

## Landi Renzo: Board of Directors approves Q1 2015 Results

- Revenues of Euro 45.6 mln (Euro 48.1 mln in Q1 2014)
- EBITDA of Euro 0.04 mln (Euro 1.5 mln in Q1 2014)
- EBIT loss of Euro 3.8 mln (loss of Euro 2.2 mln in Q1 2014)
- Net loss of Euro 2.7 mln (loss of Euro 2.4 mln in Q1 2014)
- Net debt of Euro 58.2 mln (debt of Euro 47.2 mln at December 31, 2014 and of 56.1 mln Euro at March 31, 2014)

*Cavriago (RE), May 13, 2015*

The Board of Directors of Landi Renzo, in a meeting chaired today by Stefano Landi, approved the Interim Report at March 31, 2015.

**Stefano Landi**, Chairman and Chief Executive Officer of Landi Renzo, stated: “2015 began with the price of oil nearly halving compared to the same period of 2014. Despite the repercussions on our markets in a number of regions, we continue to see encouraging signs for the alternative fuels sector.

In Italy - continued Landi - new LPG and methane vehicle registrations significantly increased in Q1: this highlights the faith that consumers and car manufacturers place in alternative fuel vehicles.

In addition, in a number of methane rich countries, projects focusing on switching to methane-based transport in order to benefit from a cleaner, more plentiful resource and an alternative to the oil-based options are ongoing”.

### Q1 2015 Key Financial Highlights

**Revenues** totalled Euro 45.6 million, reducing on Euro 48.1 million in Q1 2014: this result was achieved amid a significant drop in the price of oil, down approx. 50% on Q1 2014, with direct impacts on the price of traditional fuels and on the number of vehicle conversions on the After Market channel.

**EBITDA** amounted to Euro 0.04 million (Euro 1.5 million in Q1 2014). Although continuing to contain costs, the reduced earnings in the first quarter of 2014 principally follow lower sales volumes and a less favourable product mix in the period.

**EBIT** saw a loss of Euro 3.8 million (loss of Euro 2.2 million in Q1 2014), after amortisation and depreciation and impairments of Euro 3.9 million (Euro 3.7 million in Q1 2014).

A **Pre-tax loss** of Euro 3.5 million was reported, compared to a loss of Euro 3.0 million in Q1 2014.

The **Group Net Loss** was Euro 2.8 million (loss of Euro 2.5 million in Q1 2014).

**Net Debt** totalled Euro 58.2 million (debt of Euro 47.2 million at December 31, 2014). **Shareholders' Equity** amounted to Euro 105.9 million (Euro 108.1 million at December 31, 2014).

### Sales overview

#### Segments

**Gas Segment** revenues amounted to Euro 42.6 million (Euro 44.7 in Q1 2014). Specifically:

- *Vehicle System (LPG and Methane)* sales revenues amounted to Euro 38.0 million (Euro 39.6 million in Q1 2014); the reduction is principally due to the impact on the After Market channel from the drop in oil prices, partially offset by the strong OEM channel performance;
- *Distribution System* sales revenues amounted to Euro 4.6 million (Euro 5.2 million in Q1 2014).

Other sector revenues (*Anti-theft, Sound, Robotics, Oil&Gas and other*) totalled Euro 3.0 million (Euro 3.4 million in Q1 2014).

## Regional performances

Overseas revenues totalled Euro 36.1 million, 79.1% of total revenues (Euro 37.2 million in Q1 2014, 77.3%), confirming the historically strong international focus of the Landi Renzo Group.

- Revenues in **Italy** totalled Euro 9.5 million, reducing 13.0% compared to Q1 2014. The decrease is principally due to the general performance of conversions on the After Market channel, which reduced in the quarter on the previous year according to the Ecogas Consortium figures.
- In **Europe**, revenues were stable at Euro 21.9 million, in line with Q1 2014 (Euro 21.8 million).
- In **America**, sales totalled Euro 0.8 million, up 7.4% following growth in Latin America, in particular in Brazil and Argentina.
- In **Asia and the Rest of the World**, revenues totalled Euro 6.2 million, reducing 22.9%, substantially due to the weak demand figures in some parts of the Far East and South-West Asia.

