

An aerial photograph of a modern residential complex. The image shows several multi-story apartment buildings with balconies, surrounded by lush greenery, palm trees, and a tennis court. A multi-lane road with traffic is visible on the left side of the frame. The overall scene is bright and sunny, suggesting a tropical or subtropical location.

The Clean Air Company
Driving The Future

**Q1 2017
FINANCIAL RESULTS**





Financial update

Stefano Landi
Chairman



Cristiano Musi
CEO



Q1 2017 Profit & Loss Highlights

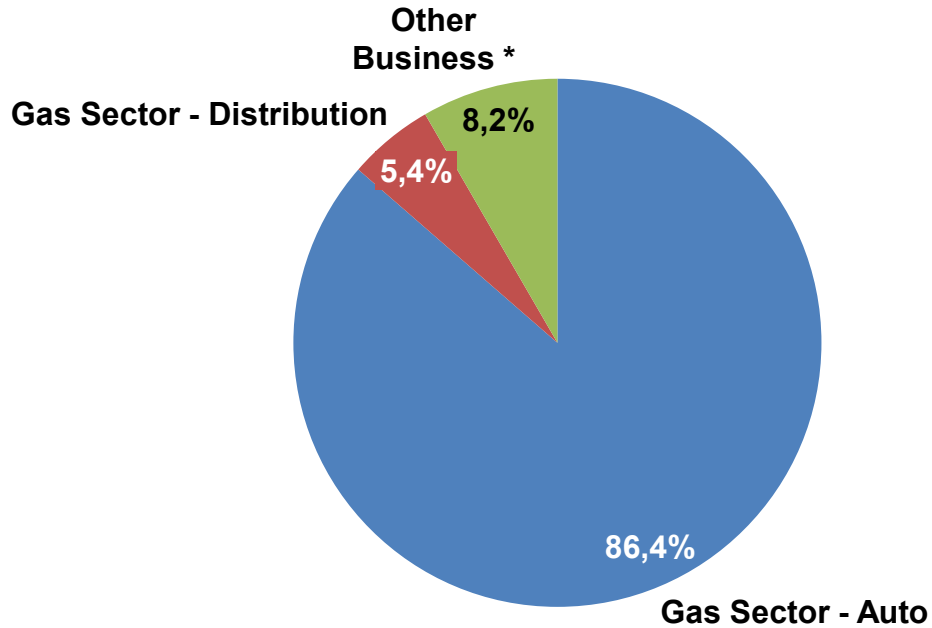
M€	Q1 2017	Q1 2016	Delta M€	Delta %
Revenues	46,8	41,4	5,4	12,9%
EBITDA Adj.	2,2	0,4	1,8	N/A
<i>% on Revenues</i>	<i>4,7%</i>	<i>0,9%</i>		
EBITDA	1,7	0,4	1,4	N/A
<i>% on Revenues</i>	<i>3,7%</i>	<i>0,9%</i>		
EBIT	-2,3	-3,8	1,5	39,8%
<i>% on Revenues</i>	<i>-4,8%</i>	<i>-9,1%</i>		
Financials	-1,0	-1,5	0,5	-34,8%
EBT	-3,2	-5,2	2,0	38,4%
Taxes	0,3	0,9	-0,6	-72,2%
Net Income	-3,0	-4,3	1,3	31,4%

