LU-VE GROUP

leadership with passion

H1 2017 results

21st September 2017

CONTENTS

1 – Financial highlights

- Total sales [1]: **€ 133,0 m** (+13,9% vs. H116) ; **+ 3,5%** on LFL basis [2]
- Order backlog as of 31 August: + 21% (+10% LFL)
- EBITDA adjusted [3] : € 14,2 m - vs € 15,9 m in H116 -
- Net financial debt [4]: € 51,1 m - vs € 30,2 m as of Dec 2016 -
- Net cash generation (12 months adjusted) [5] : **€ 10,7 m** - vs € 11.1 m in H116 -

€ m	H1 2017		H1 2016		Growth	LFL Growth [2]
Total sales [1]	133,0	100,0%	116,8	100,0%	+13,9%	+3,5%
EBITDA	12,9	9,7%	15,1	13,0%	-14,7%	-29,8%
EBITDA adjusted [3]	14,2	10,7%	15,9	13,6%	-10,7%	-25,0%
Net income	2,0	1,5%	7,7	6,6%	nm	nm
Net financial debt [4]	51,1		15,4			
Net cash generation (12 months adj.) [5]	10,7		11,1			

Notes

(1) Total sales include sales of products and other sales
(2) LFL = excluding Spirotech
(3) Excluding one time costs
(4) Including PUT&CALL on minority
(5) See page 15 for details

2 – Net sales breakdown by product

(Euro 000)	H1 16	H1 17			Growth 17/16		% on total H116	% on total H117
	Total	LFL	Spirotech	Total	LFL	Total	Total	Total
Heat exchangers	61.302	69.391	11.682	81.073	13,2%	32,3%	52,5%	60,9%
Air cooled equipment	41.927	40.220		40.220	-4,1%	-4,1%	35,9%	30,2%
Glass doors	8.361	4.631		4.631	-44,6%	-44,6%	7,2%	3,5%
Close control	4.441	4.816		4.816	8,4%	8,4%	3,8%	3,6%
Other	749	1.821	478	2.299	143,1%	206,9%	0,6%	1,7%
Total	**116.780**	**120.879**	**12.160**	**133.039**	**3,5%**	**13,9%**	**100,0%**	**100,0%**

LFL i.e. excluding Spirotech

2 – Net sales breakdown by application

(Euro 000)	H1 16	H1 17			Growth 17/16		% on total	
							H116	H117
	Total	LFL	Spirotech	Total	LFL	Total	Total	Total
Refrigeration	81.740	83.708	860	84.568	2,4%	3,5%	70,0%	63,6%
Air conditioning	19.413	20.814	3.356	24.170	7,2%	24,5%	16,6%	18,2%
Special applications	11.307	11.128	7.466	18.594	-1,6%	64,4%	9,7%	14,0%
Power generation & others	3.571	3.408	-	3.408	-4,6%	-4,6%	3,1%	2,6%
Other sales	749	1.821	478	2.299	143,1%	206,9%	0,6%	1,7%
Total	**116.780**	**120.879**	**12.160**	**133.039**	**3,5%**	**13,9%**	**100,0%**	**100,0%**

LFL i.e. excluding Spirotech

2 – Net sales breakdown

Key highlights H1 2017 (€ 133,0 m)

1. Overall results below expectation, partially retracing from high growth achieved in 2016 (+ 9,7% LFL)

2. Robust growth in Heat exchangers (+13,2% LFL) and Close control (+8,4% LFL)

3. Slightly sales decline in Air cooled equipment (-4,1%)

4. Disappointing sales in Glass doors (TGD) - 44,6% due to identified problems with top 2 customers (see page 11)

5. Good performance of newly acquired Spirotech (+ 19,6% vs H1 16) (see page 12)

6. Mixed results in Europe (Italy: +5,9% – excl. TGD / Poland: +105% - LFL -5,9% / Germany: + 0,8% /Czech Republic: +39,7% / UK: + 23,2% / Spain: + 33,9%)

