



 INDUSTRIAL STARS OF ITALY



Borsa Italiana

**Small Cap Conference
2015**

19 November 2015



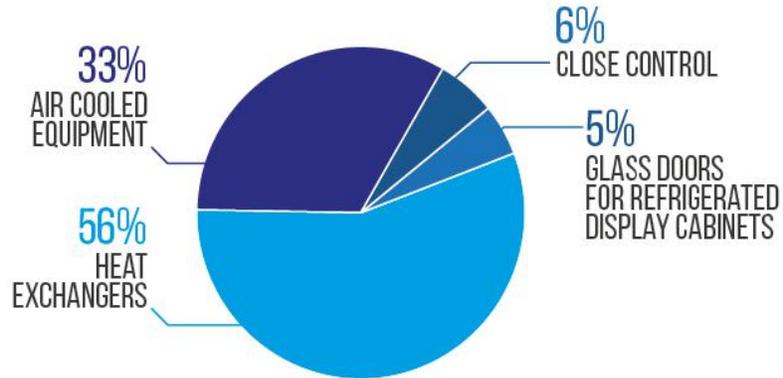
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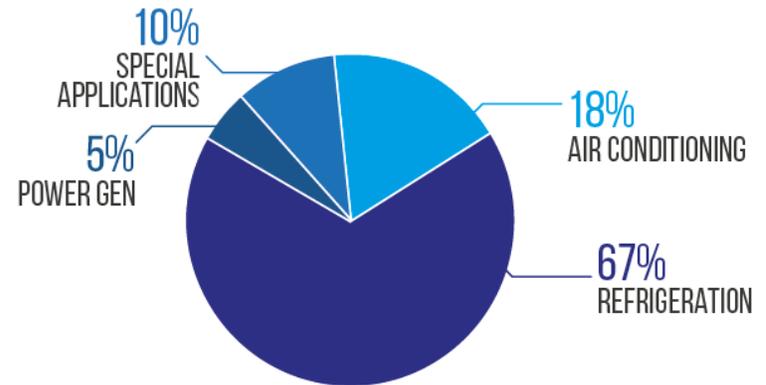


1 – About us - Products and applications

BREAKDOWN OF SALES 2014 BY PRODUCT (€ 212 M)



BREAKDOWN OF SALES 2014 BY APPLICATION



PRODUCTS	APPLICATIONS	TYPE OF CUSTOMER
Heat exchangers	Refrigeration – Air conditioning Special applications	OEM
Glass doors for refrigerated display cabinets	Refrigeration	OEM
Air cooled equipment	Refrigeration – Air conditioning Power Generation	Distributors/Installers
Close control	Air conditioning	Distributors/Installers





1 – About us - Products and applications

Heat exchangers





1 – About us - Products and applications

Refrigeration



Storage of fresh foods
in general and
fast freezing of
perishable foods



1 – About us - Products and applications

Air cooled equipment - Air Conditioning



Air conditioning for Frankfurt Exhibition Centre - Dry coolers for Hall 4 and 11



1 – About us - Products and applications

Close Control



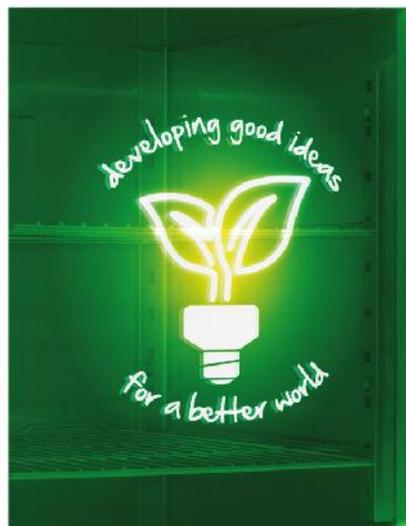
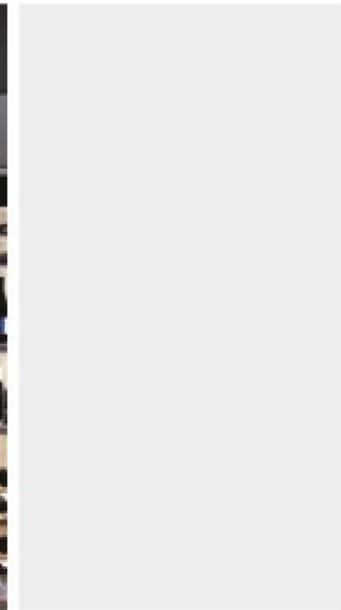
Precision air conditioning

