



Borsa Italiana

**Small Cap Conference
2015**

19 November 2015



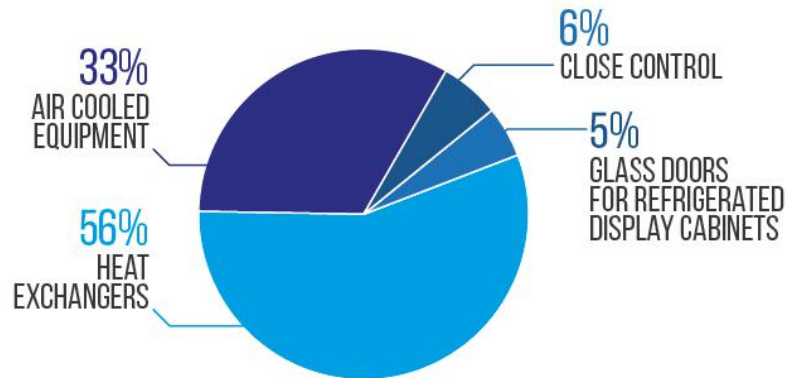
CONTENTS

1. About us - Products and applications
2. Shareholder structure
3. History of the Group
4. Management team
5. Strong international presence
6. Strengths
7. Technological leadership
8. Financial results
9. Future development
10. Disclaimer

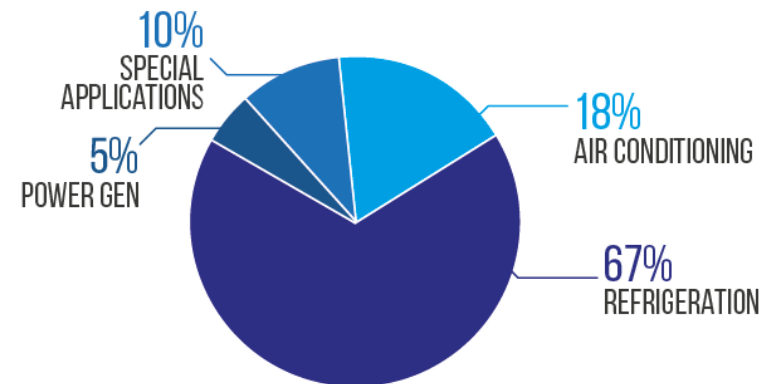


1 – About us - Products and applications

BREAKDOWN OF SALES 2014 BY PRODUCT (€ 212 M)



BREAKDOWN OF SALES 2014 BY APPLICATION

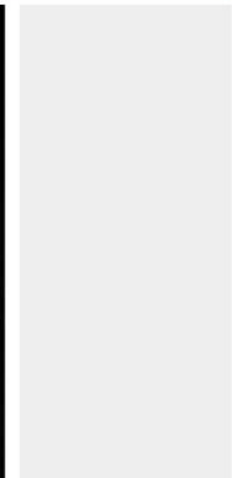


PRODUCTS	APPLICATIONS	TYPE OF CUSTOMER
Heat exchangers	Refrigeration – Air conditioning Special applications	OEM
Glass doors for refrigerated display cabinets	Refrigeration	OEM
Air cooled equipment	Refrigeration – Air conditioning Power Generation	Distributors/Installers
Close control	Air conditioning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



