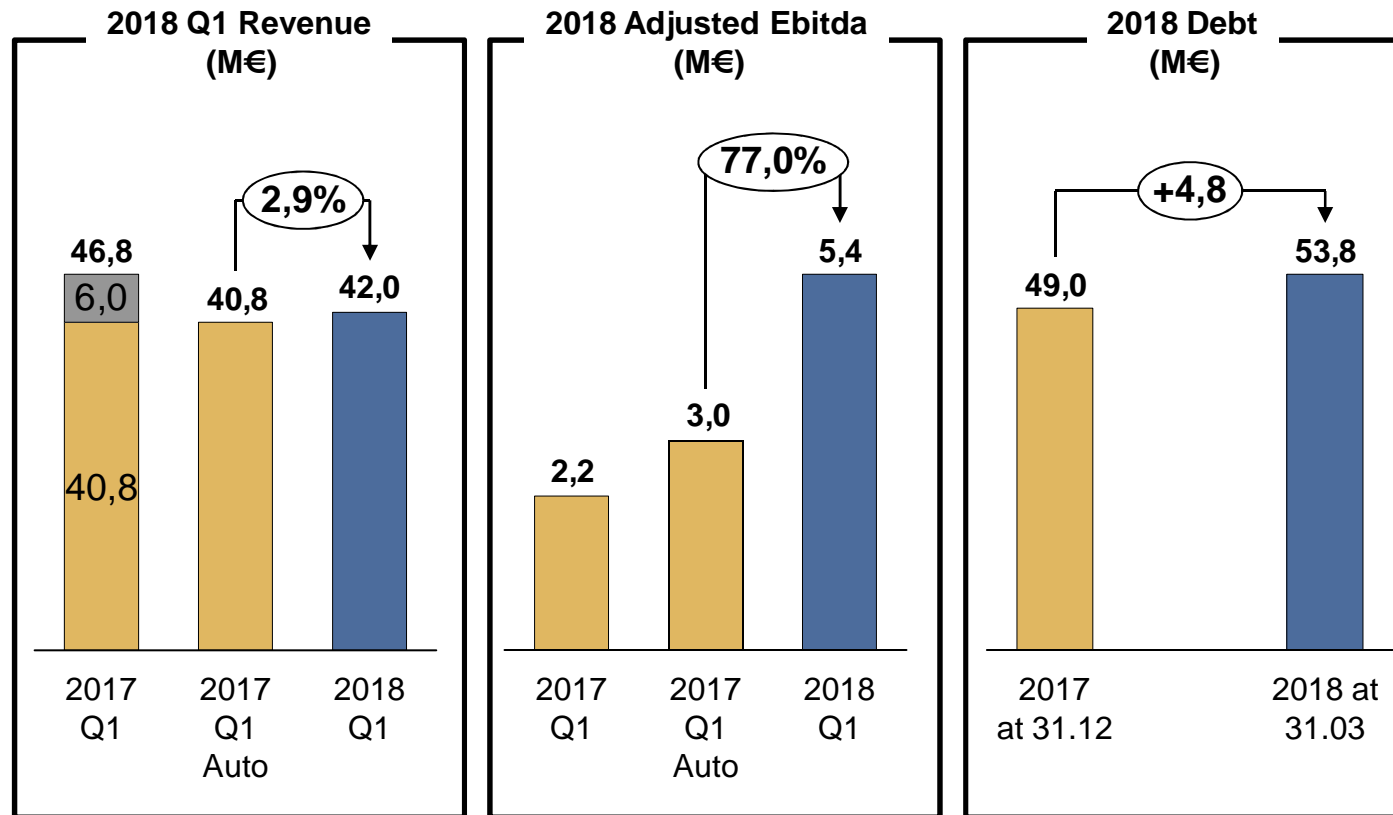




The Clean Air Group
Driving the Future

2018 Q1 FINANCIAL RESULTS

Q1 2018 LRG shows strong performance improvement compared to Q1 2017



Due to the deconsolidation of Gas Distribution and Compressed Natural Gas and Sound sectors, Q1 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 Q1 2018 results are compared only with Q1 2017 Automotive sector figures

2018 First Quarter – LRG has completed the Group Restructuring and started the sales development on Heavy Duty. SAFE-CEC has started the integration plan

