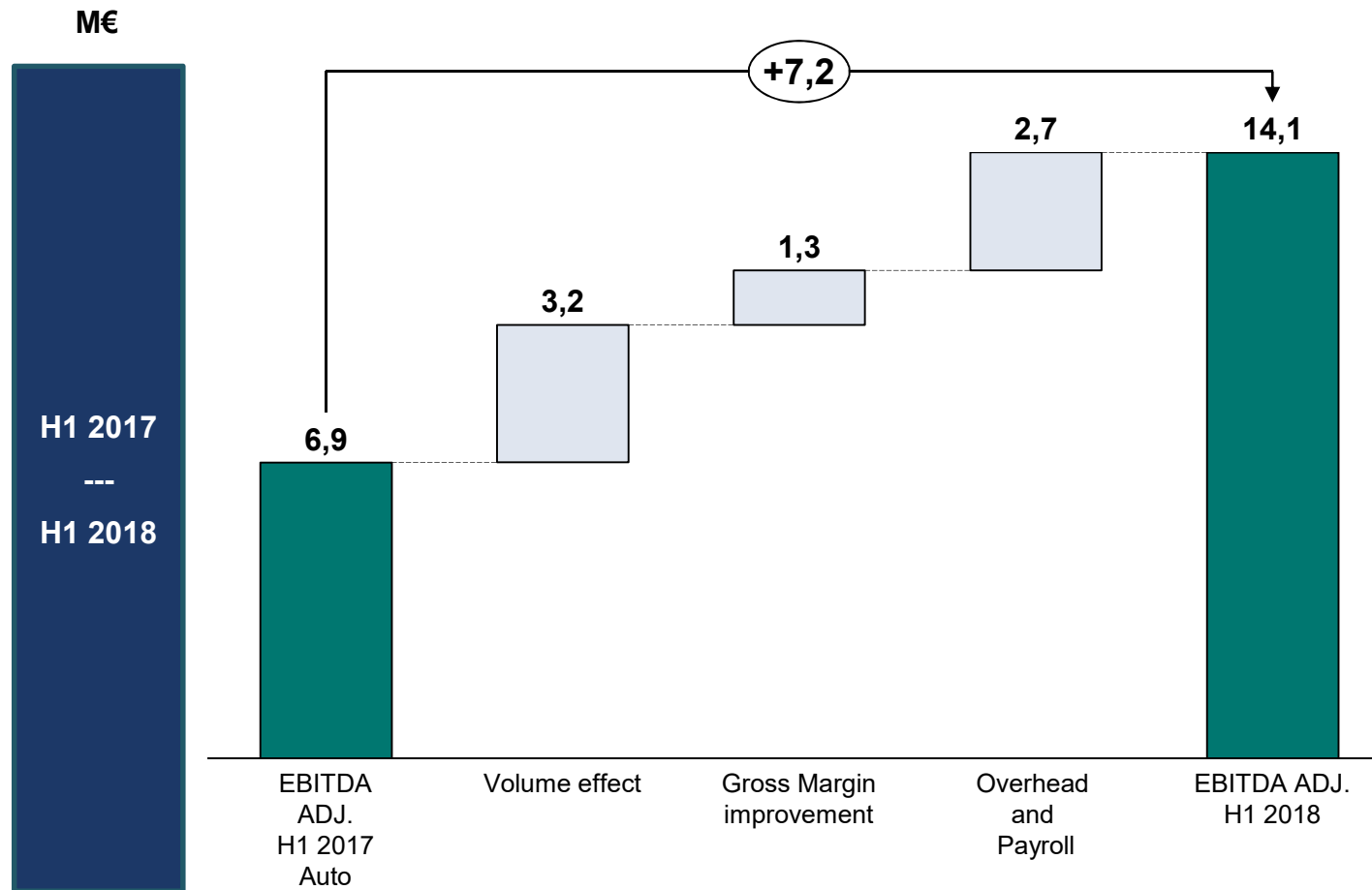
Q2 Automotive Adj.EBITDA (Meur)



Q2 Automotive EBIT (Meur)



2018 H1 Adjusted EBITDA improved by 7,2M€ thanks to volumes and to the effect of the industrial turnaround, both for direct and indirect costs