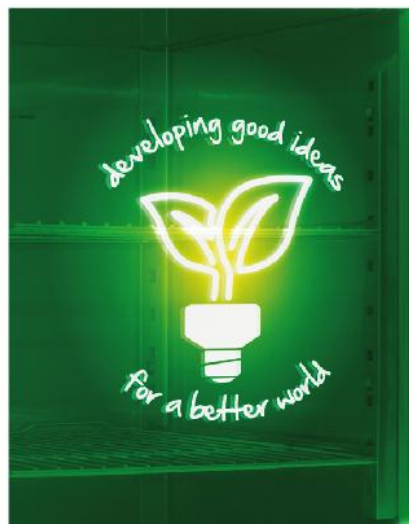
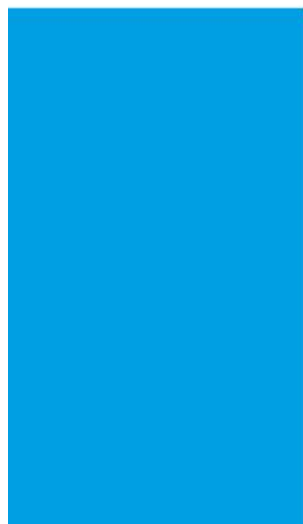
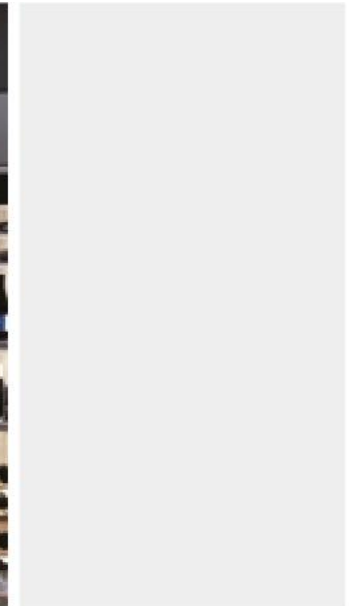
Precision air conditioning

- 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

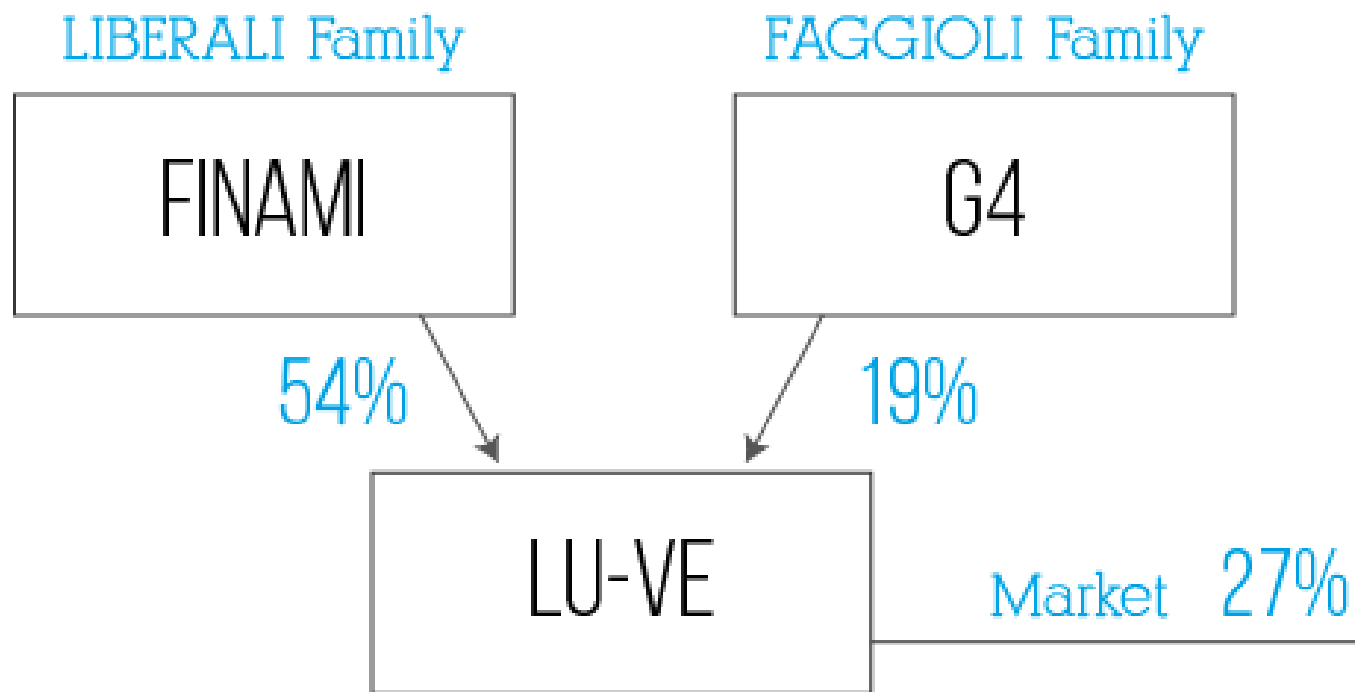
A GLOBAL GROUP WITH STRONG PRESENCE IN ITALY / EUROPE