- 
- **Jan. 2018**
 - LRG **successfully completed the agreement with the Unions**, both in Reggio Emilia and Vicenza and started the redundancy program, to be completed within mid-May. Thanks to the agreement the Group complete a workforce streamline with run-rate cost reduction in line with strategic plan forecast (from ~ 670 end of 2016 to ~ 490 end of May)
 - Started the **integration between SAFE and CEC** with the appointment of the new Management Team
 - **Feb. 2018**
 - Completed the transfer of the multi-valves and receptacle production from Lovato to Poland
 - Launched the **New LRG Sales organization** across all sales departments to exploit all the synergies and take fully advantage of international presence, with a new team dedicated to Heavy Duty development
 - Presented **LRG new product portfolio innovation roadmap** focus on CNG passenger cars and CNG/LNG Heavy Duty components and system
 - **Mar. 2018**
 - Started the transfer of production lines from **Lovato** to Reggio Emilia (to be completed by the end of April)
 - Appointed new **Group Head of Purchasing**
 - Launch the implementation of a **World Class Manufacturing** program in Reggio Emilia, in line with Strategic Plan Implementation Program
 - Starting sales of a **new pressure reducer for Heavy Duty**
 - Started a new collaboration for the development of Hydrogen System Solution

Q1 2018 P&L highlight results are in line with the strategic plan with strong increase on EBITDA and EBIT

M€	2018 Q1	2017 Q1 ⁽¹⁾	Delta M€	Delta %	2017 Q1 Automotive	like for like	
						Delta M€	Delta %
Revenues	42,0	46,8	-4,8	-10,1%	40,8	1,2	2,9%
EBITDA Adj.	5,4	2,2	3,2	144,1%	3,0	2,4	77,0%
<i>% on Revenues</i>	<i>12,8%</i>	<i>4,7%</i>			<i>7,4%</i>		
EBITDA	4,5	1,7	2,8	166,6%	2,6	1,9	75,8%
<i>% on Revenues</i>	<i>10,8%</i>	<i>3,7%</i>			<i>6,3%</i>		
EBIT Adj.	2,7	-1,8	4,5	249,4%	-0,5	3,2	641,0%
<i>% on Revenues</i>	<i>6,4%</i>	<i>-3,9%</i>			<i>-1,2%</i>		
EBIT	1,9	-2,3	4,2	181,7%	-1,0	2,9	287,9%
<i>% on Revenues</i>	<i>4,5%</i>	<i>-4,8%</i>			<i>-2,4%</i>		
Capital Gain/Loss	-0,9	0,0					
Financials	-1,1	-1,0	0,1	10,0%			
EBT	-0,1	-3,2	3,1	95,9%			
Taxes	-1,0	0,3	-1,3	-448,0%			
Net Income	-1,2	-3,0	1,8	60,3%			
<i>% on Revenues</i>	<i>-2,8%</i>	<i>-6,3%</i>					

Highlights

- Automotive sector **revenues** increased by 1,2M€ (+2,9%), mainly on AM
- **Automotive EBITDA Adj.** reaches 5,4M€ with a growth of 77,0%, thanks to the improvement of gross margin (volumes and direct cost optimization) and to the reduction of fixed cost. It is important to outline that only a part of efficiencies has been reached in Q1
- **EBITDA** is impacted by extraordinary expenses to support the last phase of the industrial turnaround (agreement with union completed in January 2018 with redundancies from end of January to end of March)
- **EBIT** positively impacted by fixed cost reduction and by the AVL deal (decrease in depreciation)
- **Capital Loss** from SAFE&CEC of 0,9M€, with integration between SAFE and CEC started in Q1

(1): 2017 Q1 P&L included sectors that were out of consolidation perimeter (Gas Distribution and Compressed Natural Gas) or no longer present in 2018 (Sound)
2017 Q1 "Automotive" figures refer to the same perimeter of 2018 Q1

Both Automotive and Gas distribution show improving performance. Positive Automotive EBT

M€, %

	Profit & Loss	Automotive Sector	Gas Distrib. and Compr. Nat. Gas	Sound Sector
2018 Q1	Revenues	42,0		Sold in 2017 for 7,4M€
	EBITDA Adj.	5,4		
	<i>% on Revenues</i>	12,8%		
	EBITDA	4,5		
	<i>% on Revenues</i>	10,8%		
	EBIT	1,9		
	<i>% on Revenues</i>	4,5%		
	EBT	0,8	-0,9	
	<i>% on Revenues</i>	1,9%		