- Operating theatres
- White rooms
- Data centres and telephone exchanges



1 – About us - Products and applications

Glass doors and closing systems





1 - About us

leadership, growth, global

LONG TERM GROWTH AND RESILIENT CASH GENERATION

Consolidated revenues 2014 (€ MN)	212	Cagr turnover '09-'14	+9.0%
EBITDA 2014 (€ MN)	30.9	EBITDA MARGIN 2014	14.6%
		AVERAGE '09-'14	14.0%

LEADING MANUFACTURER OF AIR COOLED EQUIPMENT AND HEAT EXCHANGERS

European leader for more than **40%** of turnover with market share of **40/50%**

TECHNOLOGICAL LEADERSHIP

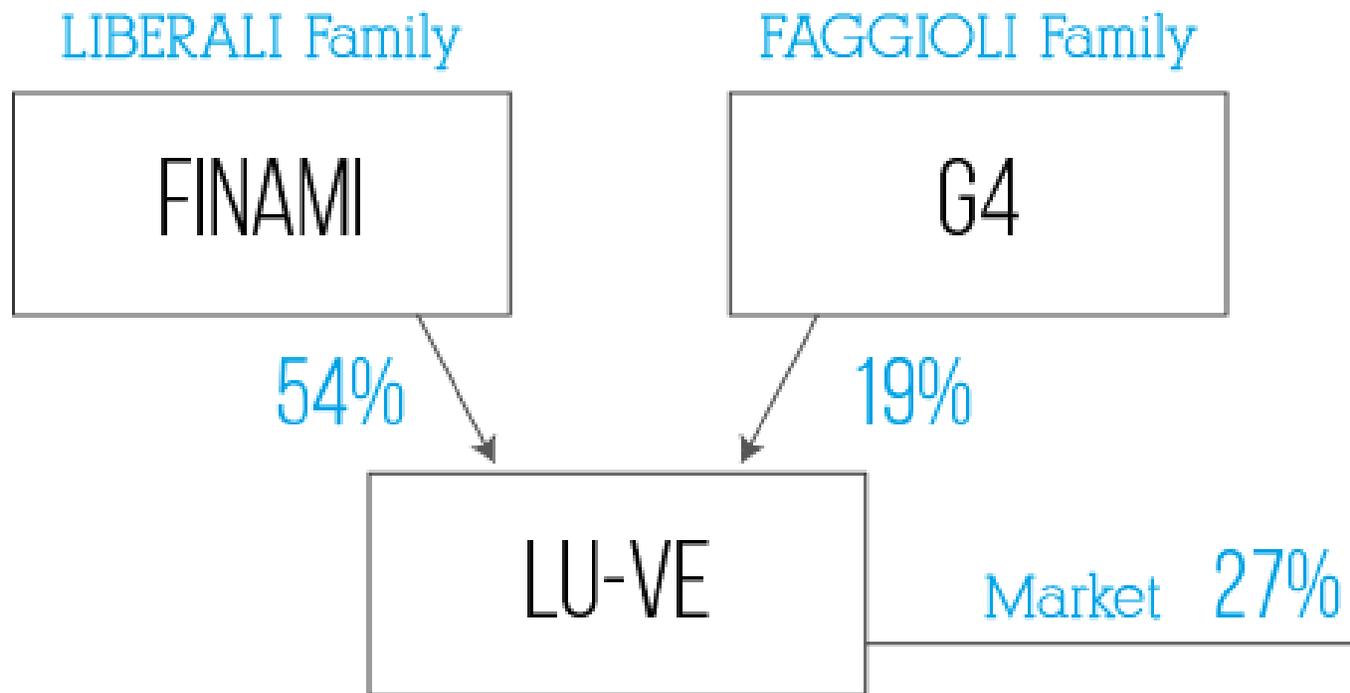
A GLOBAL GROUP WITH STRONG PRESENCE IN ITALY / EUROPE

