



FY 2016 results

March 2017, 10th



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1 – Financial highlights (IFRS)

- Pro-forma ⁽¹⁾ consolidated sales ⁽²⁾: **€ 248.3m** (+18,8% vs. FY15) ; **+ 9.7%** on LFL basis ⁽³⁾
- Pro forma adj.⁽⁴⁾ EBITDA : **14.1%** (vs 13.9% in FY15)
- Group net income margin: 7.4% (vs 4.6% in FY15)
- NFD: € (30.2m) (vs € 4.2 m as of Dec 2015)
- Net cash generation (12 months adjusted) ⁽⁵⁾ : **€ 12.1 m** (vs 13.1 in FY15)

€ m	2016 Proforma ⁽¹⁾		2015		LFL Growth ⁽³⁾
Sales of finished products ⁽²⁾	248,3	100,0%	209,1	100,0%	+9,7%
EBITDA	33,0	13,3%	26,2	12,5%	+17,3%
EBITDA adjusted ⁽⁴⁾	35,0	14,1%	29,1	13,9%	+7,0%
Group net income	18,3	7,4%	9,6	4,6%	+68,5%
Net financial position (debt) ⁽⁵⁾	(30,2)		4,2		
Net cash generation adj ⁽⁶⁾	12,1		13,1		

Notes

(1) Pro-forma means the aggregated results of: **a)** consolidated results of LUVE Group and **b)** Spirotech

(2) Excluding other sales of € 3,0 M in 2016 and € 3,2 in 2015

(3) LFL = excluding Spirotech

(4) Excluding one time costs

(5) Including PUT&CALL on minority

(6) See page 10 for details



2 – Net sales breakdown

Breakdown of sales by product 2016 proforma ⁽¹⁾

Product	2015		2016		LFL GROWTH (2)
	Sales Value	% on total	Sales Value	% on total	
Heat Exchangers	114.685	54,8%	141.283	56,9%	6,7% ⁽³⁾
Air Cooled Equipment	72.049	34,5%	80.737	32,5%	12,1%
Glass Doors for refrigerated display cabinets	13.244	6,3%	15.576	6,3%	17,6%
Close Control	9.122	4,4%	10.713	4,3%	17,4%
TOTAL	209.100	100,0%	248.309	100,0%	9,7%

(1) Including 12 month sales of Spirotech

(2) LFL growth i.e. excluding Spirotech

(3) Total growth = + 23.2%



2 – Net sales breakdown

Breakdown of sales by application 2016 proforma ⁽¹⁾

Applications	2015		2016		LFL GROWTH (2)
	Sales Value	% on total	Sales Value	% on total	
Refrigeration	147.351	70,5%	167.765	67,6%	12,3%
Air Conditioning	36.905	17,6%	43.638	17,6%	5,2%
Special Applications	20.115	9,6%	32.354	13,0%	2,1%
Power Generation - Process & Others	4.729	2,3%	4.551	1,8%	-3,8%
TOTAL	209.100	100,0%	248.309	100%	9,7%

(1) Including 12 month sales of Spirotech

(2) LFL growth i.e. excluding Spirotech



2 – Net sales breakdown

Key highlights 2016 (€ 248.3 m proforma)

1. Robust growth: 9,7% on LFL basis
2. Refrigeration & air conditioning (85% of total sales): + 10,9% on LFL basis
3. Higher penetration in some key customers
4. Strong recovery in air conditioning for mobile application
5. Glass doors for refrigerated cabinet (acquired in 2014): + 17,6%
6. High growth in “traditional” markets (Italy +10.0%, France +19.8%, Sweden +17.1, Austria +25.9%, Russia +15,2%)
7. New markets: Mexico



3 – Profit & Loss (IFRS)