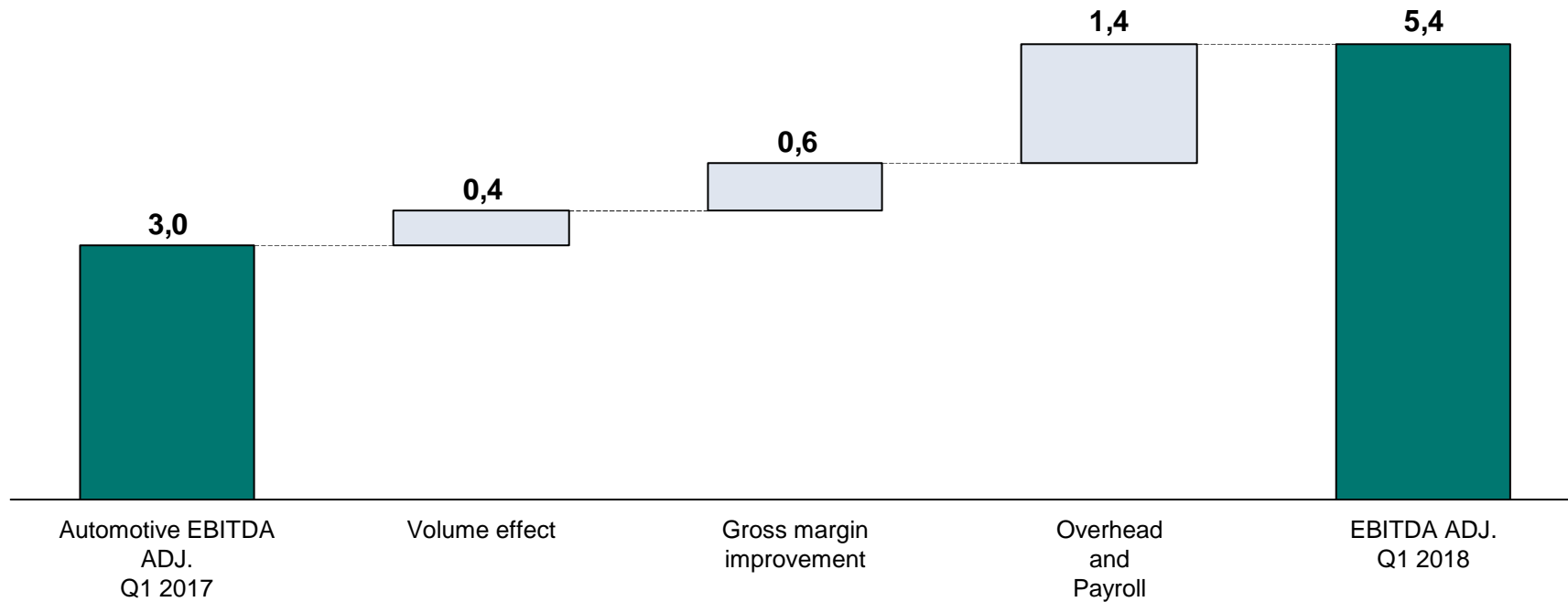
2017 Q1	Revenues	40,8	3,1	2,8
	EBITDA Adj.	3,0	-1,1	0,2
	<i>% on Revenues</i>	7,4%	-34,2%	8,4%
	EBITDA	2,6	-1,1	0,2
	<i>% on Revenues</i>	6,3%	-34,2%	8,4%
	EBIT	-1,0	-1,3	0,1
	<i>% on Revenues</i>	-2,4%	-42,9%	1,9%
	EBT	-1,7	-1,5	0,0
	<i>% on Revenues</i>	-4,2%	-47,8%	0,0%

Highlights

- **Automotive performance** improves both in terms of gross margin than in terms of **lower cost base**
- **Gas Distribution** impact is still negative, but improve by **0,6M€** compare to 2017