- Over **76%** of turnover comes from outside Italy (main export market **GERMANY**)
- **≈ 50%** of production is outside Italy (POL, CZE, SWE, RUS, CHN)
- **1 528** employees (**624** in Italy) – on 31.12.14





2 – Shareholder structure post IPO





3 - History of the Group

Tradition, innovation and passion



Headquarters: Uboldo (VA)

LU-VE: LUcky Venture

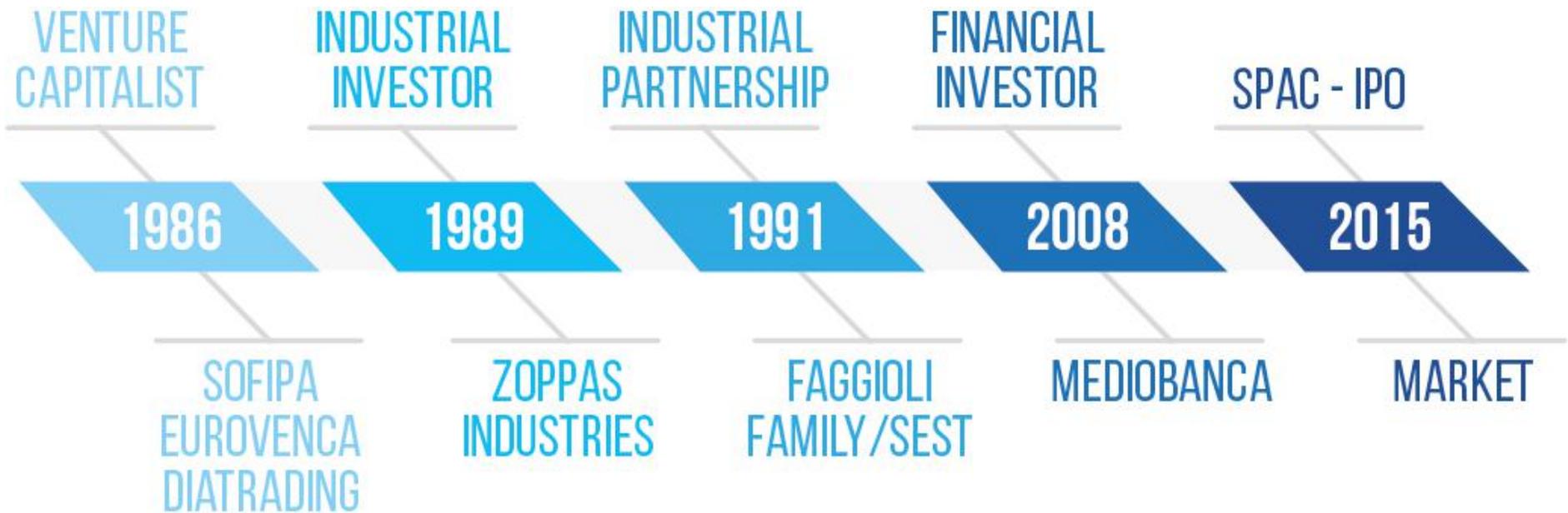
“The future has an ancient heart” Carlo Levi