Highlights

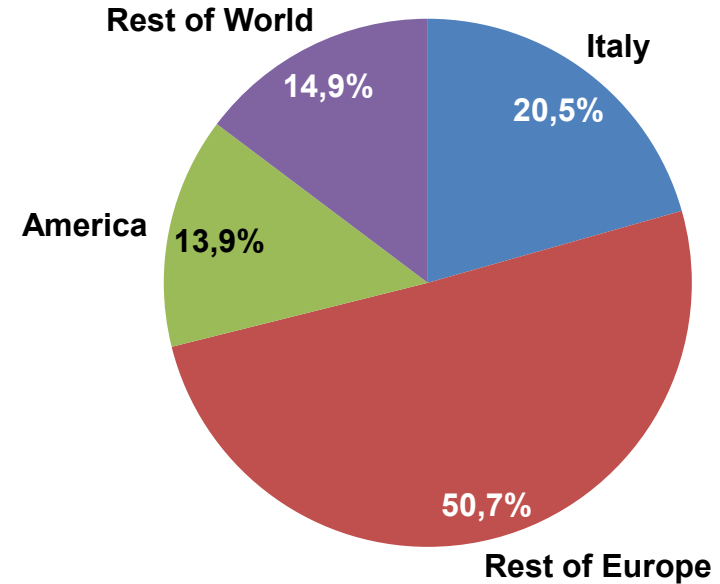
- **Revenues** have increased primarily driven by the Automotive business (both OEM and After-market segments)
- **The EBITDA adj.** has benefited from the Revenues increase (delta with EBITDA due to ongoing restructuring cost)
- EBITDA result does not benefit yet from the planned and ongoing activities on **significant costs optimization**
- **Financial charges** have decreased primarily due to lower bank debts

Revenues breakdown

Business breakdown



Geographical breakdown



GAS SECTOR - AUTO

- *OEM segment* (Automotive): revenues increase in rest of Europe driven by Euro VI engines
- *After Market segment* (Automotive): business growth driven by Italy and Rest of the World

GAS SECTOR - DISTRIBUTION

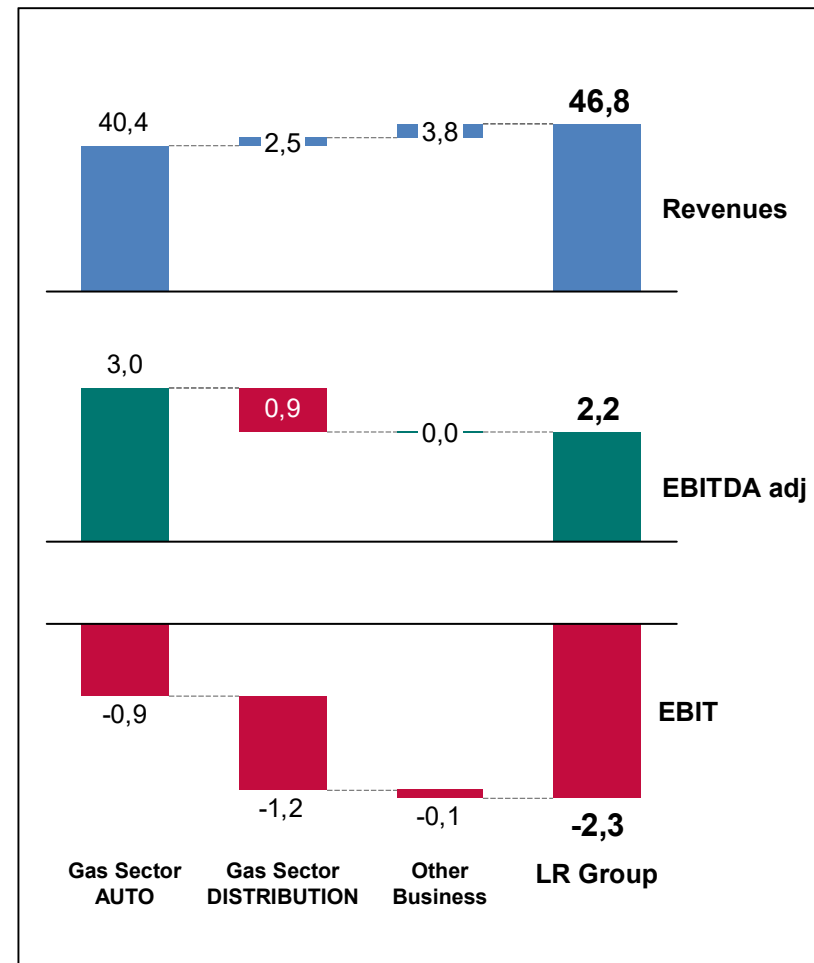
- Slight underperformance in Europe primarily due to a reduction and postponement of new orders