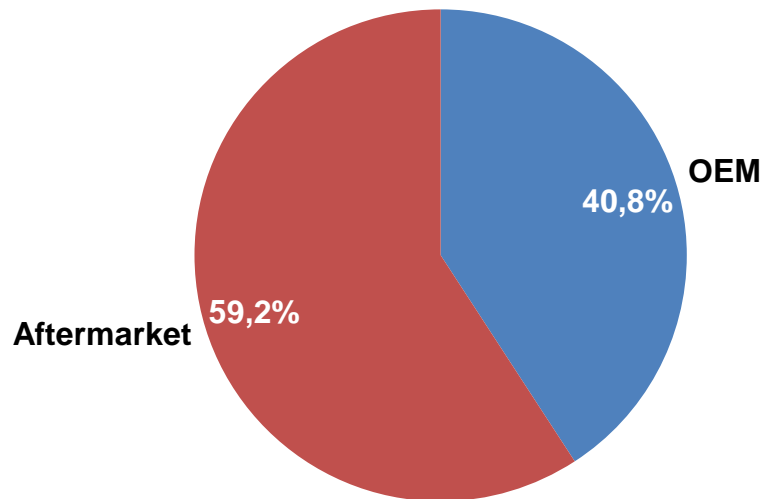
2018 Q1 Adjusted EBITDA improvement thanks to volume and the first effect of the industrial turnaround

M€

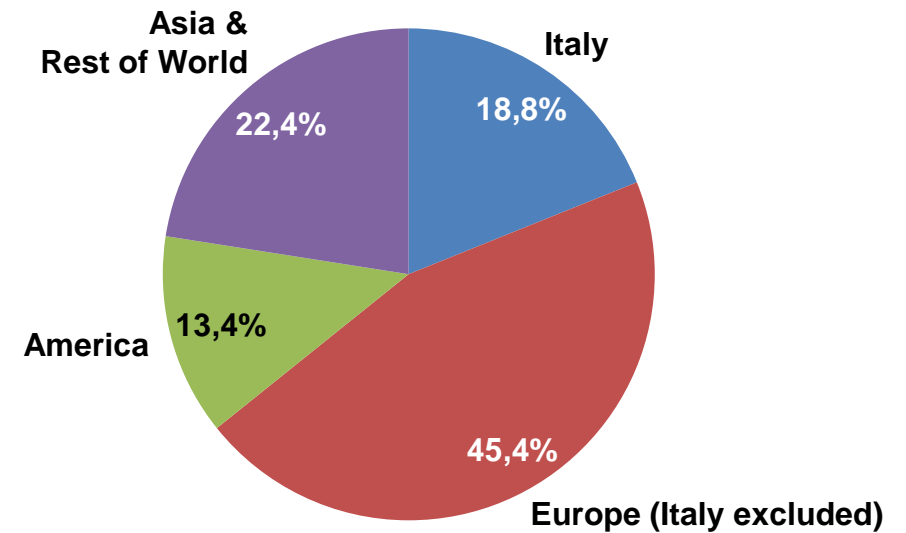


Revenue mix AM/OEM in line with 2017 data, with increase of the “internationalization of the revenues”

