REVENUES €307 MILLION (+13.6%)
EBITDA ADJUSTED: €38.4 MILLION (+24%)
NET INCOME: €16.1 MILLION (+156%)
PROPOSED DIVIDEND: €0.25 PER SHARE (+13.6%)

I - The draft financial statements of LU-VE S.p.A. and the consolidated financial statements as of 31 December 2018 have been approved.

- 2018 consolidated revenues: **€ 306.9 million** (€ 270.0 million in 2017; + 13.6%; + 15.7% at [1]constant exchange rates)
- EBITDA *Adjusted*: **€38.4 million**[2] (€ 31.0 million in 2017; + 24.0%), excluding non-recurring costs of € 1.0 million for the acquisition of Zyklus and € 0.8 million for restructuring plans and first-time application of IFRS 9;
- Net profit: € **16.1 million** (€ 6.3 million in 2017; + 156.3%);
- Negative net financial position of € **63.6 million**[3], an improvement compared to the figure as of 30 June 18 (€ 75.7 million) - (€ 35.3 million at 31 December 2017).

II - Proposed **dividend increase to € 0.25** per share (+ 13.6%).

Uboldo, 22 March 2019 - The Board of Directors of LU-VE S.p.A. ("LU-VE" or the "Company"), which met today, approved the draft separate financial statements of LU-VE S.p.A. and the consolidated financial statements of the group (the "Group" or the "LU-VE Group").

1. CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 December 2018

Operational review

[1] Given the same scope of consolidation, and therefore without the acquisition of the US subsidiary Zyklus Heat Transfer, revenue growth would have been equal to 11.7%
[2] Given the same scope of consolidation, adjusted EBITDA would have been € 37.8 million.
[3] Given the same scope of consolidation, The NFP would have been €51 million.

For the LU-VE Group, the year 2018 was very positive and at the same time, it was an important year for future development and growth.

- **For the first time,** consolidated revenues exceeded the threshold of 300 million: € 306.9 (+ 13.6%; + 11.7% given the same scope of consolidation). Adjusted EBITDA reached € 38.4 million (12.5%) of sales, up approximately 24% compared to € 31.0 million in 2017 (11.5%). Net income equals € 16.1 million, approximately € 10.0 million more than in the previous year.
- In June, the **acquisition of 100% of the company Zyklus** (Jacksonville, Texas) was completed. The operation is the culmination of a strategic project which aims at entering the world's largest refrigeration and air conditioning market: the first essential step in a medium-term plan for growth in the North American continent;
- In December, a **preliminary agreement was signed for the acquisition of the "Air" division of the Swedish multinational Alfa Laval**, by far the most important operation in the history of the Group: it will make LU-VE **the third largest world player (second in Europe)** within the ventilated device sector;
- The projects for **doubling the Polish plant and relocating and expanding the Chinese production site** have continued in compliance with deadlines and cost estimates. **The portfolio of orders reported constant growth** in 2018 (as of 31 December + 11.4% compared to the previous year).

TABLE 1 - Trend in revenues by type of product in the two years considered

PRODUCTS	€ /000 2018	%	€ /000 2017	%	Change %
Heat exchangers	184,530	60.1%	159,301	59.0%	+15.8%
Air Cooled Equipment	97,189	31.7%	85,231	31.6%	+14.0%
Doors	10,029	3.3%	9,265	3.4%	+8.2%
Close Control	9,953	3.2%	10,723	4.0%	-7.2%
TOTAL PRODUCTS	**301,701**	**98.3%**	**264,520**	**98.0%**	**+14.1%**
Other	5,168	1.7%	5,512	2.0%	-6.2%
TOTAL	**306,869**	**100.0**	**270,032**	**100.0**	**+13.6%**

TABLE 2 - Trend in revenues by type of application in the two years of comparison

APPLICATIONS	€ /000 2018	%	€ /000 2017	%	Change %
Refrigeration	186,030	60.6%	171,372	63.5%	+8.6%
Air Conditioning	50,201	16.4%	47,223	17.5%	+6.3%
Special Applications	54,764	17.8%	37,211	13.8%	+47.2%
Power Gen / Industrial Applications	10,706	3.5%	8,714	3.2%	+22.9%
TOTAL APPLICATIONS	**301,701**	**98.3%**	**264,520**	**98.0%**	**+14.1%**
Other	5,168	1.7%	5,512	2.0%	-6.2%
TOTAL	**306,869**	**100.0%**	**270,032**	**100.0%**	**+13.6%**

PERFORMANCE BY BUSINESS UNIT

- SBU "Components" (heat exchangers and doors): More than € 194 million, up 15.5% (+ 12.4% on given the same scope of consolidation); represents just under two-thirds of revenues from products alone. Growth was mainly driven by the surge in sales in the “home appliances” sector (+ 78%) as well as by the excellent performance of the so-called “mobile applications” and by the additional strengthening of the Group's leadership position in the traditional segment of stalls for supermarkets.