Consolidated Profit & Loss Reclassified (000 Euro)	12/31/2016 Proforma ⁽¹⁾	% of sales	12/31/2015	% of sales	Δ % 2016 PF vs 2015
Sales and operating income	251,279	100.0%	212,264	100.0%	18.4%
Purchases of materials	(129,461)	51.5%	(108,300)	51.0%	
Inventory increase (decrease)	3,489	-1.4%	3,060	-1.4%	
Services	(39,337)	15.7%	(33,358)	15.7%	
Labour cost	(50,965)	20.3%	(46,335)	21.8%	
Other operating costs	(2,030)	0.8%	(1,111)	0.5%	
Total operating costs	(218,304)	86.9%	(186,044)	87.6%	17.3%
EBITDA	32,975	13.1%	26,220	12.4%	25.8%
Increase (decrease) of derivatives	306	-0.1%	(201)	0.1%	
Depreciation	(13,491)	5.4%	(12,340)	5.8%	
Gain (loss) of non current assets	431	-0.2%	241	-0.1%	
EBIT	20,221	8.0%	13,920	6.6%	45.3%
Net financial charges	2,169	-0.9%	(3,381)	1.6%	
EBT	22,390	8.9%	10,539	5.0%	112.4%
Income taxes	(4,069)	1.6%	(942)	0.4%	
Group net income	18,321	7.3%	9,597	4.5%	90.9%
Minority interest	793		498		
Net income	17,528	7.0%	9,099	4.3%	92.6%

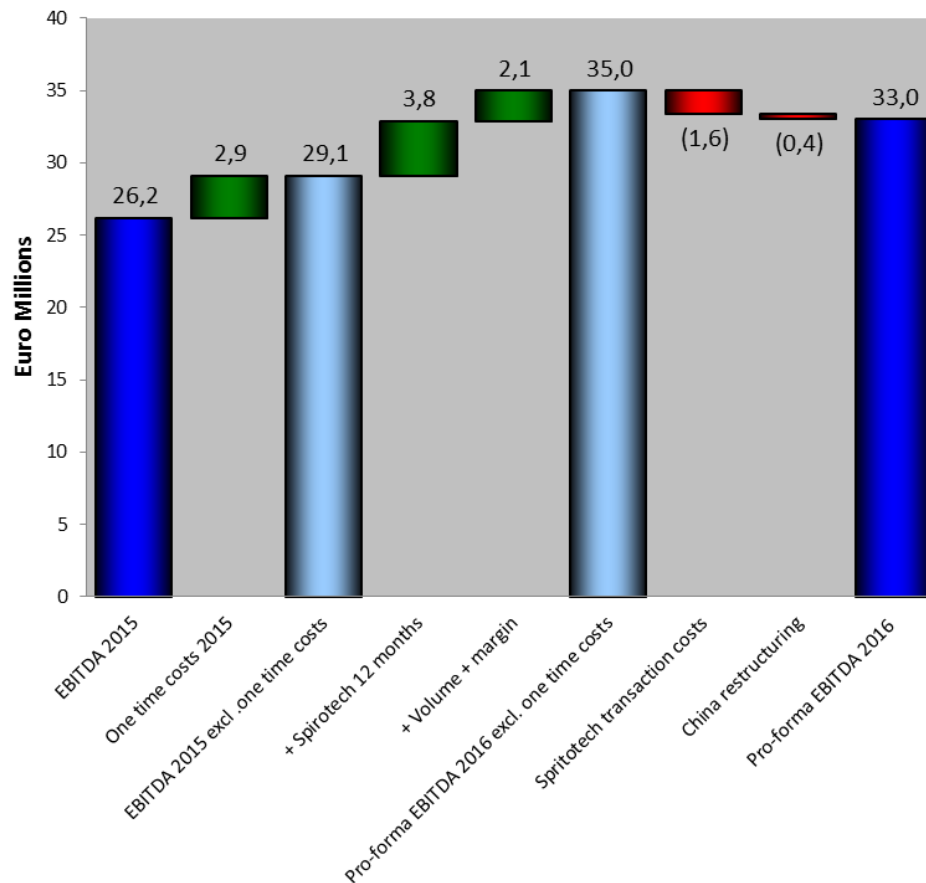
- See EBITDA bridge analysis
- Net financial income
- Low taxation despite no ACE benefit
- Group net income: + 90,9%

- 1) Pro-forma means the aggregated results of: a) consolidated results of LUVE Group and b) Spirotech



3 – Profit & Loss: EBITDA bridge analysis (IFRS)

EBITDA bridge analysis



Bridge analysis including Spirotech for 12 months (pro-forma):

- EBITDA increase due to Spirotech = € 3,8 M
- EBITDA increase thanks to volume and margin = € 2,1 M
- One time adjustments on FY 16 EBITDA =
 - ❑ Spirotech acquisition costs = € 1,6 M
 - ❑ One time restructuring costs in China = € 0,4 M