Profit & Loss breakdown

M€, %

Profit & Loss	Gas Sector Auto	Gas Sector Distribution	Other Business	LR GROUP Q1 2017
Revenues	40,4	2,5	3,8	46,8
EBITDA Adj.	3,0	-0,9	0,0	2,2
<i>% on Revenues</i>	<i>7,4%</i>	<i>-36,0%</i>	<i>N/A</i>	<i>4,7%</i>
EBITDA	2,6	-0,9	0,0	1,7
<i>% on Revenues</i>	<i>6,4%</i>	<i>-36,0%</i>	<i>N/A</i>	<i>3,7%</i>
EBIT	-0,9	-1,2	-0,1	-2,3
<i>% on Revenues</i>	<i>-2,2%</i>	<i>-48,0%</i>	<i>-2,6%</i>	<i>-4,8%</i>

- Gas Sector - Auto EBIT net of LABS sales to AVL improves almost to breakeven (EBIT excluding Labs to -0,2 M€)
- Gas Sector - Distribution negatively impacted by turnover reduction
- Other business do not impact significantly



Profit & Loss breakdown Actual Q1 2017 vs Q1 2016

M€, %

2017 Q1

Profit & Loss	Gas Sector Auto	Gas Sector Distribution	Other Business	LR GROUP Q1 2017
Revenues	40,4	2,5	3,8	46,8
EBITDA Adj.	3,0	-0,9	0,0	2,2
<i>% on Revenues</i>	7,4%	-36,0%	N/A	4,7%
EBITDA	2,6	-0,9	0,0	1,7
<i>% on Revenues</i>	6,4%	-36,0%	N/A	3,7%

2016 Q1

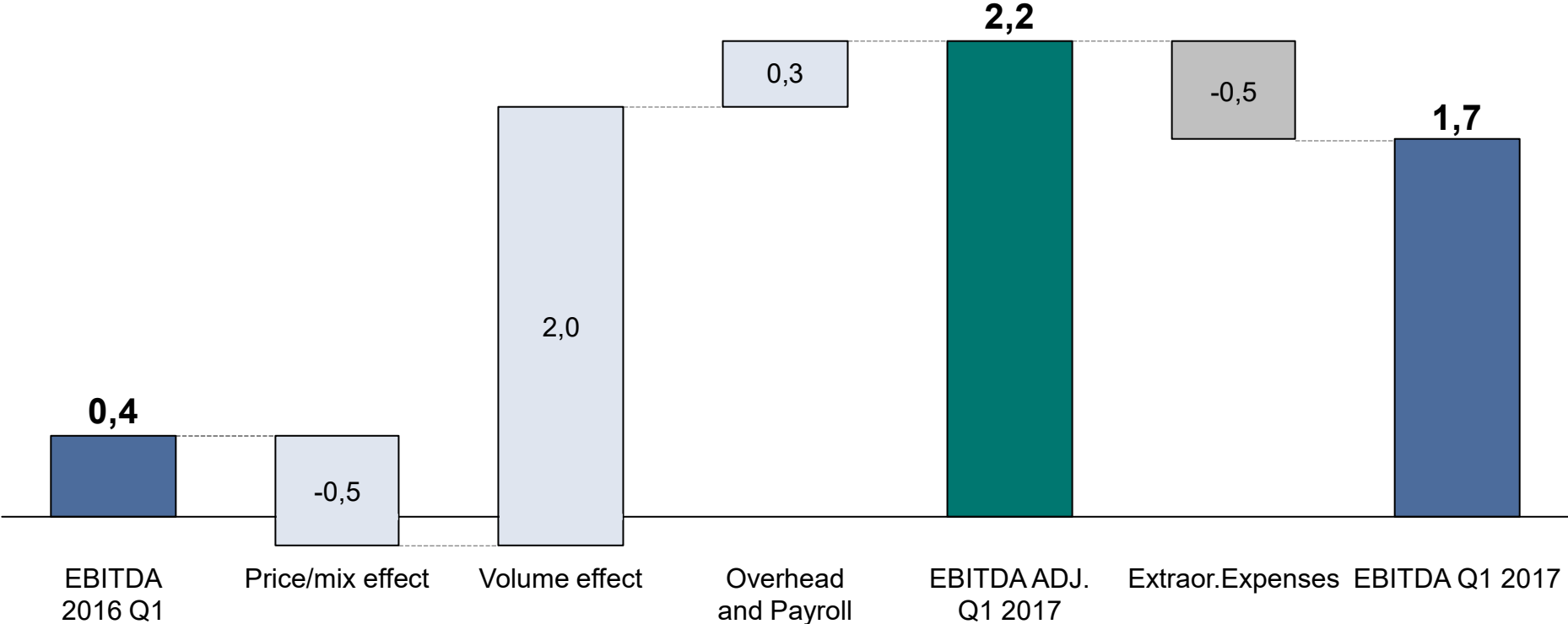
Profit & Loss	Gas Sector Auto	Gas Sector Distribution	Other Business	LR GROUP Q1 2016
Revenues	33,9	3,7	3,8	41,4
EBITDA Adj.	0,9	-0,7	0,2	0,4
<i>% on Revenues</i>	2,7%	-18,9%	5,3%	0,9%
EBITDA	0,9	-0,7	0,2	0,4
<i>% on Revenues</i>	2,7%	-18,9%	5,3%	0,9%