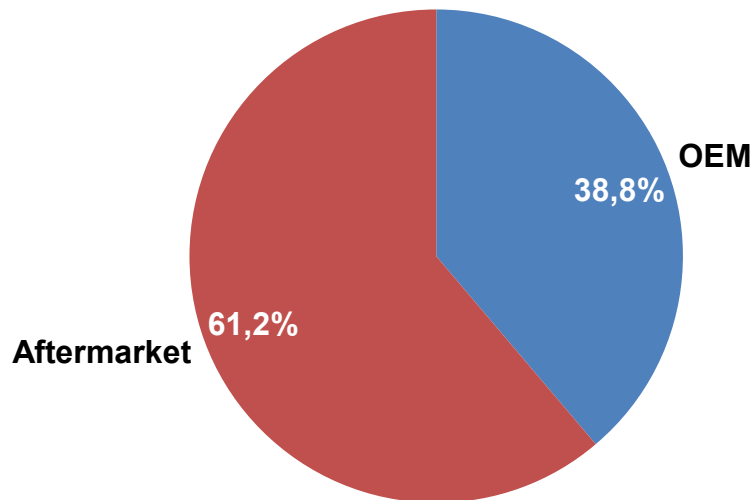


Highlights

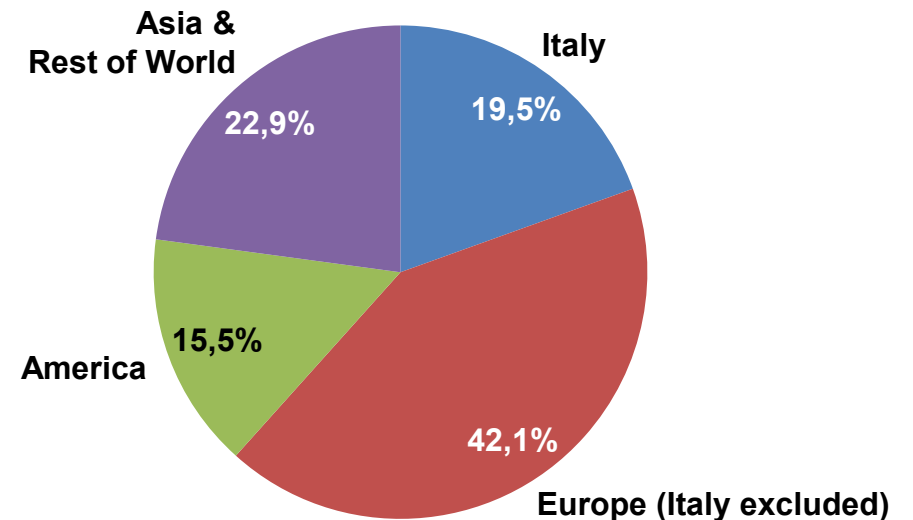
- **Adj.Ebitda** improved by 7,2M€ compared to last year due to:
 - Higher revenues
 - Improved efficiency on direct purchasing and production with an impact of 1,3M€ on Adj. Ebitda
 - Fixed costs reduction by 2,7M€ both in OpEx and Payroll. Total headcounts, in automotive sector, reduced by more than 150 compared to December 2016, with revenues up by more than 30%
 - It is important to outline that in H1 the Group has only partially benefited from the industrial turnaround implemented in 2017 and Q1 2018. Full run-rate benefit is confirmed at 13M€/year

AM/OEM revenue mix in line with 2017 data. Increased share of revenue from America and Asia/RoW (+8,2p.p.) shows an “internalization” of sales

Sales channel breakdown



Geographical breakdown



AUTOMOTIVE SECTOR

- Italy revenue improves by 14,2% compared to H1 2017 mostly due to OEM sales
- America revenue improves by 27,3% compared to H1 2017 thanks to after market sales in LatAm
- Asia & Rest of World revenue improves by 53,9% compared to H1 2017
- Europe revenue decreased by 7,6% compared to H1 mostly due to after market sales in Turkey despite a good performance in Poland