Sales channel breakdown



Geographical breakdown



AUTOMOTIVE SECTOR

- Italy is stable, while America, Asia and Rest of the World increase

2018 Q1 Balance Sheet shows an optimized working capital and a reduction of funds and severance packages

M€, %

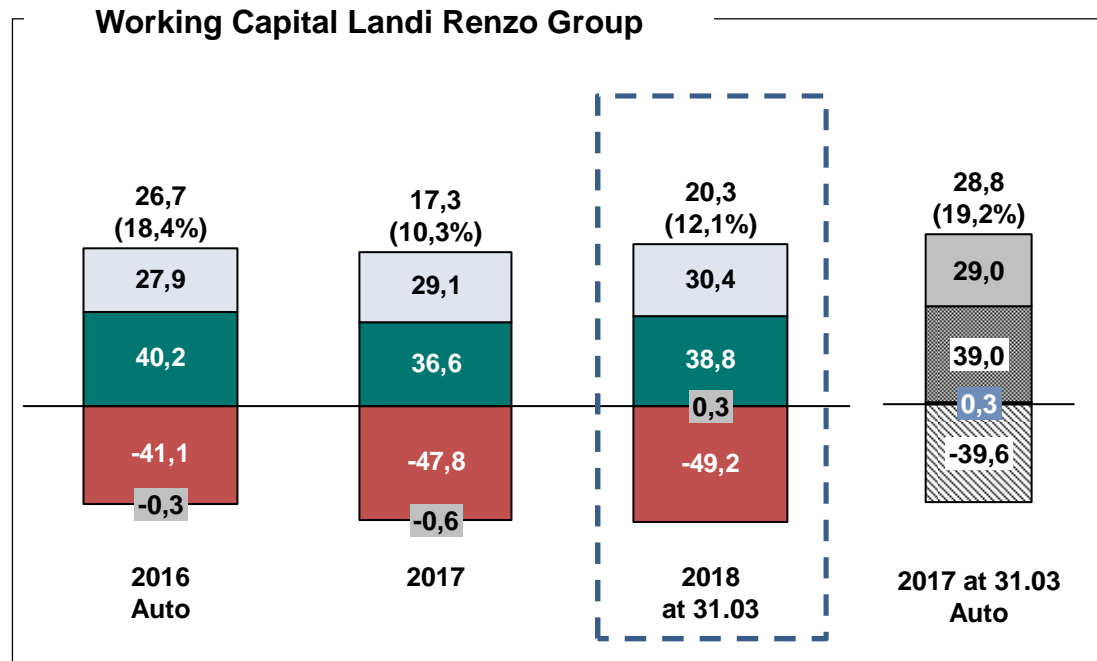
Balance Sheet	2018 Q1	FY 2017	delta
Intangible Assets	50,4	51,3	-0,9
Tangible Assets	13,5	14,6	-1,1
Other non-current Assets	36,1	37,3	-1,2
Fixed Capital	99,9	103,2	-3,3
Receivables	30,4	29,1	1,3
Inventory	38,8	36,6	2,2
Paybles	-49,2	-47,8	-1,4
Other current assets/liabilities	0,3	-0,6	0,9
Working Capital	20,3	17,3	3,0
<i>% on Revenues</i>	<i>12,1%</i>	<i>10,3%</i>	
TFR and other Funds	-11,5	-14,8	3,3
Invested Capital	108,7	105,7	3,0
Shareholder's Equity	54,9	56,7	-1,8
Net Financial Position	53,8	49,0	4,8
Total Sources	108,7	105,7	3,0

Highlights

- **Working Capital** at 12,1%, with increase mainly due to revenues increase and management of the stock of semi-finished and finished product to manage the footprint re-organization (e.g. organization of the transfer of Lovato line to Poland and Reggio Emilia)
- **Net Financial Position** increased by 4,8M€ mainly due to the payment of 3,0M€ of severance packages

2018 Q1 compared to 2017 shows a strong optimization, even if it is impacted by the extraordinary activities completed in April on Group footprint optimization