7. Sustained good growth in Russia (+21,6%), other Eastern countries and India.

LU-VE GROUP
leadership with passion

3 – Profit & loss

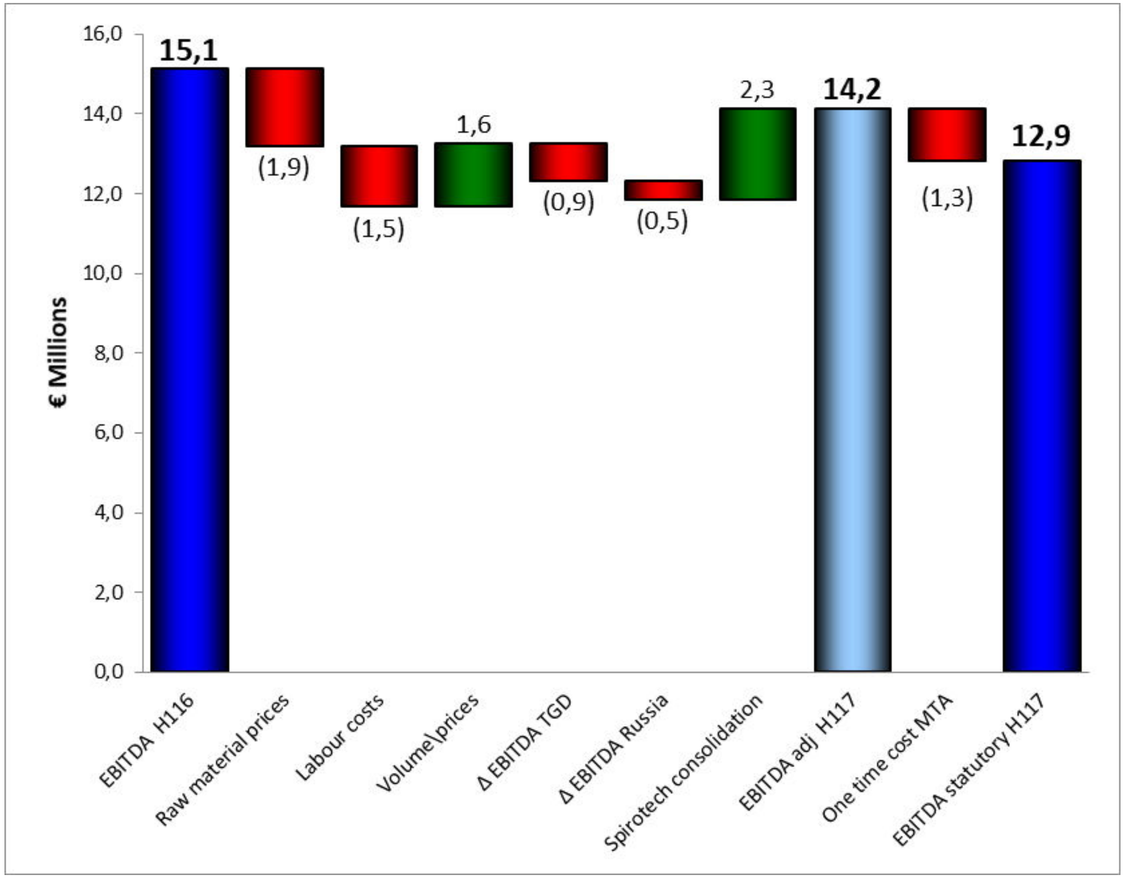
- See EBITDA bridge analysis
- Net financial charges include unrealized FX losses of € 3.8 M and realized FX gain of € 0,4 m
- Excluding FX the financial result was negative by € 0,2M
- Increase of nominal tax rate due to non deductible unrealized FX losses
- **80.8% of net income drop is explained by FX losses/gains**
- See net income bridge analysis