2018 Balance Sheet shows an optimized working capital and a reduction of funds and severance packages

M€, %

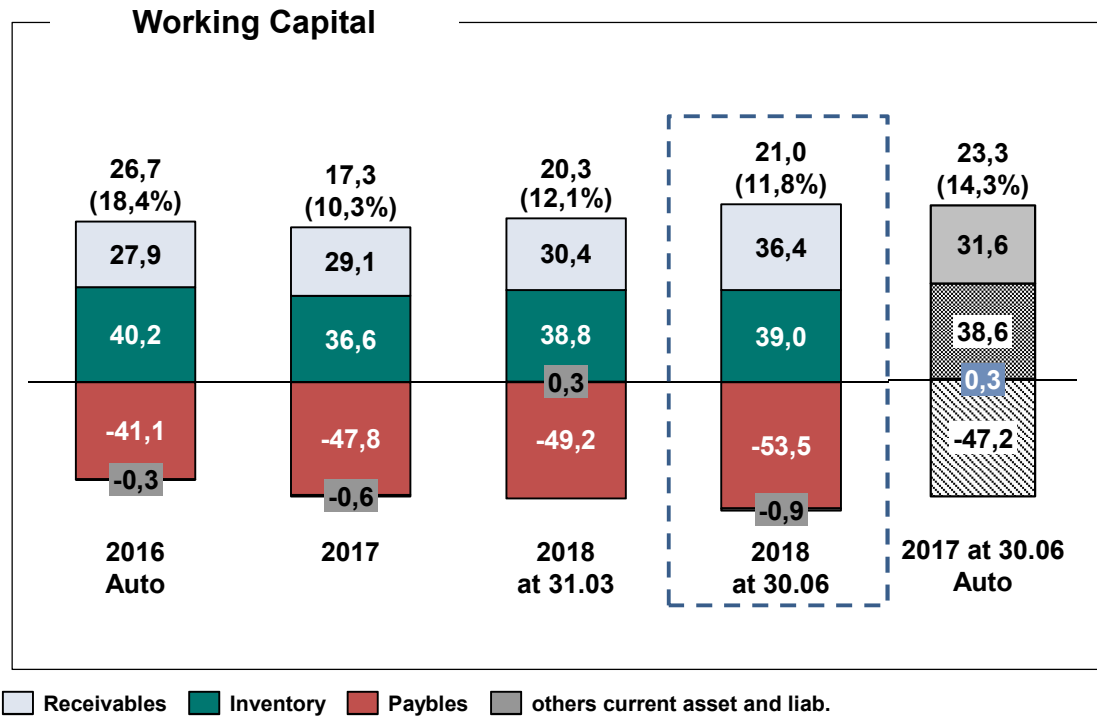
Balance Sheet	2018 at 30.06	2018 at 31.03	FY 2017	delta
Intangible Assets	49,7	50,4	51,3	-1,6
Tangible Assets	13,4	13,5	14,6	-1,2
Other non-current Assets	35,5	36,1	37,3	-1,8
Fixed Capital	98,5	99,9	103,2	-4,6
Receivables	36,4	30,4	29,1	7,3
Inventory	39,0	38,8	36,6	2,4
Payables	-53,5	-49,2	-47,8	-5,7
Other current assets/liabilities	-0,9	0,3	-0,6	-0,3
Working Capital	21,0	20,3	17,3	3,7
<i>% on Revenues</i>	<i>11,8%</i>	<i>12,1%</i>	<i>10,3%</i>	
TFR and other Funds	-10,9	-11,5	-14,8	3,9
Invested Capital	108,6	108,7	105,7	2,9
Shareholder's Equity	57,0	54,9	56,7	0,3
Net Financial Position	51,6	53,8	49,0	2,6
Total Sources	108,6	108,7	105,7	2,9

Highlights

- **Working Capital** improved at 11,8%, thanks to strong attention in managing the supply chain. Constant active management of inventory to maintain DIOH stable at 80 days
- **Net Financial Position** reduced in second quarter by 2,2M€ thanks to ordinary activities

2018 H1 compared to 2017 shows a strong optimization, even if impacted by the extraordinary activities completed in April on Group footprint optimization