M€, % on rolling revenues 12M

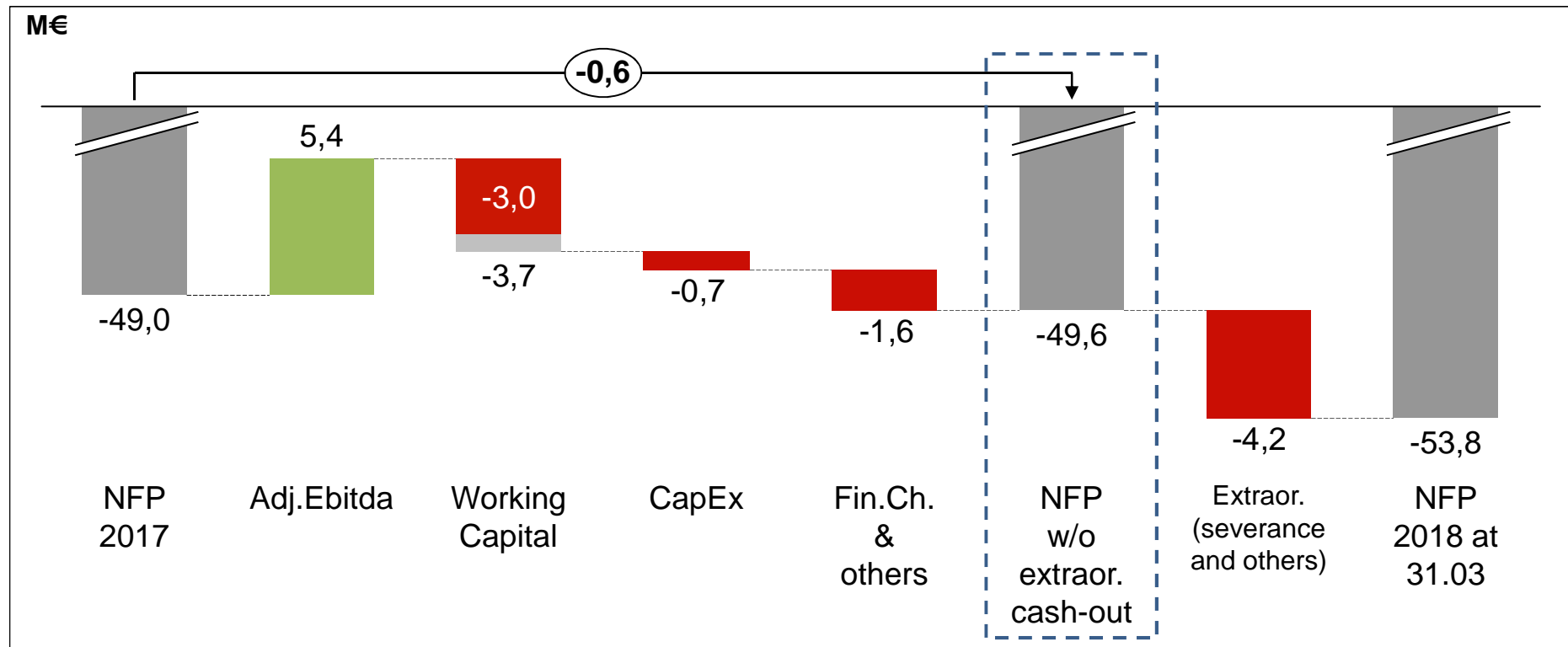


Highlights

- Working capital KPI is in line with 2017:
 - DSO: moved from 64 to 66 days
 - DIOH: stock rotation from 80 to 85 days; compared to last year at Q1 moved from 95 to 85 days
 - DPO: stable

	FY 2016 ⁽¹⁾	FY 2017 ⁽¹⁾	Q1 2018	Q1 2017 ⁽¹⁾
DSO	70	64	66	71
DPO	136	138	138	132
DIOH	101	80	85	95

NFP, net of extraordinary cash-out, is in line with 2017. Working capital is impacted by the inventory necessary to back-up the transfer of the lines



FY 2017	NFP	2018 Q1 ytd
17,8	Cash liquidity (+)	18,7
-8,2	Short-term debts (-)	-13,5
-27,5	Long-term debts (-)	-27,5
-31,1	Bond (-)	-31,5
-66,8	Tot. Gross Debt (-)	-72,5
-49,0	NFP (*)	-53,8

• Short- and long-term debts and bond are inclusive of amortized cost effect

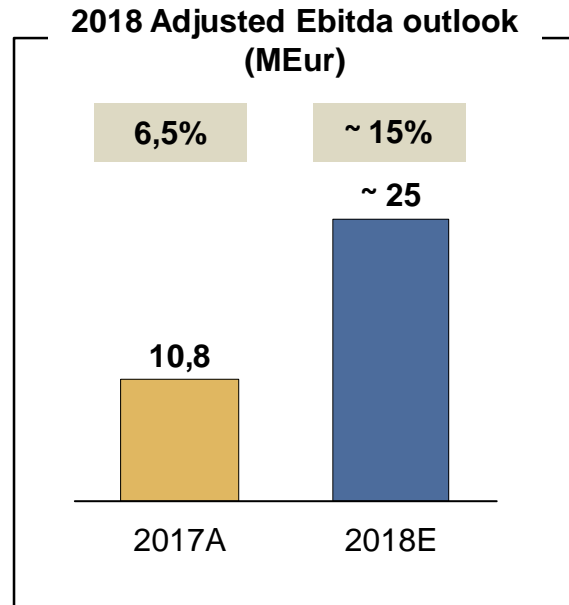
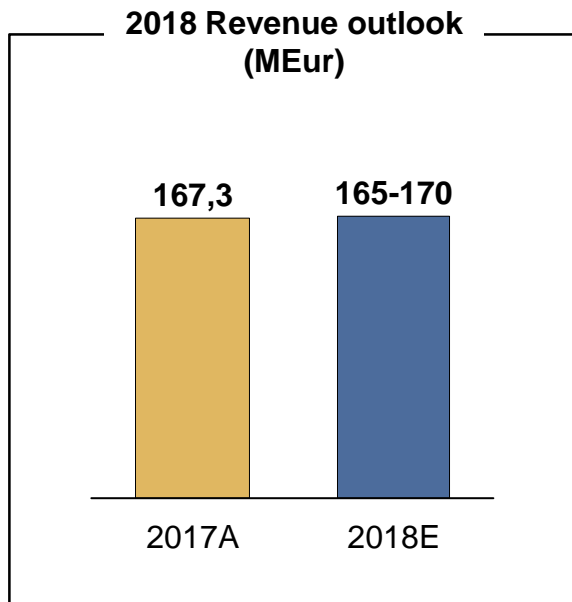
SAFE and CEC contribute equally to Q1 2018 consolidated revenues of 9,9M€, and Adj. EBITDA in line forecasted results