Highlights

- **Gas Sector - Auto** drives the improvement of the performance and benefits from the different actions already implemented by the new Management team. Strong market driven approach positively impacts on turnover, with additional real benefits from cost optimizations expected by the Q4 2017
- **Gas Sector - Distribution** has been addressed by the Management team since Q2. Already appointed in SAFE a new Managing Director (Luciano Dell'Omo) with more than 25 years experience with top players in Gas Distribution (both compressors and Oil&Gas)

EBITDA Bridge

M€



Balance Sheet Overview

M€, %

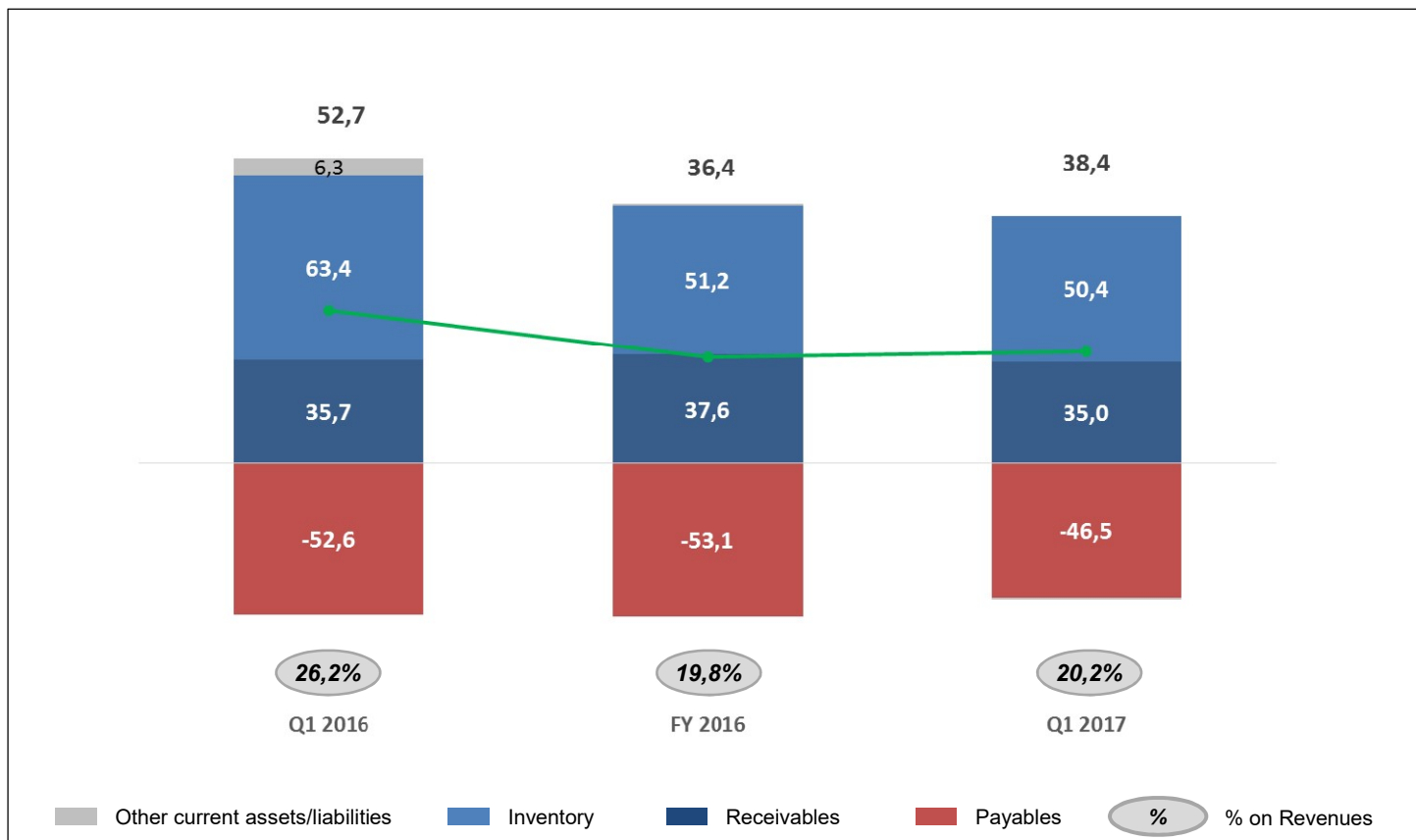
Balance Sheet	Q1 2017	FY 2016	Q1 2016
Intangible Assets	58,1	58,9	60,6
Tangible Assets	29,3	30,5	34,0
Other non-current Assets	7,8	7,6	8,7
Fixed Capital	95,2	97,0	103,3
Receivables	35,0	37,6	35,7
Inventory	50,4	51,2	63,4
Payables	-46,5	-53,1	-52,6
Other current assets/liabilities	-0,4	0,8	6,3
Working Capital	38,4	36,4	52,7
<i>% on Revenues</i>	<i>20,2%</i>	<i>19,8%</i>	<i>26,2%</i>
Defined Benefits plans and other provisions	-12,6	-12,6	-10,8
Invested Capital	121,0	120,8	145,2
Shareholder's Equity	51,1	45,1	66,8
Net Financial Position	69,9	75,7	78,4
Total Sources	121,0	120,8	145,2

Highlights

- More disciplined approach in the management of Working Capital with significant improvement of KPIs compared to 2016
- Deal with AVL will positively improve on Invested Capital
- Strong control to optimize all the Capital Expenditures
- Shareholder's Equity has been impacted by an advance payment for a future capital increase (totalling 8,9 M€)

