



**LANDIRENZO®**

*First Half 2014 Financial Results*

# Snapshots



Revenues began to increase during second quarter



Marginality and cash flow improvement



Refuelling stations segment performing particularly well



Some key markets show some signs of recovery: Iran and Pakistan

A photograph of a modern building facade featuring large glass windows and horizontal metal slats. A blue vertical bar with a grid pattern is overlaid on the left side of the image.


# Financial Results


# 1H14 Profit&Loss Highlights

(Eur million)

	Jun 14	%	Jun 13	%	Changes	%
<b>Revenues (goods and services)</b>	<b>112.4</b>		<b>112.0</b>		<b>0.4</b>	<b>0.3%</b>
<b>Ebitda</b>	<b>7.6</b>	<b>6.8%</b>	<b>5.1</b>	<b>4.5%</b>	<b>2.6</b>	<b>50.7%</b>
Amortization, depreciation and impairment losses	-7.5	-6.7%	-24.2	-21.6%	16.7	-69.1%
<i>of which non-recurring expenses</i>	<i>0.0</i>		<i>-15.2</i>		<i>15.2</i>	
<b>Ebit</b>	<b>0.2</b>	<b>0.1%</b>	<b>-19.1</b>	<b>-17.1%</b>	<b>19.3</b>	<b>-100.9%</b>
<b>Net Profit (Loss) of the Group</b>	<b>-1.9</b>	<b>-1.7%</b>	<b>-20.9</b>	<b>-18.6%</b>	<b>19.0</b>	<b>-91.0%</b>

 Revenues are almost flat on a 6 months base

 EBITDA improves a lot thanks to cost reduction and organizational efficiency actions taken during last quarters


 EBIT improves even for a reduction in depreciation of Baytech (USA)


# Last four quarters trend

(Eur Millions)

<b>Consolidated Profit&amp;Loss</b>	<b>IIQ14</b>	<b>%</b>	<b>IQ14</b>	<b>%</b>	<b>IVQ13</b>	<b>%</b>	<b>IIIQ13</b>	<b>%</b>
Revenues (goods and services)	64.2		48.1		58.2		52.6	
EBITDA	6.1	9.5%	1.5	3.2%	3.0	5.1%	3.0	5.7%
EBIT	2.4	3.7%	-2.2	-4.6%	-1.6	-2.8%	-1.4	-2.8%
Net Profit (Loss) of the Group	0.6	1.0%	-2.4	-5.1%	-2.3	-3.9%	-2.8	-5.3%

 **Revenues** – during IIQ14 they are above 60€ mln for the first time after several quarters

 **EBITDA** – in IIQ14 margin is close to 10%

 **NET PROFIT** – the business is more than at breakeven at this level. This fact shows that efficiency actions undertaken were effective in decreasing the operational leverage

# Revenues breakdown

(Million of Eur)

Distribution of revenues per area of activity	Jun-14	%	Jun-13	%	Delta	%
Gas sector - systems for cars	91.5	81.5%	99.0	88.4%	-7.5	-7.6%
Gas sector - distribution systems	10.6	9.5%	7.3	6.5%	3.4	46.5%
<b>Total revenues - GAS sector</b>	<b>102.2</b>	<b>91.0%</b>	<b>106.3</b>	<b>94.9%</b>	<b>-4.1</b>	<b>-3.9%</b>
Other (Alarm systems, Audio, Aquatronics (1), Robotics, Oil and Gas and other)	10.2	9.0%	5.7	5.1%	4.5	78.1%
<b>Total revenues</b>	<b>112.4</b>	<b>100.0%</b>	<b>112.0</b>	<b>100.0%</b>	<b>0.4</b>	<b>0.3%</b>

(Millions of Euro)

Geographical distribution of revenues	Jun-14	%	Jun-13	%	Delta	%
Italy	22.2	19.7%	29.6	26.4%	-7.4	-25.0%
Europa (ex Italy)	48.7	43.4%	43.8	39.1%	4.9	11.2%
America	18.4	16.3%	16.8	15.0%	1.6	9.6%
Asia and rest of the world	23.1	20.6%	21.9	19.5%	1.3	5.7%
<b>Total</b>	<b>112.4</b>	<b>100.0%</b>	<b>112.0</b>	<b>100.0%</b>	<b>0.4</b>	<b>0.3%</b>

A new criterion for classification of revenues by segment was followed starting from the first half: 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 fuelling stations, made by the company Safe SpA in the sector "distribution system".

The segment "Other - (Alarms, Sound, Aquatronics, 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 has decreased mainly due to the change in the way of delivery and the destination of the sale, moved on some European sites, of a primary OEM customer. The After Market channel remains in a challenging situation. In this context, the Group increases its market share.

**Europe** – the increase is due to the positive trend in Eastern countries as well as to the changes referred to in the previous paragraph.

**America** – the increase is mainly due to the good performance of the USA market.

**Asia and rest of the world** – the increase is primarily due to sales of gas stations. There are encouraging signs in both Iran and Pakistan.