4 – Net working capital (IFRS)

- Tight control of working capital
- Seasonality in working capital needs
- Spirotech acquisition impact:
 - ❑ $\Delta \text{NWC} = \text{€ } 5,8 \text{ M}$
 - ❑ Spirotech NWC / sales = 30%
- Excluding Spirotech, NWC = 7,6% of sales

Net Working Capital: 2016 vs 2015						
€uro/000	Proforma ⁽¹⁾ 31/12/16	Days ⁽¹⁾	LFL ⁽²⁾ 31/12/16	Days ⁽²⁾	31/12/15	Days
Stock	30.914	44	26.495	41	24.625	42
A/reicevable	45.456	65	43.003	67	33.761	57
Less: A/payable	(53.070)	113	(51.970)	123	(47.072)	120
Net working capital	23.300	33	17.528	27	11.314	19
% on net sales	9,3%		7,6%		5,3%	

(1) Including Spirotech for 12 months

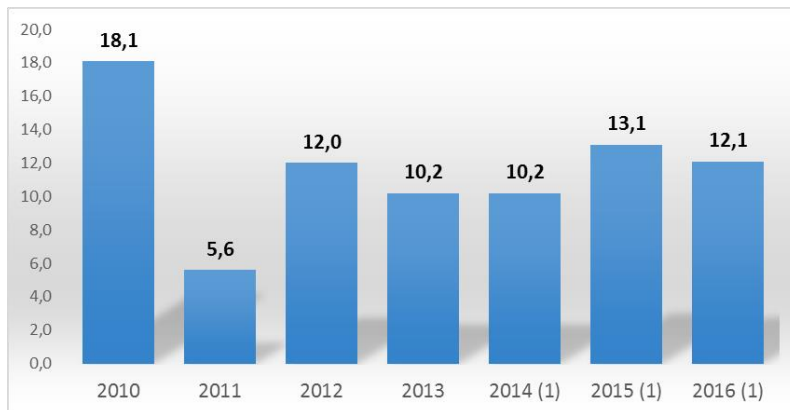
(2) Excluding Spirotech



5 – Net cash flow (IFRS)

- Consistently strong cash generation
- In 2016 impact of acquisitions
- NWC synergies with Spirotech to be cashed in

Net cash generation adjusted 2010-2016 (€ m):



(1) 2010-2013 ITA GAAP – 2014-2016 IFRS

Net cash / (net debt)	€ m	
Net financial position as of Dec 15 (IFRS)	4,2	
Net financial position as of Dec 16 (IFRS)	(30,2)	
Decrease in net financial position	(34,4)	(34,4)
+ Dividends paid in 2016		4,1
+ Accelerated capex program		5,5
+ Treasury stock purchase		0,5
+ Minority acquisitions		2,3
+ Acquisitions including transaction costs		34,1
= Total normalized net cash flow		12,1



6 – Balance sheet (IFRS)

- Seasonal working capital needs:
 - (average 10-12% of sales)
- Strong financial structure
- Debt capacity to finance further acquisitions

Consolidated balance sheet					
Reclassified (000 Euro)	12/31/2016	% net invested capital	12/31/2015	% net invested capital	Δ % 2016 vs 2015
Fixed assets and non-current assets	166,668	101.2%	131,554	108.2%	35,114
Working capital	14,418	8.8%	4,394	3.6%	10,024
Less: long term liabilities	16,447	10.0%	14,348	11.8%	2,099
Net invested capital	164,639	100.0%	121,600	100.0%	43,039
Total group net worth	134,395	81.6%	125,798	103.5%	8,597
Net financial position	30,244	18.4%	(4,198)	-3.5%	34,442
Net worth and net financial position	164,639	100.0%	121,600	100.0%	43,039



7 – The path ahead (5 years timeframe)

Growth, expansion and acquisitions

Organic growth

Delivered

- Growth of turnover (**9,0%** CAGR '09 -'16 – **6,4%** organic)
- Strengthening of the EBITDA margin (Adj 16: **≈14%**)
- CAPEX anticipation envisaged within the timeframe
- Strict control of operating working capital (**~10-15%** of turnover)
- Development of new products/applications