Net Working Capital evolution

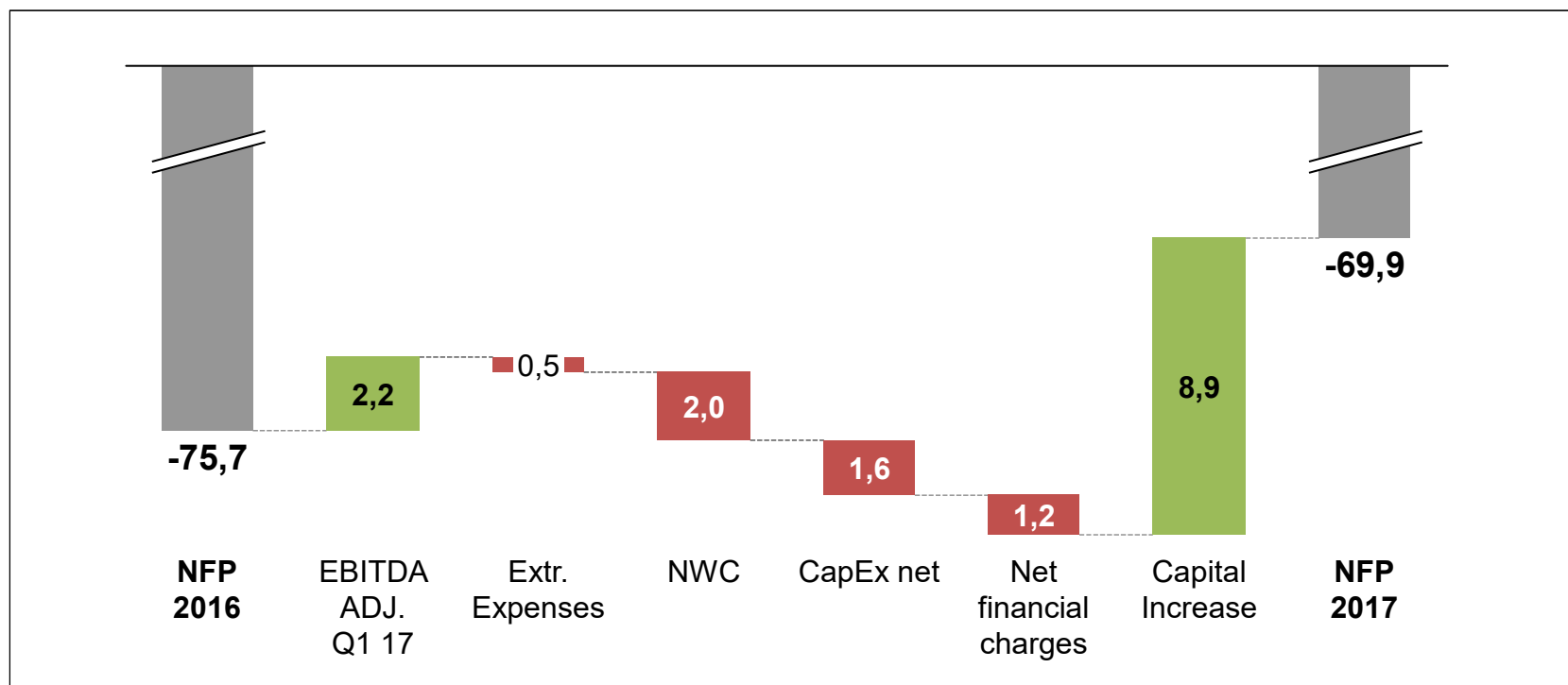
M€, %



	Q1 2016	FY 2016	Q1 2017
Days Sales Outstanding	65	74	67
Days Payable Outstanding	122	136	112
Days Inventory on Hand	115	101	97