3 - History of the Group

A history of successful partnerships



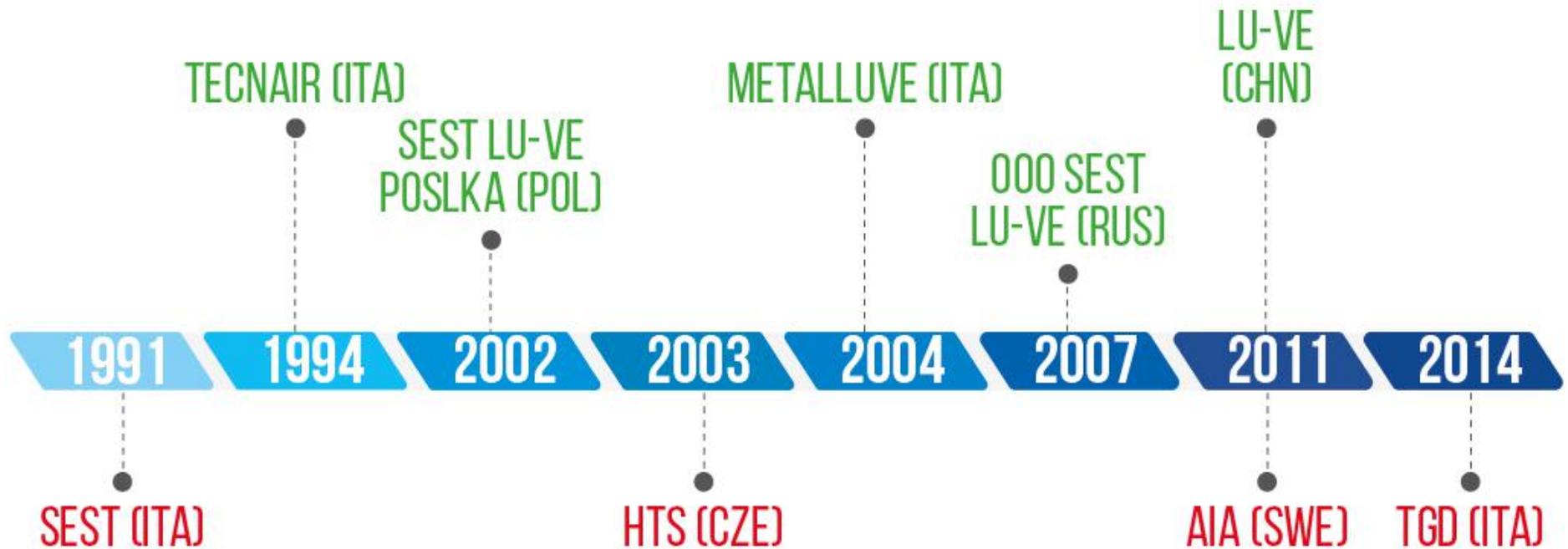
LU-VE financial statements have been audited since 1986





3 - History of the Group

Organic growth and acquisitions



■ GREENFIELD

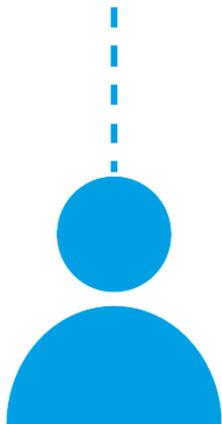
■ ACQUISITION



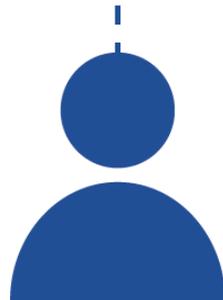


4 – Management Team

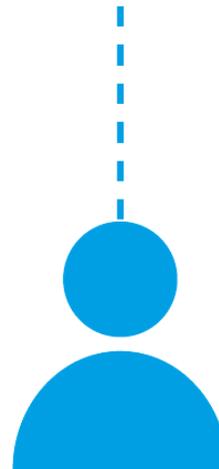
IGINIO LIBERALI
PRESIDENT
LU-VE GROUP



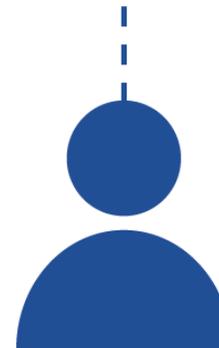
PIERLUIGI FAGGIOLI
VICE PRESIDENT
LU-VE GROUP