Geographic expansion

Delivered

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

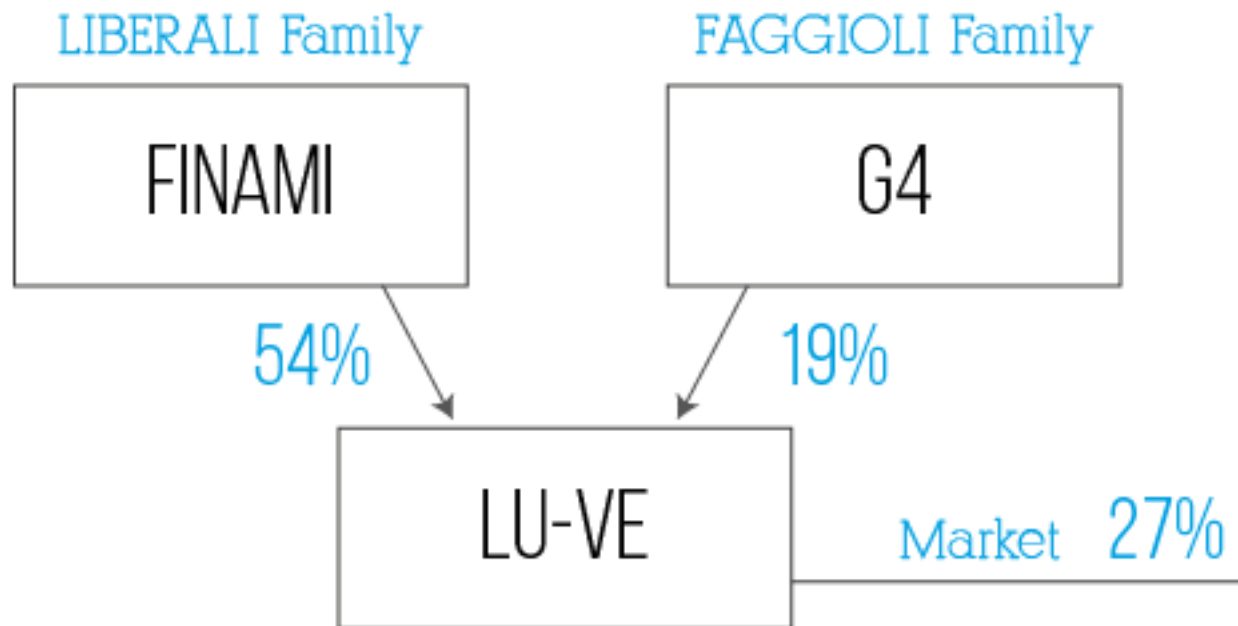
Acquisitions

Delivered

- Spirotech (India) acquired in October 2016: the single largest acquisition by LUVÉ
- Possible further targets include companies which are
 - Active in the same business:
 - The Americas
 - Emerging economies (see Spirotech acquisition in India)
 - Europe
- Own complementary technology and/or products
- Possible use of further financial leverage



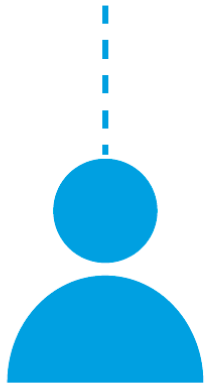
8 – Group structure: Shareholder structure post IPO



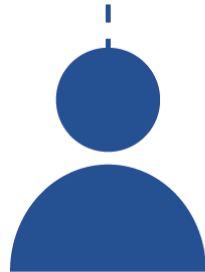


8 – Group structure: Management Team

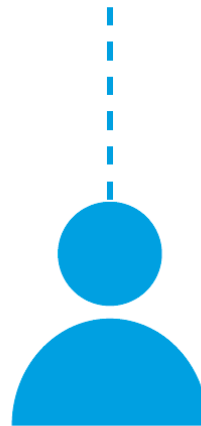
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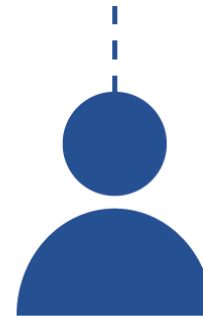
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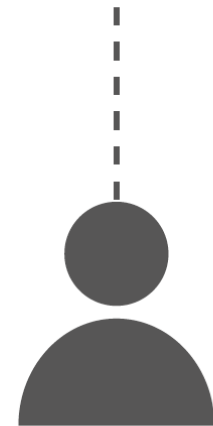
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CFO





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DAYS HAVE
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