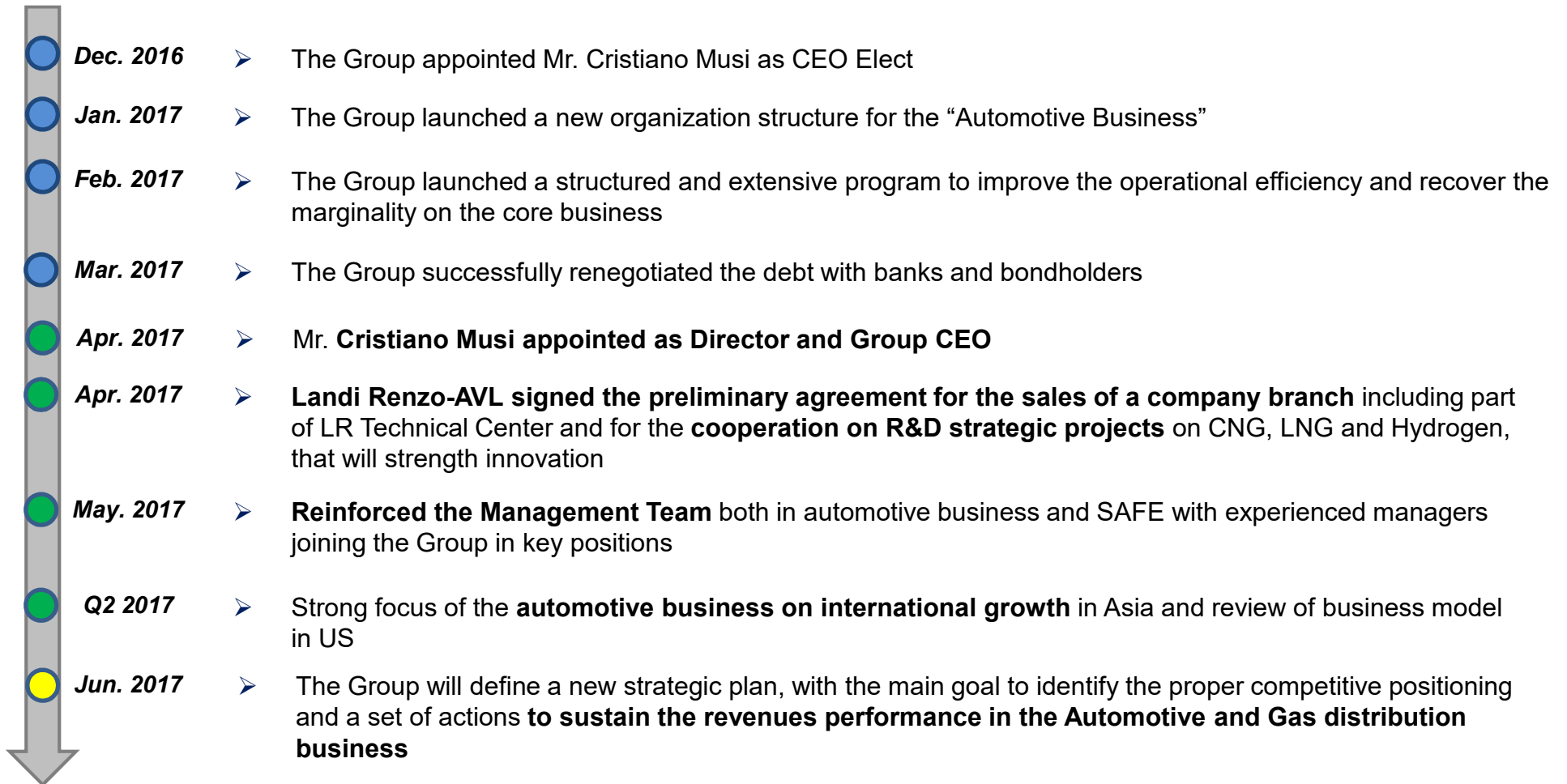
Net financial position evolution

M€



FY 2016	NFP	Q1 2017
16,5	Cash liquidity (+)	21,0
-41,1	Short-term debts (-)	-25,6
-19,7	Long-term debts (-)	-33,9
-31,4	Bond (-)	-31,4
-92,2	Tot. Gross Debt (-)	-90,9
-75,7	NFP (*)	-69,9

Landi Renzo Group is strongly committed to continuing the relaunch phase undertaken



Given the set of launched actions, the Group confirms the targets