- 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

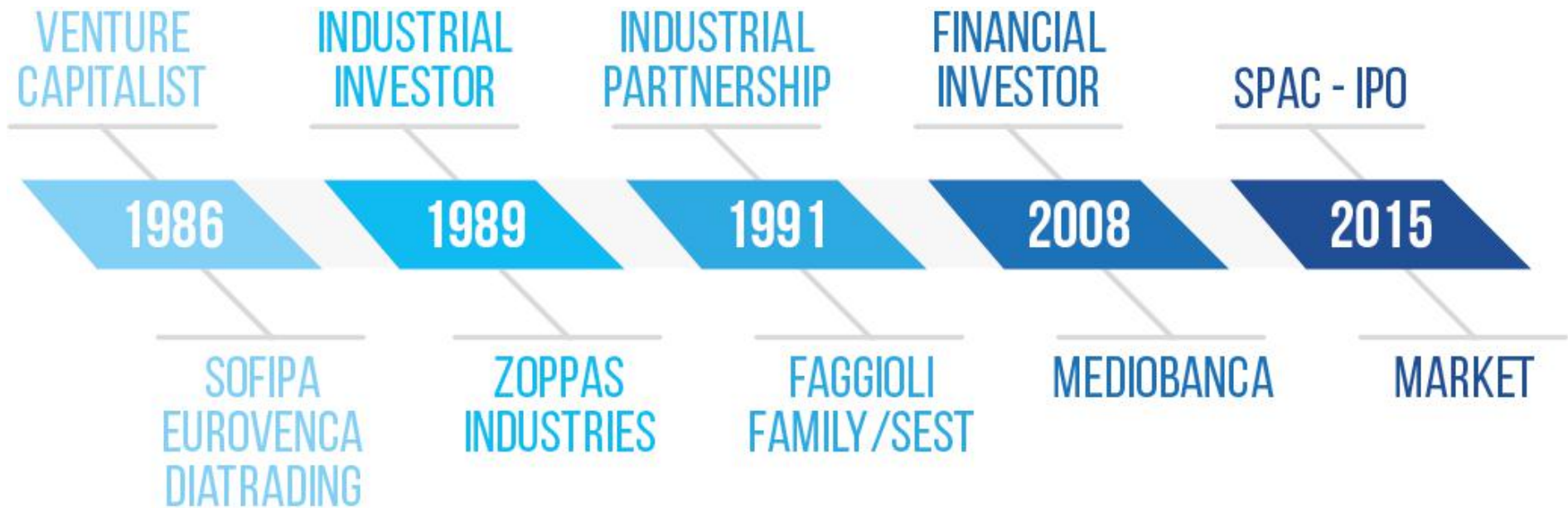
“The future has an ancient heart” Carlo Levi