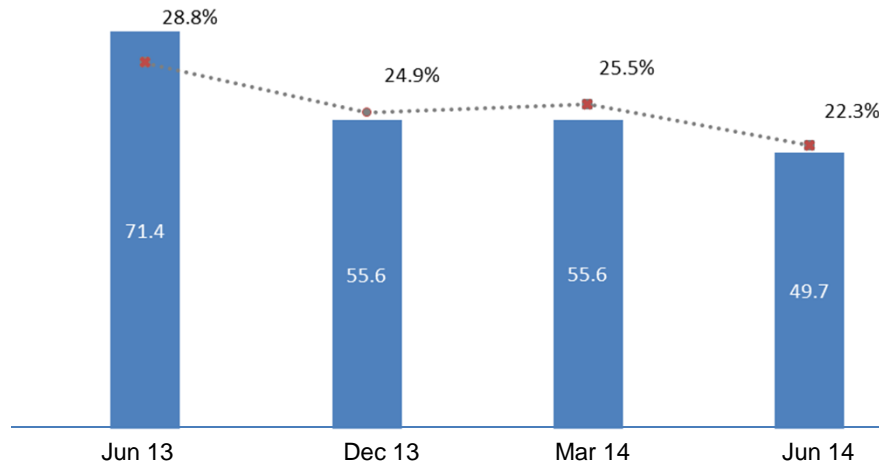
## SECTOR BREAKDOWN

**Systems for cars** – the decrease is attributable to the decline in LPG segment in Italy and Western Europe.

**Distribution systems** – results are attributable to the good performance in Eastern Europe and Asia

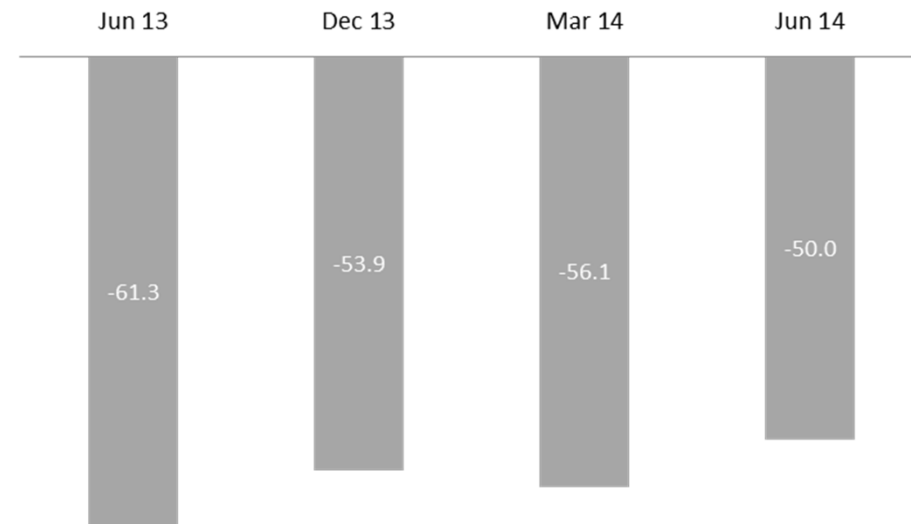
**Other** – the increase in this segment is due to the Oil&Gas sector and that one of loudspeakers

# Working capital and Net Debt



(Euro mln)

	jun 13	dec 13	mar 14	jun 14
Receivable	62.5	38.5	34.8	41.9
Inventories	71.9	64.6	71.1	72.8
Payables	-65.6	-52.1	-55.4	-68.3
Other current assets/liabilities	2.7	4.6	5.1	3.3
<b>Net working capital</b>	<b>71.4</b>	<b>55.6</b>	<b>55.6</b>	<b>49.7</b>



**Working Capital** – improvement occurs both in terms of percentage of sales, over the last twelve months, and in absolute value with a decrease of more than 20€ mln. The improvement is due mainly to the lower level of receivables.

Inventories are in line with the level of expected activity.

**Net financial position** – improvement in net financial position, compared to that one of March 2014 and June 2013, is the result of the improved working capital and the operating cash flow.

A photograph of a modern office hallway with glass-walled rooms and a blue overlay on the right side. The hallway features a light-colored tiled floor, a white reception desk in the distance, and recessed ceiling lights. The blue overlay is semi-transparent and contains the word "Annexes" in white text.