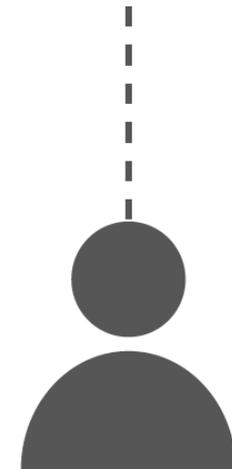
MATTEO LIBERALI
MD – CEO



MICHELE FAGGIOLI
MD – COO



ELIGIO MACCHI
CFO





5 - Strong international presence

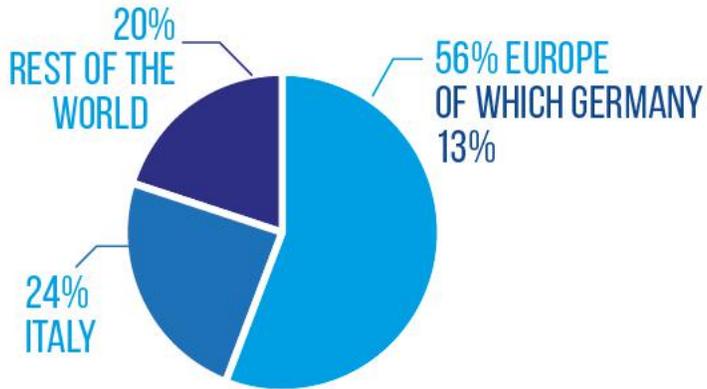
Glocal approach

LU-VE SELLS ITS PRODUCTS IN MORE THAN **100 COUNTRIES**

GERMANY IS ITS MAIN EXPORT MARKET



BREAKDOWN OF SALES 2014 BY GEOGRAPHICAL AREA (€ 212 M)



10 PRODUCTION FACILITIES

- 📍 UBOLDO (VA) – ITALY (3)
- 📍 LIMANA (BL) – ITALY
- 📍 TRAVACÒ SICCO (PV) – ITALY
- 📍 GLIWICE – POLAND
- 📍 LIPETSK – RUSSIA
- 📍 ASARUM – SWEDEN
- 📍 NOVOSÉDLÝ NA MORAVĚ – CZECH REP
- 📍 CHANGSHU - CHINA

13 COMMERCIAL COMPANIES

- 📍 AUSTRALIA - MELBOURNE
- 📍 AUSTRIA – VIENNA
- 📍 CHINA – HONG KONG
- 📍 UAE - DUBAI
- 📍 FRANCE - LYON
- 📍 GERMANY – STUTTGART
- 📍 INDIA – NEW DELHI
- 📍 POLAND – WARSAW
- 📍 POLAND - GLIWICE
- 📍 RUSSIA - MOSCOW
- 📍 SINGAPORE - SINGAPORE
- 📍 SPAIN- MADRID
- 📍 UK/EIRE – FAREHAM, HANTS





6 - Strengths

Market Leadership	<ul style="list-style-type: none">• Half of total turnover comes from areas in which the Group is the European leader
High level of customer loyalty	<ul style="list-style-type: none">• High cost of replacing supplier/co-design• Brand value
“Glocal” approach	<ul style="list-style-type: none">• Plants in Italy, Poland, Czech Rep., Sweden, Russia and China• Almost 50% of production is made outside Italy• Extensive commercial structure
Low cyclicity	<ul style="list-style-type: none">• Wide range of fields of application• Wide variety of customers and end users• Direct sales in more than 100 countries
Technological leadership	<ul style="list-style-type: none">• See next page



7 – Technological leadership

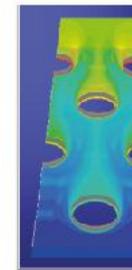
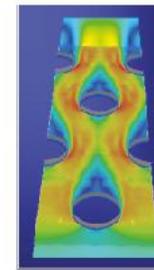
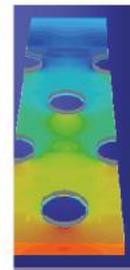
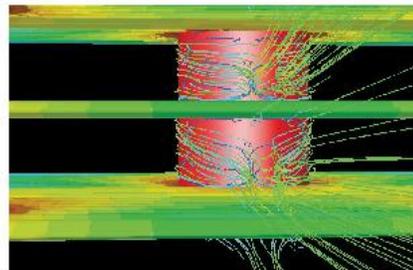
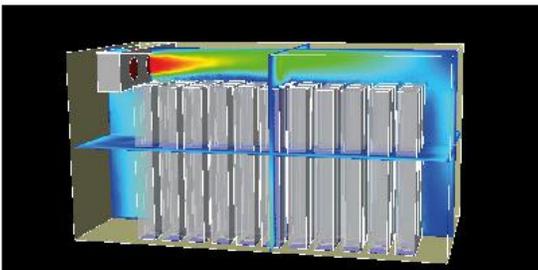
Strengths