3 - History of the Group

A history of successful partnerships

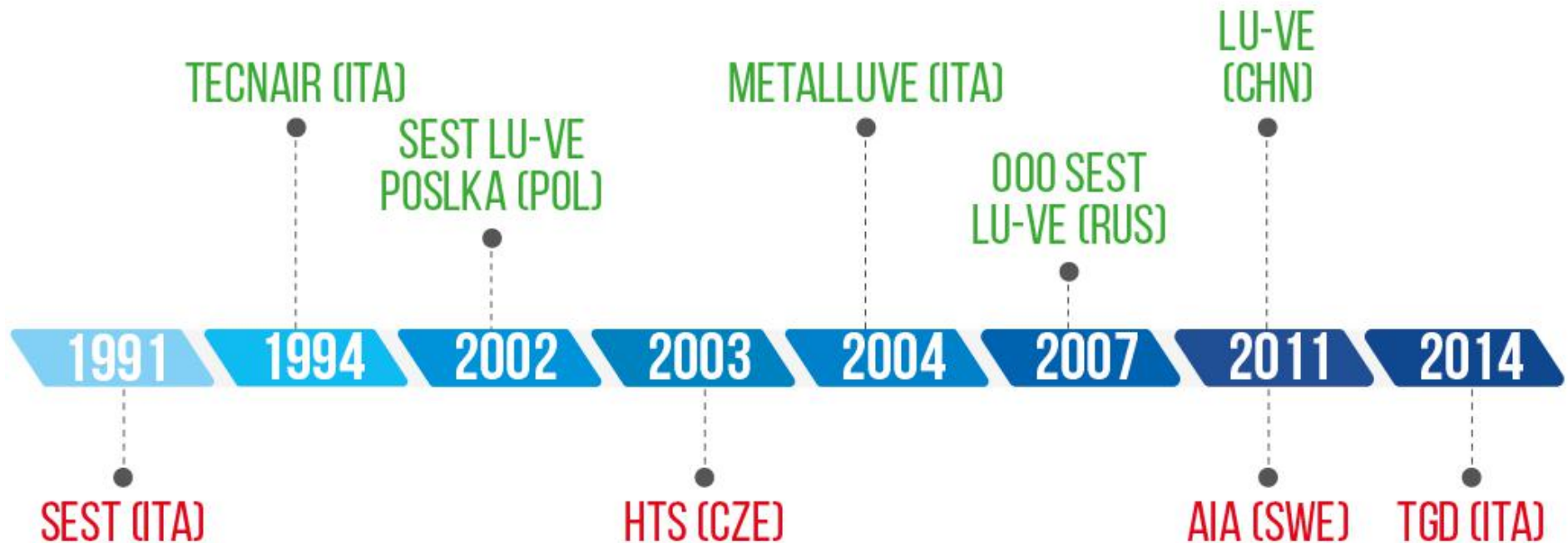


LU-VE financial statements have been audited since 1986



3 - History of the Group

Organic growth and acquisitions



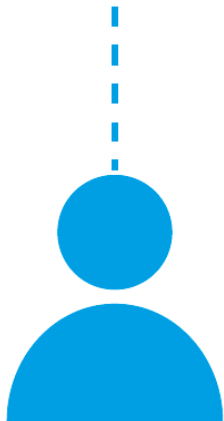
■ GREENFIELD

■ ACQUISITION

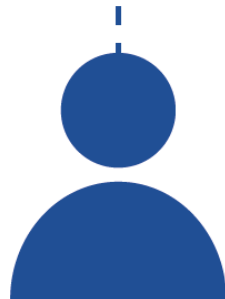


4 – Management Team

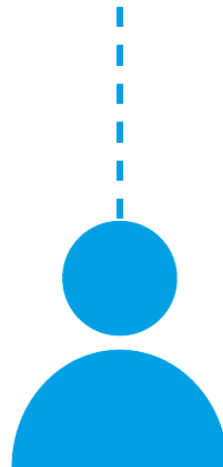
IGINIO LIBERALI
PRESIDENT
LU-VE GROUP



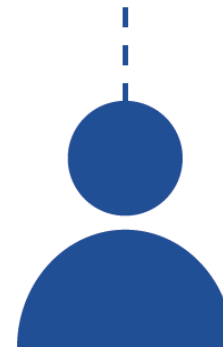
PIERLUIGI FAGGIOLI
VICE PRESIDENT
LU-VE GROUP