- SBU "Cooling Systems" (ventilated and close control devices) reported **+ 11.7% reaching revenues of € 107.1 million.** The positive result is due to the "refrigeration" and "power generation" segments, which more than offset the slight decline in the "air conditioning" market.

TRENDS IN END MARKETS

- Refrigeration: revenues **up 8.6%,** totalling **€ 186 million.** The Group's first application segment is confirmed despite a decline in the percentage of total product sales (which falls to just under 62%). In this segment, the continuous growth in projects linked to new generation logistics centres and applications that use natural fluids with low environmental impact should be noted.

- Special Applications: revenues **up 47%,** totalling **€ 54.8 million.** The segment (ranging from "domestic appliances" to "mobile" applications - refrigerated transport and railway air conditioning) owes its growth above all to the initiation of new projects with existing customers as well as partnerships with new customers across a range of high energy efficiency products. For the first time in the historical development of Group sales, the segment has exceeded the air conditioning one.

- Air conditioning: revenues **up 6.3%,** and totalling **€ 50.2 million,** with a declining incidence (slightly less than 17%) on total sales.

- Power generation and industrial processes: revenues **up 22.9%**, and equal to approximately **€ 11 million.** Growth was concentrated primarily in the first half of the year with a result that could have been higher if there had been no delays in the execution of certain projects already in the portfolio.

ANALYSIS OF PRIMARY FINANCIAL STATEMENT ITEMS

- Revenues and operating income: increase of 13.6% (+ € 36.8 million) mainly due to the increase in volumes.

- Total operating costs: increase from € 241 million (89.2% of revenues) to € 270.3 million (88.1% of revenues).

- Added value: from 68.5% of revenues to 67.6% with an improvement of almost one percentage point.

- adjusted Ebitda: from € 31.0 million to € 38.4 million (12.5% of sales) which was mainly due to the following: contribution of prices and sales volumes, increased absorption of costs for services, improvement in Spirotech's profitability and the initial consolidation of Zyklus, which was consolidated for six months with a contribution to EBITDA of € 0.6 million

- **Depreciation/amortisation**: € 1.3 million increase, linked to the acceleration in investments (€ 1 million) and the initial consolidation of Zyklus (€ 0.3 million).

- "Operating Result (Ebit)": € 19.7 million (6.4% of revenues) compared to € 14.1 million (5.2% of revenues) in 2017. Net of non-recurring costs, it would have been €21.5 million (7.0% of revenues).

- Balance of financial proceeds and charges: negative for € 2.4 million (negative for € 5.6 million in 2017). The positive difference of € 3.2 million derives from the substantial loss of the negative exchange differences - primarily unrealized - that had penalized the 2017 income statement.

- **"Pre-tax result (EBT)":** in the financial year ended 31 December 2018, it was € 17.4 million (5.7% of revenues) compared to € 8.5 million as of 31 December 2017 (3.2% of revenues). The 2018 figure normalized for non-recurring costs would have been € 19.2 million (6.2% of revenues).

- **"Net result for the year":** in the financial year ended 31 December 2018, it was € 16.1 million (5.2% of revenues) against € 6.3 million (2.3% of revenues) on 31 December 2017.

- **Consolidated Shareholders' Equity:** € 145.4 million compared to the € 140 million as of 31 December 2017 (+ € 5.4 million).

- **Net financial position:** negative for € 63.6 million (€ 35.3 million as of 31 December 2017), with a difference of € 28.3 million. The difference is mainly due to: dividend distribution (€ 5.3 million), acquisition of Zyklus (€ 12.6 million), investments (€ 29 million) net of approximately € 33 million in positive cash flows. The impact of the change in net working capital was negative by €13 million. Adjusted cash flow from operations totalled roughly €11 million.