Technological leadership

- First in the world to obtain **Eurovent/TÜV SÜD** performance certification
- Definition of new energy efficiency standards for the sector,
- Constant introduction of technological innovation and patents onto the market
- First in the world to use nanotechnology in heat exchange process

R&D leadership

- The largest R&D laboratory for the sector in Europe (the only one able to test **CO2** systems)
- The first to use computational fluid dynamics, **CFD**
- First in the sector to use “green” technology/solutions, LCC/LCA Life Cycle Costing/ Assessment
- Works with more than **21** universities and research institutes in 13 different countries





7 - Patents & Innovations

«Less raw material, more brain power»



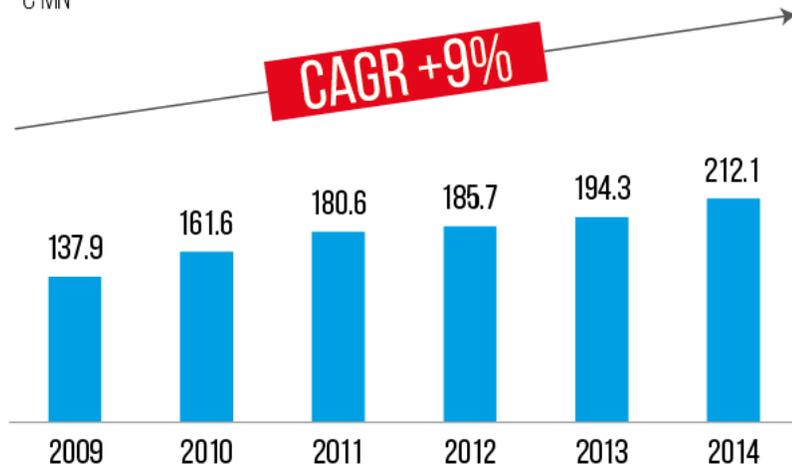


8 – Financial results

Turnover, Ebitda and net income trends

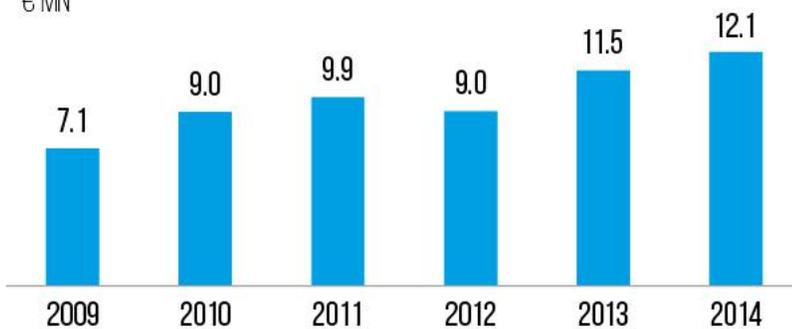
TURNOVER TREND 2009-2014

€ MN



TREND FOR ADJUSTED NET INCOME* 2009-2014

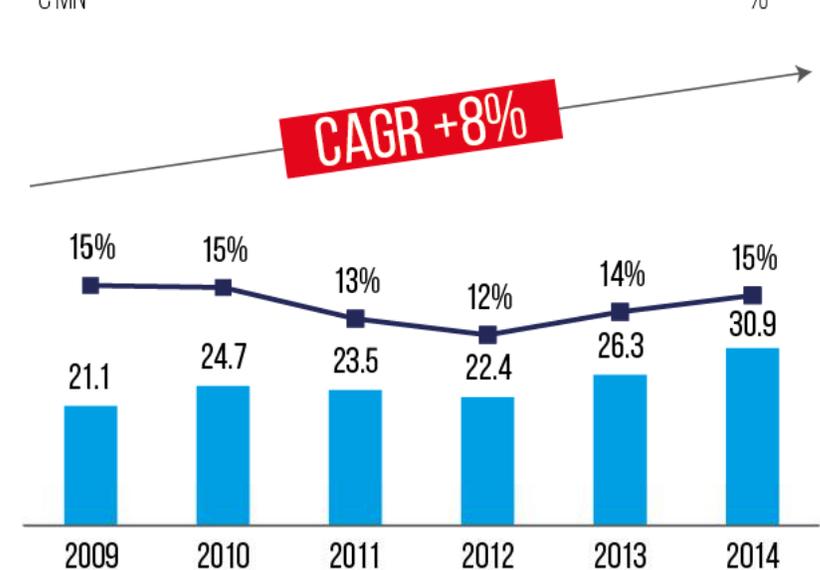
€ MN



EBITDA TREND 2009-2014

€ MN

%



EBITDA margin 2012 Adjusted 14%
(China start-up and Sweden merger)