SAFE & CEC Economics	M€	2018 Q1	
	Revenues		
EBITDA Adj.		-1,0	• Key markets:
<i>% on Revenues</i>		<i>-10,4%</i>	◦ US and Latam: ~ 55%
EBITDA		-1,5	◦ Europe: ~30%
<i>% on Revenues</i>		<i>-14,9%</i>	◦ MEA: 15%
EBIT		-1,8	• Consolidated Adj. EBITDA impacted by volumes of Q1, expected to be fully recovered during the year, with current backlog covering more than 60% of the budget
<i>% on Revenues</i>		<i>-18,3%</i>	• Extraordinary one-off costs due to integration activities
Net Income		-1,9	• Improvement opportunities already identified, with quick wins to be captured within year-end. Ongoing review of MFO could improve already identified synergies
<i>% on Revenues</i>		<i>-19,0%</i>	• New Management team fully in charge
SAFE & CEC Financials	M€	2018 Q1	
	Working Capital		
Net Financial Position		1,9	• Net Financial Position under control

2018 Outlook remains confirmed

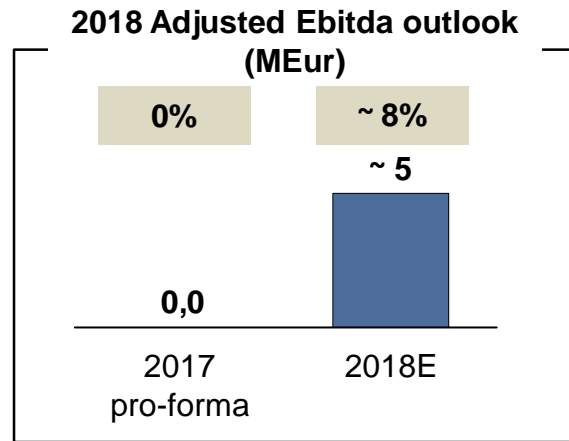
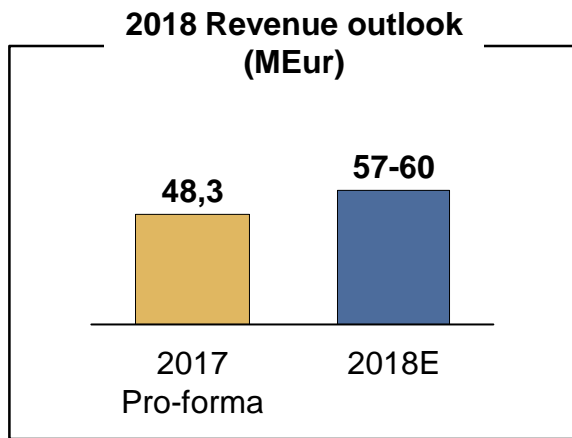
LRG

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, thanks to cost reduction implementation

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



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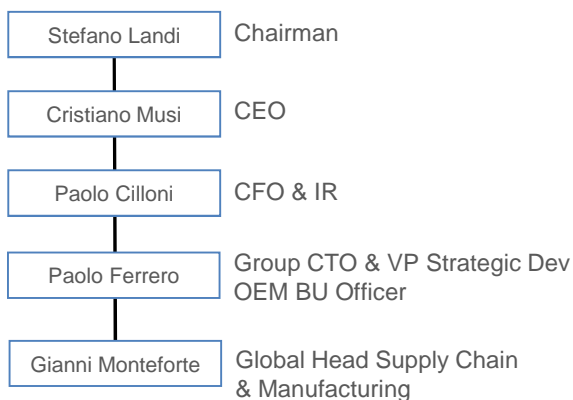
APPENDIX

Landi Renzo - Company profile (11/05/2018)