The debt is all in the medium term. Liquidity as of 31 December 2018 amounted to approximately € 144 million.

Events after the end of the year

Consolidated revenues in the first two months of 2019 reached roughly €50.9 million, with growth of more than 16% compared to the same period of the previous year (+10.4% given the same scope of consolidation). Given the same scope of consolidation, values relating to the acquisition of orders (+ 17%) and the order portfolio (equal to € 45.5 million, + 18%) reported a particularly positive trend, although partly influenced by the acquisition of certain special one-time projects.

With regard to the project to acquire the "Air" division of the Alfa Laval group, preparatory activities for the undersigning of the definitive contracts continued during the period with a general atmosphere of positive collaboration.

Business outlook

In a sector that remains highly competitive, demand visibility in traditional reference markets is usually quite short. The acquisition of new customers and the opening of new market opportunities in specific fields of application and in certain geographical areas leads to cautious optimism about the possibility of additional growth in volumes.

* * *

The Chairman Mr. Iginio Liberali noted the following: *"This year has been characterized by strong dynamism of the Group and by some important strategic operations: the acquisition in the USA, the first step of a growth project in the largest refrigeration and air conditioning market in the world; the doubling of the plant in Poland and the relocation and expansion of the one in China. It is also to be noted the excellent performance of our Indian subsidiary and an orders portfolio, which remains stable at record levels. Finally, the signing of the agreement for the acquisition of the Alfa Laval "Air" division last December. It is the most important operation in the history of the Group, and will make LU-VE the third largest world player in the sector for ventilated appliances. Despite the uncertainties of the global economic scenario, the general organisational structure and the operations which are underway make us look with confidence to 2019, which began very positively ".*

2. DIVIDEND

The Board of Directors has resolved to propose - to the Shareholders' Meeting (which will be convened on 29 April 2019) - a gross dividend of 0.25 Euro per share for a total amount of € 5,519,163, payable as of **8 May 2019**, with detachment of coupon n. 4 on **6 May 2019** and with the record dates pursuant to art. 83-terdecies of Legislative Decree no. 58/1998 ("Consolidated Law on Finance", or "TUF") set for **7 May 2019.**

3. OTHER RESOLUTIONS OF THE BOARD OF DIRECTORS

Convocation of the Shareholders' Meeting

In today's meeting, the Board of Directors also resolved to call the ordinary Shareholders' Meeting for **29 April 2019**, in single call, in order to discuss and deliberate, amongst other items, in favour of the approval of the financial statements for the year ended 31 December 2018.

At the same meeting, the Shareholders' Meeting will also be called to deliberate upon the authorisation to purchase and dispose of treasury shares as well as to express its advisory vote on the 2019 Remuneration Policy contained in Section I of the Remuneration Report prepared by the Company pursuant to art. 123-ter of the TUF.

The convocation notice for the Shareholders' Meeting and the relative documentation required by currently effective legislation - including the Report on Operations of the Board of Directors on the items on the agenda prepared pursuant to Art. 125-ter of the TUF as well as Art. 73 and 84-ter of Consob Regulation no. 11971/1999 ("Issuer Regulations") - will be made available at the registered office and on the company's website at the address www.luvegroup.com, section "*Investor Relations*" "*Shareholders' meeting documentation*" "*Shareholders' Meeting of 29 April 2019*", as well as on the authorized storage mechanism eMarket Storage at the address www.emarketstorage.com , in accordance with the law. In compliance with currently effective legislation, the notice convening the Shareholders' Meeting will also be published in extract form in a newspaper.

Shareholders' meeting authorisation proposal for the purchase and disposal of treasury shares

With reference to the proposal to renew the shareholders' meeting authorisation for the acquisition and disposal of treasury shares - subject to the revocation of the resolution approved by the Shareholders' Meeting on 27 April 2018 - it should be noted that the reasons for the authorisation will be specified in detail in the aforementioned Report on Operations relative to the matters on the agenda, and to which reference is made; it will be made available to the public together with the notice convening the Shareholders 'Meeting at least 30 days before the Shareholders' Meeting, and with the modalities indicated above.