M€, % on rolling revenues 12M

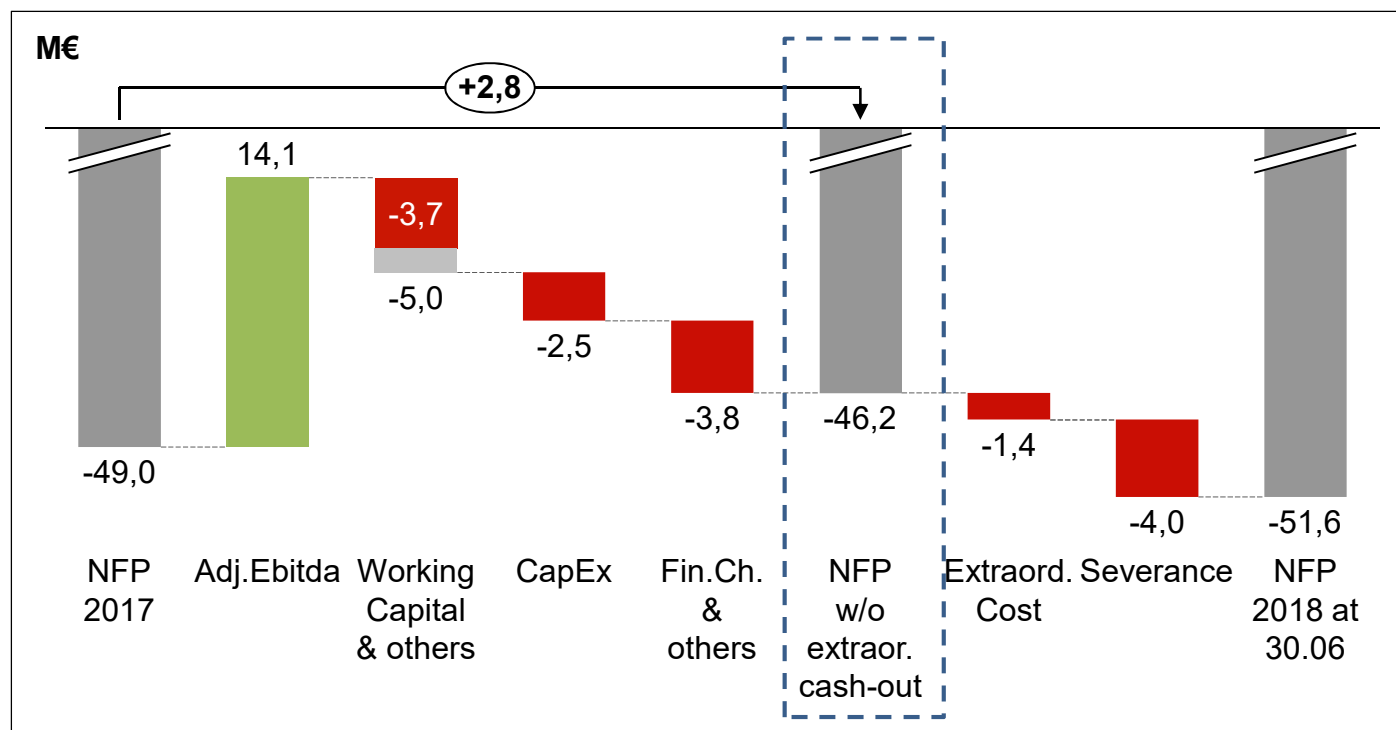


Highlights

- Working capital KPI is in line with 2017:
 - DSO: in line with 2017
 - DIOH: stock rotation stable at 80 days; compared to last year at H1 moved from 88 to 80 days
 - DPO: stable

	FY 2016	FY 2017	31.03.2018	30.06.2018	30.06.2017
DSO	70	64	66	75	72
DPO	136	138	138	134	131
DIOH	101	80	85	80	88

In H1 2018 LRG is generating cash from ordinary activity (+2,8M€)



Highlights

- In 2018 NFP is impacted by
 - Cash-in for **ordinary activities** by 2,8M€
 - +14,1M€ Adj.Ebitda
 - -5,0M€ Working capital and others receivables and debts
 - -2,5M€ CapEx (1,3M€ tangible and 1,2M€ intangible)
 - -3,8M€ interests and taxes
 - Cash-out for **extraordinary activities** by 5,4M€ due to extraordinary costs and severance due to reduction of headcount

FY 2017	NFP	2018 H1 ytd
17,8	Cash liquidity (+)	23,2
-8,2	Short-term debts (-)	-17,3 (**)
-27,5	Long-term debts (-)	-25,0
-31,1	Bond (-)	-32,5 (**)
-66,8	Tot. Gross Debt (-)	-74,8
-49,0	NFP (*)	-51,6

(*) Short and long terms debt and bond are inclusive of amortized cost effect

(**) accrued interests included

SAFE&CEC total H1 2018 consolidated revenues of 26,3M€ and Adj. EBITDA positive by 0,5M€, vs H1 2017 SAFE Ebitda negative by 1,1M€