## Significant events after the end of the quarter

**April 9, 2015:** The Board of Directors of Landi Renzo authorised a bond loan issue, the “LANDI RENZO 6.10% 2015-2020” (“Mini-Bond”), for a minimum nominal amount of Euro 25,000,000 with an underwriting guarantee from Banca Popolare di Vicenza and faculty for the Company to increase the nominal value of the loan to a maximum Euro 50,000,000, to be exercised within twelve months from the loan date. The Loan, structured and co-ordinated by Banca Popolare di Vicenza, is reserved for qualified investors and will be traded on the ExtraMOT PRO Segment, organised and managed by Borsa Italiana S.p.A..

The operation broadens the Group’s funding sources, while simultaneously lengthening the average debt duration and providing continued support to strategic investments in alternative mobility technological development, drawing on funding which mirrors the medium-term duration of the investments.

**April 24, 2015:** The Shareholders’ AGM approved the allocation of the net profit for the year of Euro 211,778.96 to the extraordinary reserve, as the legal reserve has already reached one-fifth of the share capital and renewed the authorisation for the purchase and utilisation of treasury shares; the By-Laws were also amended in order to introduce the increased voting rights mechanism.

**April 2015:** the Group published the 2014 Sustainability Report, in order to improve dialogue with the stakeholders, in the full knowledge that the day-to-day focus on sustainability is a means to create value not just for the company, but within a wider social viewpoint and for all stakeholders with whom the Group interacts.

## Outlook

Even if the visibility guaranteed by the Group’s order book is short today and even if situations of tension due to macroeconomic and geopolitical factors in some markets of reference for the sector are continuing, the Group confirms that 2015 full year expected results will be essentially in line with those one of 2014. The Group will continue to pay the utmost attention to operational costs control, as well as to monitor the evolution of the economic and financial trend.

*The executive responsible for the preparation of the corporate accounting documents Mr. Paolo Cilloni declares in accordance with Article 154 bis, paragraph 2, of Leg. Decree No. 58 of February 24, 1998, that the accounting information contained in the present press release corresponds to the underlying accounting documents, records and accounting entries.*

*The present press release, together with the presentation, is available also on the company’s website.*

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

# Press Release

May 13, 2015



Landi Renzo is the global leader in the LPG and Methane gas components and systems for motor vehicles sector. The Company is based in Cavriago (Reggio Emilia) and has over 60 years' experience in the sector, is renowned for the extent of its international activities in over 50 Countries, with export sales of about 80%. Landi Renzo SpA has been listed on the STAR segment of the MTA Market of Borsa Italiana since June 2007.

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## Attachments:

- **Consolidated Income Statement - Q1 2015**
- **Consolidated Balance Sheet at March 31, 2015**
- **Consolidated Cash Flow Statement at March 31, 2015**

# Press Release

May 13, 2015



(thousands of Euros)

<b>INCOME STATEMENT</b>	<b>31/03/2015</b>	<b>31/03/2014</b>
Revenues (goods and services)	45,466	47,740
Revenues (goods and services)- related parties	92	383
Other revenue and income	220	224
Cost of raw materials, consumables and goods and change in inventories	-19,852	-20,518
Costs for services and use of third party assets	-13,658	-14,270
Costs for services and use of third party assets – related parties	-669	-578
Personnel expenses	-10,929	-10,645
Accruals, impairment losses and other operating expenses	-627	-819
<b>Gross Operating Profit</b>	<b>43</b>	<b>1,517</b>
Amortization, depreciation and impairment losses	-3,878	-3,727
<b>Net Operating Profit</b>	<b>-3,835</b>	<b>-2,210</b>
Financial income	115	116
Financial expenses	-799	-1,041
Gains (losses) on exchange rate	1,024	167
Gains (losses) on equity investments consolidated using the equity method	4	
<b>Profit (Loss) before tax</b>	<b>-3,491</b>	<b>-2,968</b>
Current and deferred taxes	774	531
<b>Profit (loss) of the period for the Group and minority interests, including:</b>	<b>-2,717</b>	<b>-2,437</b>
Minority interests	37	64
Profit (Loss) of the period for the Group	-2,754	-2,501
<b>Basic earnings (loss) per share (calculated on 112,500,000 shares)</b>	<b>-0.0245</b>	<b>-0.0222</b>
<b>Diluted earnings (loss) per share</b>	<b>-0.0245</b>	<b>-0.0222</b>

(thousands of Euros)