The Clean Air Company
Driving The Future

APPENDIX

Landi Renzo - Company profile (11/05/2017)

BOARD OF DIRECTORS

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

TOP MANAGERS

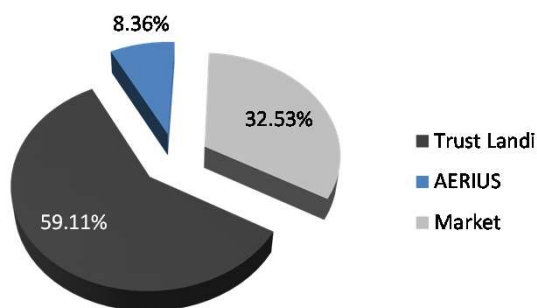


INVESTOR RELATIONS

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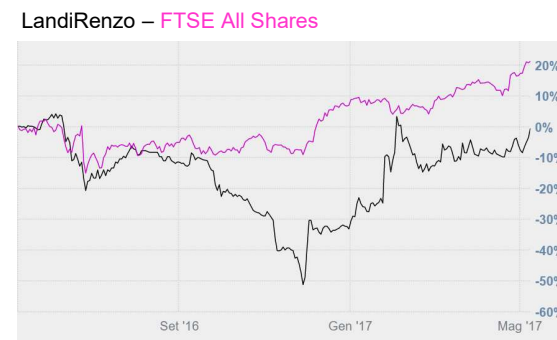
SHAREHOLDING