SAFE & CEC Economics

M€	2018 Q1	2018 Q2	2018 H1
Revenues	9,9	16,4	26,3
EBITDA Adj.	-1,0	1,5	0,5
<i>% on Revenues</i>	<i>-10,4%</i>	<i>9,4%</i>	<i>1,9%</i>
EBITDA	-1,5	0,3	-1,2
<i>% on Revenues</i>	<i>-14,9%</i>	<i>1,8%</i>	<i>-4,5%</i>
EBIT	-1,8	-0,1	-1,9
<i>% on Revenues</i>	<i>-18,3%</i>	<i>-0,6%</i>	<i>-7,3%</i>
Net Income	-1,9	-0,7	-2,6
<i>% on Revenues</i>	<i>-19,0%</i>	<i>-4,3%</i>	<i>-9,9%</i>

- H1 sales in line with expectations
- Key markets:
 - US and Latam: ~ 65%
 - Europe: ~20%
 - MEA: ~15%
- Q2 Consolidated Adj. EBITDA is positive by 1,5M€, higher than expectations thanks to a better industrial margin and first effect of integration activities and cost optimization started by the company
- Extraordinary one-off costs due to integration activities

SAFE & CEC Financials

M€	2018 at 31.03	2018 at 30.06
Working Capital	6,8	6,8
Net Financial Position	-1,9	-1,6

- Working capital in line with 31th March and budget. % on revenues is close to 11%

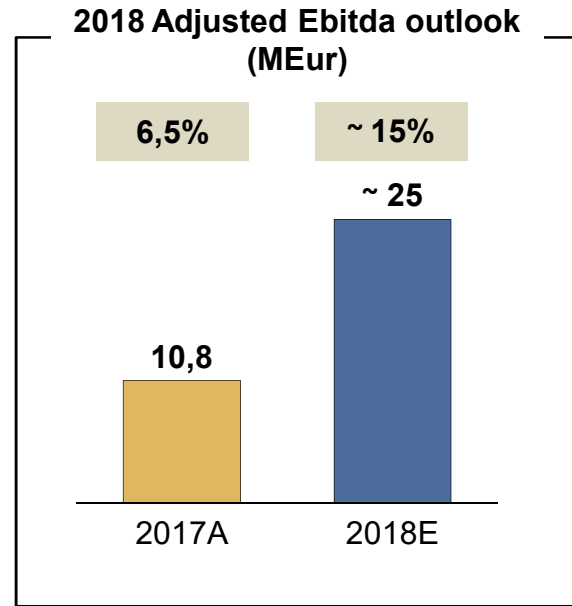
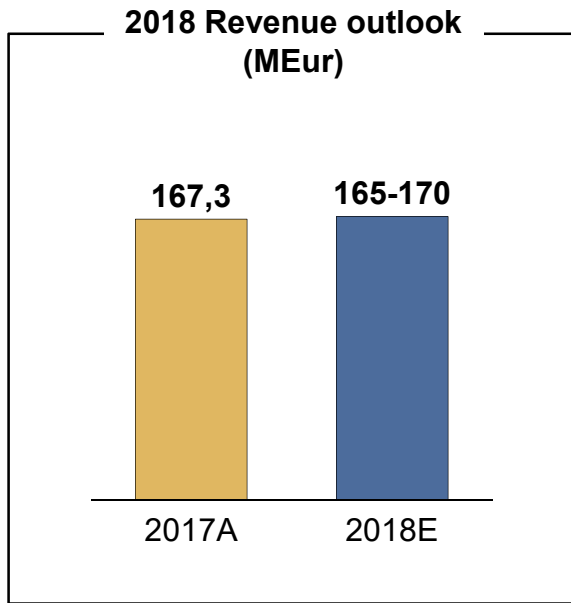
	30.06.2018
DSO	54
DPO	170
DIOH	159

- Net Financial Position slightly negative with 5M€ debt and 3,4M€ cash available