■ EBITDA ■ %

Note: The company financial statements have been audited since 1986
* Adjusted Net Income. ANI = Net Income + Goodwill amortisation - Deferred tax





8 – H1 2015: financial highlights

- Consolidated Sales: € 104.9m (+0% vs. 1H14) **+ 2,6% at constant exchange rates**
- EBITDA margin: 11,8% (vs. 13,4% in 1H14) **(vs 12,8% in H1 14 at constant FX rates)**
- Group Net Income margin: 4.2% **(vs 3,8% in 1H14)**
- NFP: € 64.9m (vs. € 69,6 m as of 30 Jun 2014, - € 4,7 m)
- **Net cash generation (12 months adjusted) : € 12,2 m**

€ m	H1 2015		H1 2014		Δ %	Δ % ⁽¹⁾
Net Sales	104,9	100,0%	104,9	100,0%	0,0%	2,6%
EBITDA	12,4	11,8%	14,1	13,4%	-11,8%	-7,5%
Group Net Income	4,5	4,2%	4,0	3,8%	10,9%	
Net Financial Position	64,9		69,7		-6,9%	
Net cash generation adj	12,2					

(1) At constant exchange rates



8 – H1 2015: net sales breakdown

Key highlights H1 2015 (€ 104 m)

1. Flat turnover (+ 2.6% at constant FX), mainly hit by FX (ruble) and power gen
2. Refrigeration & air conditioning (90% of total sales): + 4,9%
3. High growth in countries where there production plants are located (Italy +9%, Poland + 23%, Czech Republic +15%, China + 12%, Sweden + 7%)
4. Glass doors for refrigerated cabinet (acquired in 2014): + 29%

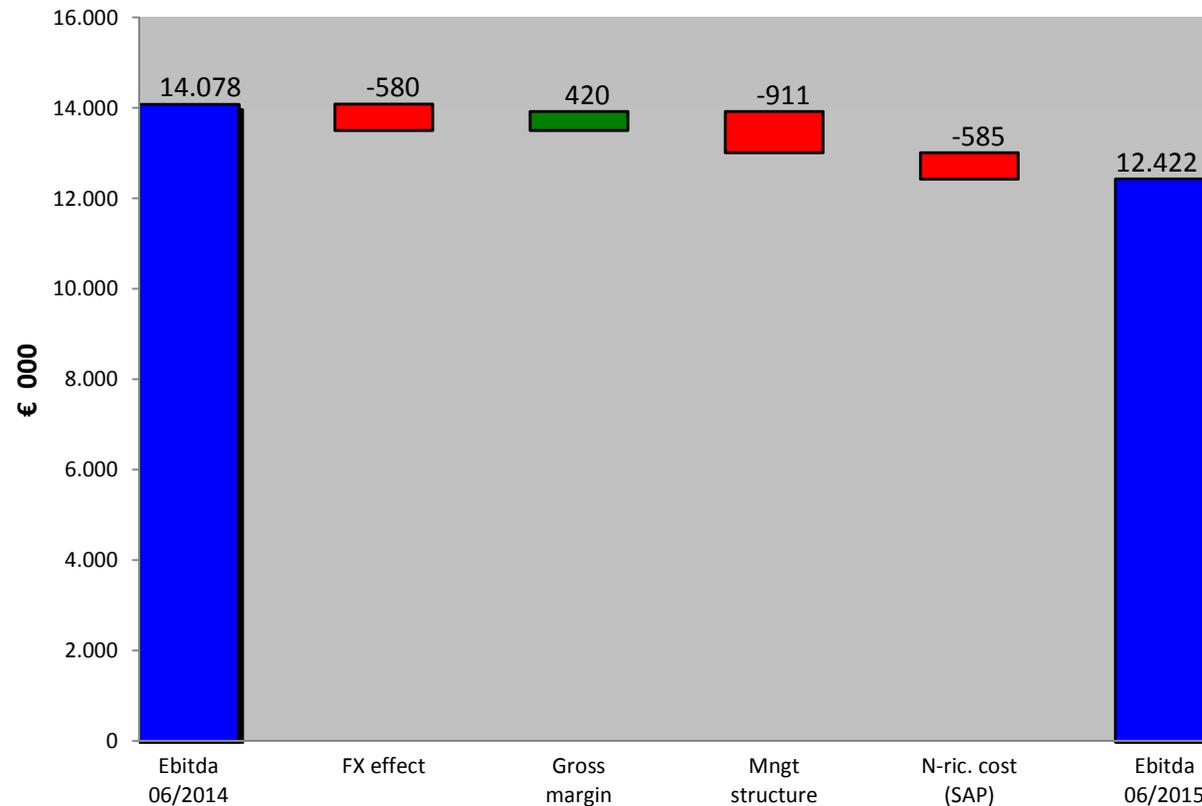
Applications	€ /000 H1 2015	%	€ /000 H1 2014	%	Δ %
Refrigeration	74.917	71,4%	70.809	67,5%	5,8%
Air conditioning	19.692	18,8%	19.378	18,5%	1,6%
Special application	9.120	8,7%	10.233	9,8%	-10,9%
Power Gen	1.216	1,2%	4.481	4,3%	-72,9%
TOTAL	104.945	100,0%	104.901	100,0%	0,0%