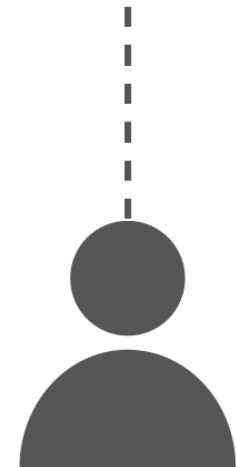
MATTEO LIBERALI
MD – CEO



MICHELE FAGGIOLI
MD – COO



ELIGIO MACCHI
CFO





5 - Strong international presence

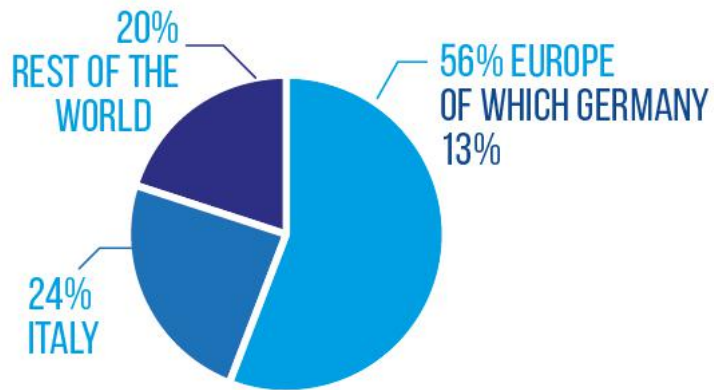
Glocal approach

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
- NOVOSEDLY 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

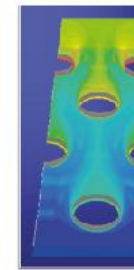
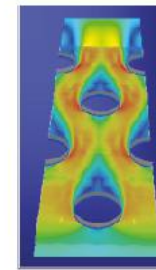
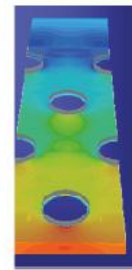
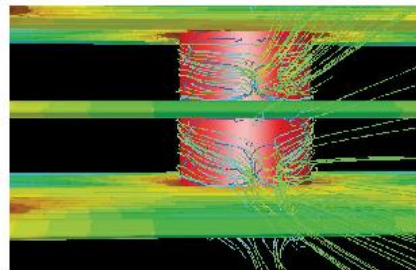
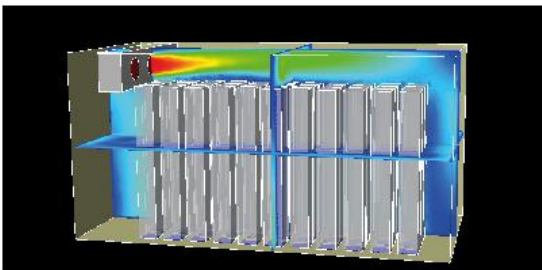
Strengths

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»