2018 Outlook remains confirmed

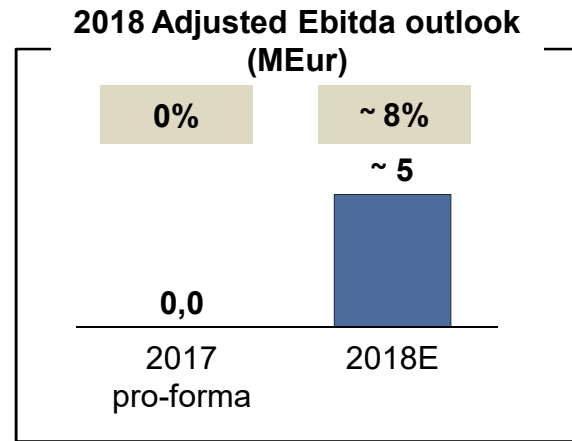
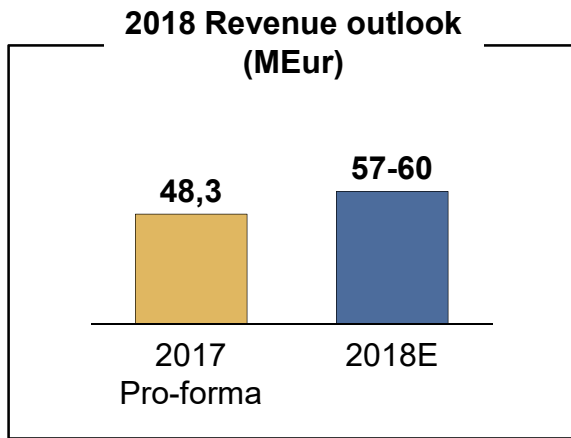
LRG

Automotive



- 2018 revenue outlook is expected to confirm Strategic Plan guidelines
- 2018 Adj. Ebitda outlook is expected to achieve ~25M€ (~ +130%) in line with 2018-2022 Strategic Plan

SAFE &
CEC
Group ⁽¹⁾



- 2018 revenue outlook is expected **to increase** compared to 2017 pro-forma results
- 2018 Adj. Ebitda is expected to be in line with M&A Strategic Plan guidelines



The Clean Air Company
Driving The Future

APPENDIX

Landi Renzo - Company profile (11/09/2018)

BOARD OF DIRECTORS

Stefano Landi – Chairman
 Giovannina Domenichini – Honorary Chairman
 Cristiano Musi - CEO
 Angelo Iori – Director
 Silvia Landi - Director
 Anton Karl – Independent Director
 Sara Fornasiero - Independent Director
 Ivano Accorsi – Independent Director

TOP MANAGERS

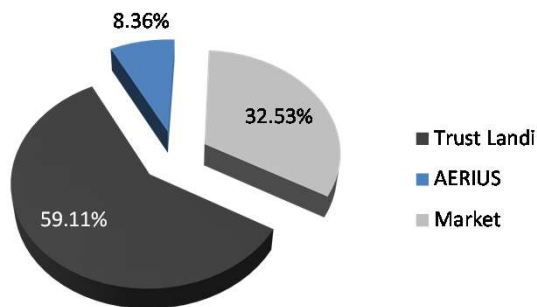


INVESTOR RELATIONS

Investor Relations Contacts:

Paolo Cilloni
 Tel: +39 0522 9433
 E-mail: ir@landi.it
www.landirenzogroup.com

SHAREHOLDING



SHARE INFORMATION

N. of shares outstanding: 112.500.000
 Price as of 11/09/18 € 1.310
 Capitalization: € 147.4 mln
 FTSE Italia STAR

STOCK VS MARKET



CONSOLIDATED P&L

(thousands of Euro)

INCOME STATEMENT	30/06/2018	30/06/2017 (*)
Revenues from sales and services	97,296	103,508
Other revenue and income	163	433
Costs of raw materials, consumables and goods and change in inventories	-46,580	-50,121
Costs for services and use of third party assets	-21,816	-27,257
Personnel cost	-14,981	-20,446
Provisions, provision for bad debts and other operating expenses	-1,399	-1,660
Gross Operating Profit	12,683	4,457
Amortization, depreciation and impairment	-5,223	-7,948
Loss on assets disposal	0	-2,060
Net Operating Profit	7,460	-5,551
Financial income	77	48
Financial expenses	-1,924	-2,297
Exchange gains (losses)	-1,035	-828
Gain (loss) on equity investments valued using the equity method	-1,152	54
Profit (Loss) before tax	3,426	-8,574
Current and deferred taxes	-1,734	-47
Net profit (loss) for the Group and minority interests, including:	-1,692	-8,621
Minority interests	-93	-147
Net profit (loss) for the Group	1,785	-8,474
Basic earnings (loss) per share (calculated on 112,500,000 shares)	0,0159	-0,0753
Diluted earnings (loss) per share	0,0159	-0,0753