The proposal provides for the following: *(i)* the maximum number of shares that can be purchased, even on multiple occasions, is 1,400,000 ordinary shares, equal to 6.3% of the share capital, and, therefore, to an extent not exceeding one fifth of the Company's share capital; *(ii)* the purchase authorisation is valid for a period of 18 months from the date on which the Shareholders' Meeting approved the relative resolution, while the duration of the authorisation for the disposal of treasury shares is without time limits; *(iii)* the unit purchase price must be - as a minimum - not less than 15% (fifteen percent) and, as a maximum, not more than 15% (fifteen percent) of the average of the official trading prices recorded on the *Mercato Telematico Azionario* (electronic stock exchange) in the three sessions prior to the purchase or announcement of the transaction, depending on the technical procedures identified by the Board of Directors and without prejudice to the additional limits that are from time to time pursuant to applicable legislation and accepted market practices; *(iv)* purchase transactions may be carried out in compliance with the provisions of Art. 5 of Reg. (EU) no. 596 / 2014 as well as of Art. 132 of the TUF, Art. 144-bis of the Issuers' Regulation and accepted market practices, and in any case in such a way as to ensure equal treatment amongst Shareholders and compliance with any applicable legislation, including European regulations (including, in particular, the technical regulatory standards approved in implementation of (EU) no. 596/2014).

At present, the Company directly holds 157,716 shares equal to 0.7093% of the share capital whereas it does not hold treasury shares through subsidiaries, trusts or third parties.

Approval of other documents

In today's meeting, the Board of Directors also approved *(i)* the Report on Corporate Governance and Shareholding Structure for the 2018 financial year, prepared pursuant to Art. 123-bis of the TUF, as well as *(ii)* the Remuneration Report prepared pursuant to Art. 123-ter, paragraph 3 of the TUF, including Section I of the 2019 Remuneration Policy, which will be submitted to the advisory vote of the Shareholders' Meeting that will be called on the upcoming 29 April 2019.

Both of these reports will be made available to the public - together with the Annual Financial Report as of 31 December 2018 containing, amongst other items, the financial statements of the year and the consolidated financial statements as of 31 December 2018, the Directors' Report on Operations, the Reports of the Statutory Auditors and of the Independent Auditors - within the deadlines prescribed by law at the administrative office and on the Company's website: www.luvegroup.com, section "*Investor Relations*" "*Shareholders' meeting documentation*" "*Shareholders' Meeting of 29 April 2019*", as well as on the authorized storage mechanism eMarket Storage at the address www.emarketstorage.com.

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The Manager in charge of financial reporting, Eligio Macchi, hereby declares, pursuant to paragraph 2, Art. 154-bis, of the Consolidated Law on Finance, that the accounting disclosure contained in this report corresponds to the results of the accounting documents, books and entries.

The Consolidated Reclassified Income Statement, Consolidated Reclassified Balance Sheet and Consolidated Cash Flow Statement are attached.

For additional information:

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ATTACHMENTS

Reclassified Consolidated Income statement (in thousands of Euro)	31/12/2018	% Revenues	31/12/2017	% Revenues	% Change 2018 on 2017
Revenues and operating income	306,869	100.0%	270,032	100.0%	13.6%
Purchases of materials	(167,429)	54.6%	(150,006)	55.6%	
Changes in inventories	5,643	-1.8%	7,502	-2.8%	
Services	(42,951)	14.0%	(40,105)	14.9%	
Personnel costs	(62,823)	20.5%	(56,280)	20.8%	
Other operating costs	(2,707)	0.9%	(2,071)	0.8%	
Total operating costs	**(270,267)**	**88.1%**	**(240,960)**	**89.2%**	**12.2%**
EBITDA	**36,602**	**11.9%**	**29,072**	**10.8%**	**25.9%**
Change in fair value of derivatives	(663)	0.2%	170	-0.1%	
Depreciation and amortisation	(16,422)	5.4%	(15,143)	5.6%	
Gains/losses on non-current assets	213	-0.1%	24	0.0%	
EBIT	**19,730**	**6.4%**	**14,123**	**5.2%**	**39.7%**
Net financial income and expense	(2,368)	0.8%	(5,610)	2.1%	
EBT	**17,362**	**5.7%**	**8,513**	**3.2%**	**103.9%**
Income taxes for the year	(1,269)	0.4%	(2,234)	0.8%	
Net profit (loss) for the year	**16,093**	**5.2%**	**6,279**	**2.3%**	**156.3%**
Profit attributable to non-controlling interests	**686**		**637**		
Profit attributable to the group	**15,407**	**5.0%**	**5,642**	**2.1%**	**173.1%**