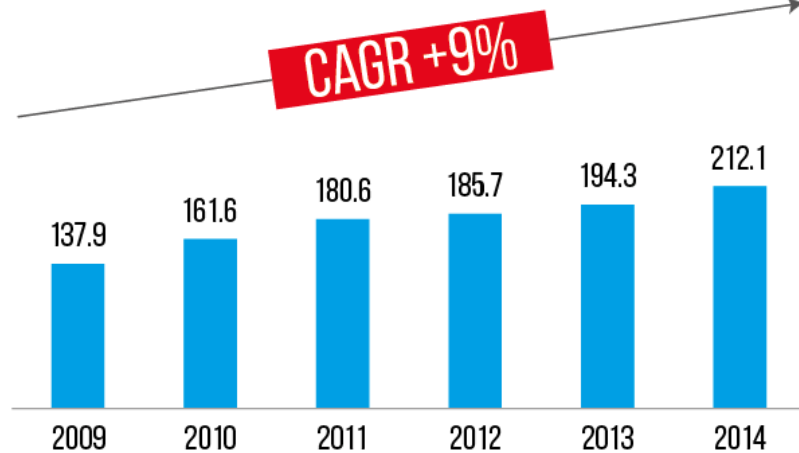


8 – Financial results

Turnover, Ebitda and net income trends

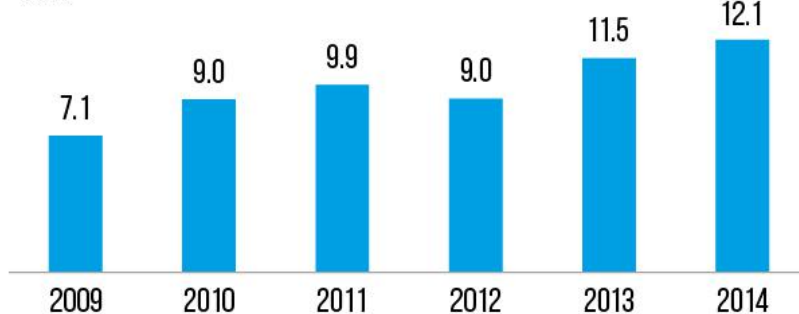
TURNOVER TREND 2009-2014

€ MN



TREND FOR ADJUSTED NET INCOME* 2009-2014

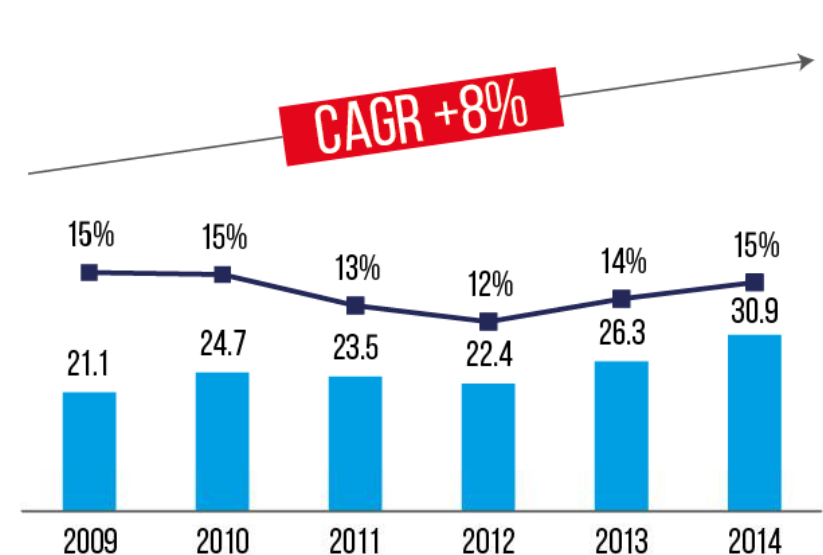
€ MN



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%

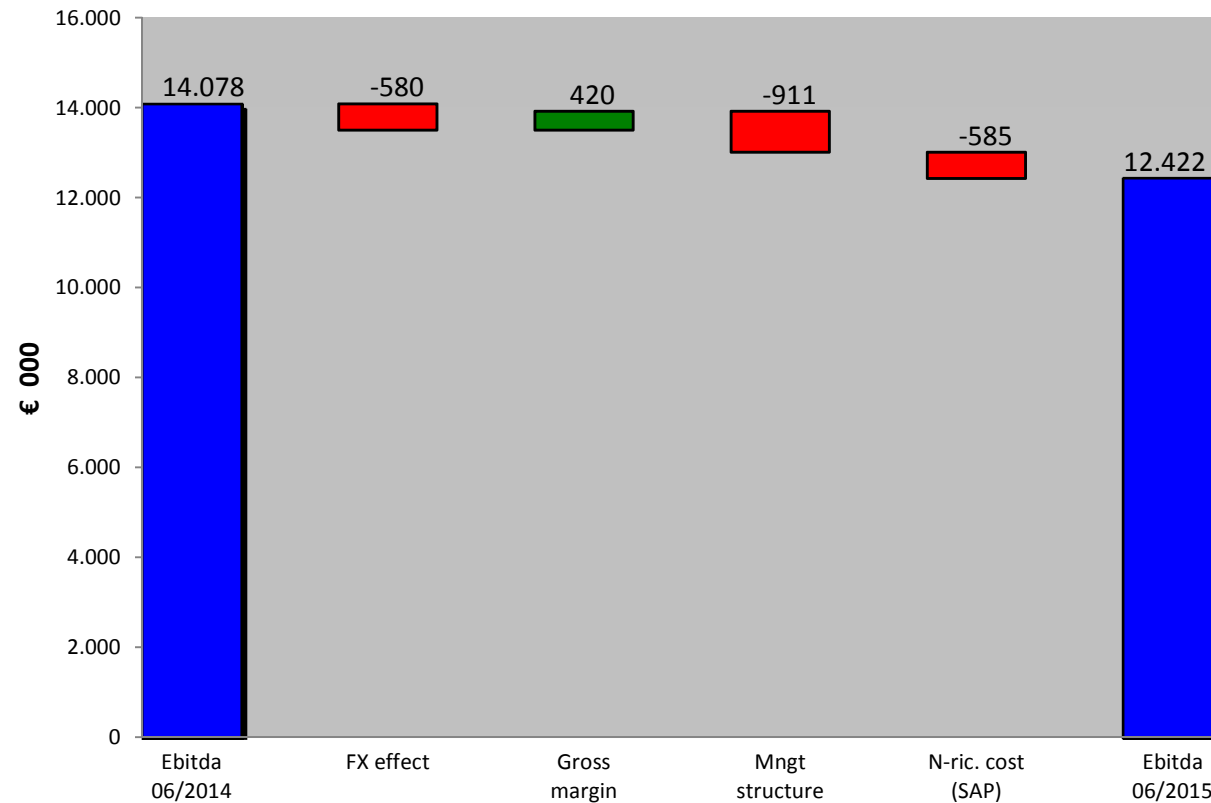
Applications	€ /000 H1 2015	%	€ /000 H1 2014	%	Δ %
Refrigeration	74.917	71,4%	70.809	67,5%	5,8%
Air conditioning	19.692	18,8%	19.378	18,5%	1,6%
Special application	9.120	8,7%	10.233	9,8%	-10,9%
Power Gen	1.216	1,2%	4.481	4,3%	-72,9%
TOTAL	104.945	100,0%	104.901	100,0%	0,0%



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	48.042	82	47.861	82
Working capital	72.709	125	71.040	122
A/payable	41.886	107	39.088	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

- 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

- Strong focus on emerging economies with high potential
- Close relationship with end user
- Greenfield investments in emerging economies/enlargement of existing plants

Acquisitions

- Identify and carry out M&A which make good industrial sense
- Possible targets for LU-VE include companies which are
 - Active in the same business:
 - The Americas
 - Emerging economies
 - Europe
- Own complementary technology and/or products
- Possible use of further financial leverage



10 - Disclaimer

- This presentation has been prepared by LU-VE Spa S.p.A. for information purposes only and for use in presentations of the Group's results and strategies.
- For further details on the LU-VE Group, reference should be made to publicly available information.
- Statements contained in this presentation, particularly the ones regarding any LU-VE Group possible or assumed future performance, are or may be forward looking statements and in this respect they involve some risks and uncertainties.
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LU-VE
GROUP

leadership with passion



“OUR BEST
DAYS HAVE
YET TO BE LIVED”

NAZIM HIKMET