(*) The comparative figure was re-presented in accordance with the classification adopted on 30 June 2018

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

ASSETS	30/06/2018	31/12/2017	30/06/2017
Non-current assets			
Land, property, plant, machinery and equipment	13,397	14,583	19,556
Development expenditure	4,621	5,401	7,516
Goodwill	30,094	30,094	30,094
Other intangible assets with finite useful lives	14,947	15,769	19,216
Equity investments valued using the equity method	23,149	24,301	97
Other non-current financial assets	380	428	443
Other non-current assets	4,560	4,560	0
Deferred tax assets	7,369	8,016	7,310
Total non-current assets	98,517	103,152	84,232
Current assets			
Trade receivables	36,409	29,118	36,657
Inventories	39,003	36,562	49,321
Contract works in progress	0	0	210
Other receivables and current assets	7,333	7,529	10,310
Cash and cash equivalents	23,188	17,779	15,916
Total current assets	105,933	90,988	112,414
Non-current assets available for sale	0	0	5,700
TOTAL ASSETS	204,450	194,140	202,346

CONSOLIDATED BALANCE SHEET

(thousands of Euro)			
EQUITY AND LIABILITIES	30/06/2018	31/12/2017	30/06/2017
Equity			
Share capital	11,250	11,250	11,250
Other reserves	44,681	41,983	42,675
Profit (loss) for the period	1,785	4,139	-8,474
Total Shareholders' Equity attributable to the Group	57,716	57,372	45,451
Minority interests	-727	-669	-435
TOTAL SHAREHOLDERS' EQUITY	56,989	56,703	45,016
Non-current liabilities			
Non-current bank loans	24,568	26,906	31,401
Other non-current financial liabilities	26,549	29,308	31,098
Provisions for risks and charges	8,630	11,891	9,294
Defined benefit plans for employees	1,847	2,446	2,829
Deferred tax liabilities	396	423	464
Total non-current liabilities	61,990	70,974	75,086
Current liabilities			
Bank financing and short-term loans	16,932	7,741	13,495
Other current financial liabilities	6,764	2,792	1,603
Trade payables	53,517	47,829	55,220
Tax liabilities	2,678	3,003	2,313
Other current liabilities	5,580	5,098	9,588
Total current liabilities	85,471	66,463	82,219
Current liabilities available for sale	0	0	25
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	204,450	194,140	202,346

Disclaimer

This document has been prepared by Landi Renzo S.p.A for use during meetings with investors and financial analysts and is solely for information purposes. The information set out herein has not been verified by an independent audit company. Neither the Company nor any of its subsidiaries, affiliates, branches, representative offices (the “Group”), as well as any of their directors, officers, employees, advisers or agents (the “Group Representatives”) accepts any responsibility for/ or makes any representation or warranty, express or implied, as to the accuracy, timeliness or completeness of the information set out herein or any other related information regarding the Group, whether written, oral or in visual or electronic form, transmitted or made available. This document may contain forward-looking statements about the Company and/or the Group based on current expectations and opinions developed by the Company, as well as based on current plans, estimates, projections and projects of the Group. These forward-looking statements are subject to significant risks and uncertainties (many of which are outside the control of the Company and/or the Group) which could cause a material difference between forward-looking information and actual future results.

The information set out in this document is provided as of the date indicated herein. Except as required by applicable laws and regulations, the Company assumes no obligation to provide updates of any of the aforesaid forward looking statements. Under no circumstances shall the Group and/or any of the Group Representatives be held liable (for negligence or otherwise) for any loss or damage howsoever arising from any use of this document or its contents or otherwise in connection with the document or the aforesaid forward-looking statements. This document does not constitute an offer to sell or a solicitation to buy or subscribe to Company shares and neither this entire document or a portion of it may constitute a recommendation to effect any transaction or to conclude any legal act of any kind whatsoever. This document may not be reproduced or distributed, in whole or in part, by any person other than the Company. By viewing and/or accepting a copy of this document, you agree to be bound by the foregoing limitations