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

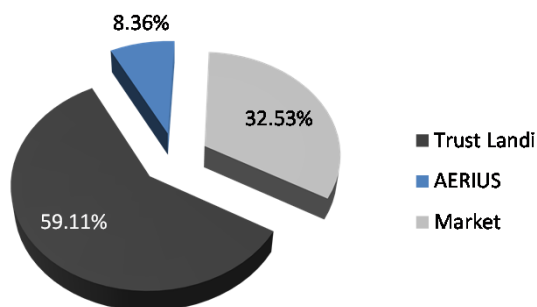


INVESTOR RELATIONS

Investor Relations Contacts:

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 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 11/05/18 € 1.608
 Capitalization: € 180.9 mln
 FTSE Italia STAR

STOCK VS MARKET



CONSOLIDATED P&L

(thousands of Euro)

INCOME STATEMENT	31/03/2018	31/03/2017 (*)
Revenues from sales and services	42,037	46,774
- of which transactions with related parties	277	204
Other revenue and income	102	250
Costs of raw materials, consumables and goods and change in inventories	-20,145	-22,550
Costs for services and use of third party assets	-9,575	-12,283
- of which transactions with related parties	-526	-804
Personnel cost	-7,218	-9,736
Provisions, provision for bad debts and other operating expenses	-668	-708
Gross Operating Profit	4,533	1,747
Amortization, depreciation and impairment	-2,654	-4,007
Net Operating Profit	1,879	-2,260
Financial income	26	18
Financial expenses	-919	-1,059
Exchange gains (losses)	-245	12
Gain (loss) on equity investments valued using the equity method	-873	78
Profit (Loss) before tax	-132	-3,211
Current and deferred taxes	-1,043	250
Net profit (loss) for the Group and minority interests, including:	-1,175	-2,961
Minority interests	-52	24
Net profit (loss) for the Group	-1,123	-2,985
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0.0100	-0.0265
Diluted earnings (loss) per share	-0.0100	-0.0265

(*) The comparative figure was re-presented in accordance with the classification adopted on 31 March 2018

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

ASSETS	31/03/2018	31/12/2017	31/03/2017
Non-current assets			
Land, property, plant, machinery and equipment	13,489	14,583	29,262
Development expenditure	4,904	5,401	8,210
Goodwill	30,094	30,094	30,094
Other intangible assets with finite useful lives	15,356	15,769	19,763
Equity investments valued using the equity method	23,428	24,301	121
Other non-current financial assets	445	428	447
Other non-current assets	4,560	4,560	
Deferred tax assets	7,647	8,016	7,268
Total non-current assets	99,923	103,152	95,165
Current assets			
Trade receivables	28,478	27,443	33,213
<i>Trade receivables - related parties</i>	1,908	1,675	1,738
Inventories	38,822	36,562	49,719
Contract works in progress			714
Other receivables and current assets	8,918	7,529	11,092
Cash and cash equivalents	18,670	17,779	20,997
Total current assets	96,796	90,988	117,473
TOTAL ASSETS	196,719	194,140	212,638

CONSOLIDATED BALANCE SHEET

(thousands of Euro)

EQUITY AND LIABILITIES	31/03/2018	31/12/2017	31/03/2017
Equity			
Share capital	11,250	11,250	11,250
Other reserves	45,474	41,983	43,145
Profit (loss) for the period	-1,123	4,139	-2,985
Total Shareholders' Equity attributable to the Group	55,601	57,372	51,410
Minority interests	-674	-669	-287
TOTAL SHAREHOLDERS' EQUITY	54,927	56,703	51,123
Non-current liabilities			
Non-current bank loans	26,813	26,906	32,836
Other non-current financial liabilities	29,790	29,308	32,426
Provisions for risks and charges	9,045	11,891	9,126
Defined benefit plans for employees	2,027	2,446	2,940
Deferred tax liabilities	457	423	504
Total non-current liabilities	68,132	70,974	77,832
Current liabilities			
Bank financing and short-term loans	13,049	7,741	25,187
Other current financial liabilities	2,792	2,792	425
Trade payables	44,446	43,165	41,809
<i>Trade payables – related parties</i>	4,722	4,664	4,739
Tax liabilities	3,265	3,003	2,494
Other current liabilities	5,386	5,098	9,029
Total current liabilities	73,660	66,463	83,683
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	196,719	194,140	212,638

Disclaimer

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