Reclassified Consolidated Balance Sheet *(in thousands of Euro)*	**31/12/2018**	**% of net invested capital**	**31/12/2017**	**% of net invested capital**	**Change 2018 on 2017**
Net intangible assets	70,170		62,718		
Net property, plant and equipment	125,061		111,191		
Deferred tax assets	4,722		3,359		
Other non-current assets	2,196		1,941		
Non-current assets (A)	**202,149**	**96.7%**	**179,209**	**102.3%**	**22,940**
Inventories	44,667		37,988		6,679
Trade receivables	50,854		47,616		3,238
Other receivables and current assets	9,472		11,258		(1,786)
Current assets (B)	**104,993**		**96,862**		**8,131**
Trade payables	57,800		63,405		(5,605)
Other payables and current liabilities	20,585		17,677		2,908
Current liabilities (C)	**78,385**		**81,082**		**(2,697)**
Net working capital (D=B-C)	**26,608**	**12.7%**	**15,780**	**9.0%**	**10,828**
Provisions for employee benefits	4,057		4,047		10
Deferred tax liabilities	13,173		13,217		(44)
Provisions for risks and charges	2,581		2,472		109
Medium/long-term liabilities (E)	**19,811**	**9.5%**	**19,736**	**11.3%**	**75**
Net Invested Capital (A+D-E)	**208,946**	**100.0%**	**175,253**	**100.0%**	**33,693**
Shareholders' equity attributable to the group	142,216		137,842		4,374
Non-controlling interests	3,170		2,124		1,046
Total Consolidated Shareholders' Equity	**145,386**	**69.6%**	**139,966**	**79.9%**	**5,420**
Medium-Long Term Net Financial Position	156,303		115,074		41,229
Short Term Net Financial Position	(92,743)		(79,787)		(12,956)
Total Net Financial Position	**63,560**	**30.4%**	**35,287**	**20.1%**	**28,273**
Own funds and net financial Debt	**208,946**	**100.0%**	**175,253**	**100.0%**	**33,693**

Consolidated Statement of cash flows *(in thousands of Euro)*		31/12/2018	31/12/2017
A.	**Cash and cash equivalents at the beginning of the period**	**50,762**	**46,455**
	Contribution of change in consolidation area	**142**	**-**
	Profit (loss) for the period	15,407	5,642
	Adjustments for:		
	- Depreciation and amortisation	16,422	15,143
	- Realised gains on non-current assets	(404)	(176)
	- Net financial income and expense	2,534	47
	- Income taxes	1,269	2,234
	- Fair value changes booked in operating income	663	(170)
	Changes in post-employment benefits	82	71
	Changes in provisions	109	290
	Changes in trade receivables	(2,067)	(2,160)
	Changes in inventories	(4,949)	(7,074)
	Changes in trade payables	(6,550)	10,335
	Changes in net working capital	**(13,566)**	**1,101**
	Changes in other receivables and payables, deferred taxes	4,589	(2,525)
	Tax payment	(3,786)	(2,384)
	Net financial revenues/expenses received/paid	(2,289)	50
B.	**Cash flows generated/absorbed by operating activities**	**21,030**	**19,323**
	Investments in non-current assets:		
	- intangible assets	(4,026)	(4,968)
	- property, plant and equipment	(23,569)	(19,318)
	- financial assets	-	-
	Business combination net acquisition price	(9,072)	-
C.	**Cash flows generated/absorbed by investing activities**	**(36,667)**	**(24,286)**
	Repayment of loans	(55,269)	(53,917)
	New loans	97,848	62,000
	Changes in other financial liabilities	(195)	(530)
	Changes in short-term financial assets	14,207	2,624
	Purchase of treasury shares	(198)	(428)
	Contributions/repayments of own capital	-	208
	Payment of dividends	(5,265)	(4,416)
	Other changes	1,451	301
D.	**Cash flows generated/absorbed by financing activities**	**52,579**	**5,842**
	Exchange differences	(2,616)	4,403
	Other non-monetary changes	675	(975)
E.	**Other changes**	**(1,941)**	**3,428**
F.	**Net cash flows in the period (B+C+D+E)**	**35,001**	**4,307**
	Cash and cash equivalents at the end of the period (A+F)	**85,905**	**50,762**
	Current financial debt	(6,838)	(29,025)
	Non-current financial debt	156,303	115,074
	Net financial debt	**63,560**	**35,287**