# Annexes



# Landi Renzo company profile

## Board of Directors

Stefano Landi –President & CEO  
 Giovannina Domenichini – Honorary President  
 Claudio Carnevale - Executive Director  
 Herbert Paierl - Director  
 Antonia Fiaccadori – Director  
 Alessandro Ovi - Indip. Director  
 Tomaso Tommasi di Vignano – Indip. Director

## Top Managers

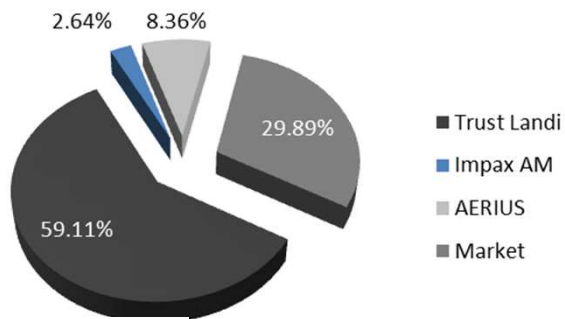


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## Shareholding



## Share Information

N. of shares outstanding: 112.500.000

Price as of 27/08/14 1.15€

Capitalization: € 129.4 mln

FTSE Italia STAR

## Stock vs Market



# Consolidated Balance Sheet

(thousands of Euros)			
ASSETS	30/06/2014	31/12/2013	30/06/2013
<b>Non-current assets</b>			
Property, plant and equipment	34,674	36,164	35,139
Development expenditure	6,329	6,571	7,019
Goodwill	40,190	40,190	40,382
Other intangible assets with finite useful lives	25,518	26,546	27,365
Investments measured using the equity method	364	0	0
Other non-current financial assets	535	1,059	1,101
Deferred tax assets	17,903	16,407	15,275
<b>Total non-current assets</b>	<b>125,513</b>	<b>126,937</b>	<b>126,281</b>
<b>Current assets</b>			
Trade receivables	41,301	38,273	62,245
Trade receivables - related parties	593	189	225
Inventories	68,024	61,579	71,083
Contract works in progress	4,812	3,043	796
Other receivables and current assets	17,093	17,118	16,789
Cash and cash equivalents	28,127	32,953	37,124
<b>Total current assets</b>	<b>159,950</b>	<b>153,155</b>	<b>188,262</b>
<b>TOTAL ASSETS</b>	<b>285,463</b>	<b>280,092</b>	<b>314,543</b>

# Consolidated Balance Sheet

(thousands of Euros)

<b>EQUITY AND LIABILITIES</b>	<b>30/06/2014</b>	<b>31/12/2013</b>	<b>30/06/2013</b>
<b>Equity</b>			
Share capital	11,250	11,250	11,250
Other reserves	97,748	123,714	126,789
Profit (loss) of the period	-1,870	-25,558	-20,884
<b>Total equity attributable to the shareholders of the pa</b>	<b>107,128</b>	<b>109,406</b>	<b>117,155</b>
Minority interests	522	407	559
<b>TOTAL EQUITY</b>	<b>107,650</b>	<b>109,813</b>	<b>117,714</b>
<b>Non-current liabilities</b>			
Non-current bank loans	30,138	12,096	46,956
Other non-current financial liabilities	661	661	25
Provisions for risks and charges	5,190	6,218	5,987
Defined benefit plans	3,613	3,739	3,367
Deferred tax liabilities	8,816	8,797	9,327
<b>Total non-current liabilities</b>	<b>48,418</b>	<b>31,511</b>	<b>65,662</b>
<b>Current liabilities</b>			
Bank overdrafts and short-term loans	47,286	74,099	51,443
Other current financial liabilities	25	25	24
Trade payables	67,192	51,681	65,187
Trade payables - related parties	1,101	434	444
Tax liabilities	4,120	3,876	3,931
Other current liabilities	9,671	8,653	10,138
<b>Total current liabilities</b>	<b>129,395</b>	<b>138,768</b>	<b>131,167</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>285,463</b>	<b>280,092</b>	<b>314,543</b>

# Consolidated Profit&Loss

(thousands of Euros)

CONSOLIDATED INCOME STATEMENT	30/06/2014	30/06/2013
<b>Revenues (goods and services)</b>	111,618	111,643
Revenues (goods and services)- related parties	752	358
Other revenue and income	876	1,063
Cost of raw materials, consumables and goods and change in inventories	-50,635	-52,319
Costs for services and use of third party assets	-30,025	-31,120
Costs for services and use of third party assets – related parties	-1,248	-801
Personnel expenses	-21,921	-22,292
Accruals, doubtful debts and other operating expenses	-1,770	-1,456
<b>Gross Operating Profit</b>	<b>7,647</b>	<b>5,076</b>
Amortization, depreciation and impairment losses	-7,481	-24,209
<i>of which non recurring</i>		-15,200
<b>Net Operating Profit</b>	<b>166</b>	<b>-19,133</b>
Financial income	219	294
Financial expenses	-2,237	-1,932
Exchange rate gains (losses)	217	-888
Profit (loss) from investments measured using the equity method	-77	
<b>Profit (Loss) before tax</b>	<b>-1,712</b>	<b>-21,659</b>
Current and deferred taxes	-94	723
<b>Profit (loss) for the Group and minority interests, including:</b>	<b>-1,806</b>	<b>-20,936</b>
Minority interests	64	-52
Profit (Loss) for the Group	-1,870	-20,884
<b>Basic earnings (loss) per share (calculated on 112,500,000 shares)</b>	<b>-0.0166</b>	<b>-0.1856</b>
<b>Diluted earnings (loss) per share</b>	<b>-0.0166</b>	<b>-0.1856</b>

# Disclaimer

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