SHARE INFORMATION

N. of shares outstanding: 112.500.000
 Price as of 10/05/17 € 0.5
 Capitalization: € 56.25 mln
 FTSE Italia STAR

STOCK VS MARKET



CONSOLIDATED P&L

(thousands of Euro)

INCOME STATEMENT	31/03/2017	31/03/2016
Revenues (goods and services)	46,570	41,416
Revenues (goods and services) - related parties	204	4
Other revenue and income	250	195
Cost of raw materials, consumables and goods and change in inventories	-22,550	-19,105
Costs for services and use of third party assets	-11,479	-11,312
Costs for services and use of third party assets - related parties	-804	-775
Personnel expenses	-9,736	-9,466
Accruals, impairment losses and other operating expenses	-708	-594
Gross Operating Profit	1,747	363
Amortization, depreciation and impairment losses	-4,007	-4,118
Net Operating Profit	-2,260	-3,775
Financial income	18	39
Financial expenses	-1,059	-1,301
Gains (losses) on exchange rate	12	-159
Gains (losses) on equity investments consolidated using the equity method	78	-38
Profit (Loss) before tax	-3,211	-5,214
Current and deferred taxes	250	898
Profit (loss) of the period for the Group and minority interests, including:	-2,961	-4,316
Minority interests	24	-126
Profit (Loss) of the period for the Group	-2,985	-4,190

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

ASSETS	31/03/2017	31/12/2016	31/03/2016
Non-current assets			
Property, plant and equipment	29,262	30,500	33,998
Development expenditure	8,210	8,420	8,464
Goodwill	30,094	30,094	30,094
Other intangible assets with finite useful lives	19,763	20,359	22,017
Equity investments consolidated using the equity method	121	43	71
Other non-current financial assets	447	664	453
Deferred tax assets	7,268	6,887	8,174
Total non-current assets	95,165	96,967	103,271
Current assets			
Trade receivables	33,213	35,553	33,279
Trade receivables - related parties	1,738	1,998	2,371
Inventories	49,719	49,872	60,955
Contract works in progress	714	1,281	2,457
Other receivables and current assets	11,092	10,082	15,582
Cash and cash equivalents	20,997	16,484	20,263
Total current assets	117,473	115,270	134,907
TOTAL ASSETS	212,638	212,237	238,178

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

EQUITY AND LIABILITIES	31/03/2017	31/12/2016	31/03/2016
Group shareholders' equity			
Share capital	11,250	11,250	11,250
Other reserves	43,145	59,400	59,349
Profit (loss) of the period	-2,985	-25,245	-4,190
Total equity attributable to the shareholders of the parent	51,410	45,405	66,409
Minority interests	-287	-323	359
TOTAL EQUITY	51,123	45,082	66,768
Non-current liabilities			
Non-current bank loans	32,836	18,687	26,899
Other non-current financial liabilities	32,426	22,812	29,850
Provisions for risks and charges	9,126	8,973	7,498
Defined benefit plans	2,940	3,124	3,277
Deferred tax liabilities	504	514	0
Total non-current liabilities	77,832	54,110	67,524
Current liabilities			
Bank overdrafts and short-term loans	25,187	40,662	36,725
Other current financial liabilities	425	10,039	5,223
Trade payables	41,809	48,919	50,248
Trade payables - related parties	4,739	4,171	2,364
Tax liabilities	2,494	2,604	1,683
Other current liabilities	9,029	6,650	7,643
Total current liabilities	83,683	113,045	103,886
TOTAL EQUITY AND LIABILITIES	212,638	212,237	238,178