8 – H1 2015: EBITDA bridge analysis

- Fx effect: mainly ruble (€ 0,4 m) and CZK
- Positive effect on gross margin
- Management structure:
 - € 0,5m: sales
 - € 0,4m: R&D, logistic
- SAP implementation in HTS e TGD

EBITDA bridge analysis





8 – H1 2015: net working capital

- Tight control of working capital
- Seasonality in working capital needs
- Improved vs 2014

Net Working Capital: June 2015 vs June 2014

€uro/000	30/06/2015	Days	30/06/2014	Days
Stock	24.667	42	23.179	40
A/receivable	<u>48.042</u>	82	<u>47.861</u>	82
Working capital	72.709	125	71.040	122
A/payable	<u>41.886</u>	107	<u>39.088</u>	100
Net working capital	30.823	53	31.952	55
% on net sales LTM	14,5%		15,6%	



8 – H1 2015: Net cash flow

- Strong cash generation
- Accelerated capex program in H1 2015 (€ 7,2m vs € 4,2 m)
- Dividend paid on 2014 FY (€ 3,0m) and on 2013 FY (€1,5m)

Net Cash / (net debt)	€ m	
Net financial position as of June 14	(€ 69,6)	
Net financial position as of June 15	(€ 64,9)	
Decrease in net financial position	€ 4,7	€ 4,7
+ Dividends paid: June 14 - June 15		€ 4,5
+ Accelerated Capex program in H1 15		€ 3,0
= Total Normalized Net Cash Flow		€ 12,2



9 - Future development (5 years framework)

Growth, expansion and acquisitions

Organic growth	<ul style="list-style-type: none">• Growth of turnover (7% organic CAGR '09-'14)• Strengthening of the EBITDA margin (EBITDA margin 2014: 14%)• CAPEX anticipation envisaged within the timeframe (CAPEX annual average in last three years~ € 8.5 m)• Strict control of working capital (~10% of turnover)• Development of new products/applications
Geographic expansion	<ul style="list-style-type: none">• Strong focus on emerging economies with high potential• Close relationship with end user• Greenfield investments in emerging economies/enlargement of existing plants
Acquisitions	<ul style="list-style-type: none">• Identify and carry out M&A which make good industrial sense• Possible targets for LU-VE include companies which are<ul style="list-style-type: none">• Active in the same business:<ul style="list-style-type: none">• The Americas• Emerging economies• Europe• Own complementary technology and/or products• Possible use of further financial leverage



10 - Disclaimer

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LU-VE
GROUP

leadership with passion



**“OUR BEST
DAYS HAVE
YET TO BE LIVED”**

NAZIM HIKMET