ASSETS	31/03/2015	31/12/2014	31/03/2014
<b>Non-current assets</b>			
Property, plant and equipment	35,191	35,277	35,180
Development expenditure	7,121	7,101	6,435
Goodwill	39,942	39,942	40,190
Other intangible assets with finite useful lives	24,288	24,637	26,035
Equity investments consolidated using the equity method	491	180	
Other non-current financial assets	788	773	1,051
Deferred tax assets	18,493	17,247	17,275
<b>Total non-current assets</b>	<b>126,314</b>	<b>125,157</b>	<b>126,166</b>
<b>Current assets</b>			
Trade receivables	33,321	33,069	34,605
Trade receivables - related parties	2,507	1,986	192
Inventories	72,862	63,269	67,216
Contract works in progress	2,732	2,590	3,845
Other receivables and current assets	15,771	15,533	18,125
Cash and cash equivalents	22,588	31,820	27,796
<b>Total current assets</b>	<b>149,781</b>	<b>148,267</b>	<b>151,779</b>
<b>TOTAL ASSETS</b>	<b>276,095</b>	<b>273,424</b>	<b>277,945</b>

(thousands of Euros)

EQUITY AND LIABILITIES	31/03/2015	31/12/2014	31/03/2014
<b>Group shareholders' equity</b>			
Share capital	11,250	11,250	11,250
Other reserves	96,688	98,018	97,648
Profit (loss) of the period	-2,754	-1,783	-2,501
<b>Total equity attributable to the shareholders of the parent</b>	<b>105,184</b>	<b>107,485</b>	<b>106,397</b>
Minority interests	725	591	476
<b>TOTAL EQUITY</b>	<b>105,909</b>	<b>108,076</b>	<b>106,873</b>
<b>Non-current liabilities</b>			
Non-current bank loans	26,645	26,171	11,405
Other non-current financial liabilities	1,178	1,178	661
Provisions for risks and charges	5,234	5,055	6,328
Defined benefit plans	3,827	3,818	3,850
Deferred tax liabilities	8,615	8,417	8,657
<b>Total non-current liabilities</b>	<b>45,499</b>	<b>44,639</b>	<b>30,901</b>
<b>Current liabilities</b>			
Bank overdrafts and short-term loans	52,847	51,580	71,780
Other current financial liabilities	137	137	31
Trade payables	58,382	54,632	54,688
Trade payables - related parties	1,493	1,304	684
Tax liabilities	2,344	4,492	3,808
Other current liabilities	9,484	8,564	9,180
<b>Total current liabilities</b>	<b>124,687</b>	<b>120,709</b>	<b>140,171</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>276,095</b>	<b>273,424</b>	<b>277,945</b>

# Press Release

May 13, 2015



(thousands of Euros)			
STATEMENT OF CASH FLOWS	31/03/2015	31/12/2014	31/03/2014
<b>Cash flow from operating activities</b>			
Profit (Loss) of the period	-2,717	-1,744	-2,437
<i>Adjustments for:</i>			
Depreciation	2,234	9,160	2,301
Amortization of intangible assets	1,644	6,296	1,426
impairment loss on intangible assets		248	
impairment loss on trade receivables	98	513	188
Net finance costs including forex exchange	-340	2,379	758
Gain on curtailment	9	79	111
Tax expense	-774	1,636	-531
	154	18,567	1,816
<i>Changes in:</i>			
inventories	-9,735	-1,237	-6,439
trade and other receivables	-2,370	3,923	1,610
trade and other payables	4,918	5,690	3,942
provisions and employee benefits	70	-1,522	-8
Cash generated from operating activities	-6,963	25,421	921
Interest paid	-527	-3,214	-446
income taxes paid	-343	-2,147	-147
<b>Net cash flow from (for) operating activities</b>	<b>-7,833</b>	<b>20,060</b>	<b>328</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment	71	310	19
Affiliates consolidated using the equity method	-310	-180	
Acquisition of property, plant and equipment	-2,219	-8,583	-1,336
Acquisition of intangible assets	-270	-617	-78
Development expenditure	-1,046	-4,300	-700
<b>Net cash used in investing activities</b>	<b>-3,774</b>	<b>-13,370</b>	<b>-2,095</b>
<b>Cash flow from financing activities</b>			
Net repayments and financings	1,741	-7,816	-3,004
<b>Net cash from (used in) financing activities</b>	<b>1,741</b>	<b>-7,816</b>	<b>-3,004</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-9,866</b>	<b>-1,126</b>	<b>-4,771</b>
Cash and cash equivalents at 1 January	31,820	32,953	32,953
Effect of exchange rate fluctuations on cash held	634	-7	-386
Cash and cash equivalents at the end of the period	22,588	31,820	27,796