Consolidated Profit & Loss Reclassified *(000 Euro)*	H1 2017	% sales	H1 2016	% sales	Delta % H117 vs H116
Sales and operating income	**133.039**	*100,0%*	**116.780**	*100,0%*	**13,9%**
Purchases of materials	(74.745)	*-56,2%*	(59.302)	*-50,8%*	
Inventory increase (decrease)	4.086	*3,1%*	922	*0,8%*	
Services	(20.020)	*-15,0%*	(17.813)	*-15,3%*	
Labour cost	(28.791)	*-21,6%*	(24.573)	*-21,0%*	
Other operating costs	(672)	*-0,5%*	(884)	*-0,8%*	
Total operating costs	**(120.142)**	***-90,3%***	**(101.650)**	***-87,0%***	**18,2%**
EBITDA	**12.897**	***9,7%***	**15.130**	***13,0%***	**-14,8%**
		0		*0*	
Increase (decrease) of derivatives fair value	119	*0,1%*	(188)	*-0,2%*	
Depreciation	(6.967)	*-5,2%*	(6.277)	*-5,4%*	
Gain (loss) of non current assets	91	*0,1%*	37	*0,0%*	
EBIT	**6.140**	***4,6%***	**8.702**	***7,5%***	**-29,4%**
Net financial charges	(3.622)	*-2,7%*	14	*0,0%*	
EBT	**2.518**	***1,9%***	**8.716**	***7,5%***	**-71,1%**
Income taxes	(520)	*-0,4%*	(1.022)	*-0,9%*	
Net income	**1.998**	***1,5%***	**7.694**	***6,6%***	**-74,0%**
Minority interest	143	*0,1%*	323	*0,3%*	
Group net income	**1.855**	***1,4%***	**7.371**	***6,3%***	**-74,8%**

LU-VE GROUP
leadership with passion

3 – EBITDA bridge analysis

- Raw material (CU-AL) price increases € (1.9) m
- Increase of labor costs € (1.5) m
- EBITDA increase thanks to volume and margin € +1.6 m
- Glass doors (TGD) impact = € (0.9) m
- Russia impact = € (0.5) m
- One time cost due to MTA listing € (1.3) m
- See next pages for details



3 – Raw material impact

- In November 2016 a sudden and substantial increase in the prices of major raw materials (Cu and Al) resulted in an increase in raw material costs in H117 of 16.0% for Cu and 14.4% for Al compared to H116.
- The process of adjusting sales prices is ongoing, through:
  - Increase sales pricelists.
  - Automatic price increases provided for in supply contracts for OEM (approximately 60% of Heat exchangers volumes).
  - Negotiations with the remaining customers.
- This abnormal trend has caused a temporary compression of the margins that is being absorbed.
- Profitability recovery requires more than one semester to have a complete implementation.
- Some competitors have deferred the pricelist increases in anticipation of a possible reduction in raw material prices.
- The impact on consolidated EBITDA was € 1.9 m (1.4% of consolidated revenue).

LU-VE GROUP
leadership with passion

3 – Labor cost impact

- In view of an expected increase in sales volumes and production reallocations, the group increased the workforce (on average 122 units of which 108 direct and 14 white collars).

- Increasing volumes are showing (increase in order backlog at 31/8/17 compared with 2016 by 21%).

- However, such volumes grew lagging behind expectations, resulting in a temporary compression of the EBITDA margin of € 1.5m (1.1% of consolidated revenues).

3 – Glass doors (TGD) impact

- Activity in the glass doors segment (TGD) has been affected by problems with the two main customers:
  - Customer no. 1 has decided to internalize the production of a series of door models.
  - The customer no. 2 temporarily suspended purchases.

- This led to a 44.6% drop in turnover, bringing it to pre-acquisition levels in 2014.

- The impact on consolidated EBITDA was € 0.9 M (0.7% of consolidated sales).

- New customer's search activity, reducing dependence on fewer customers, greater internationalization of sales and new field of application identified by the R&D programs are expected to put back TGD to the growth paths recorded in 2015-2016 (+ 44.3%).

- As of August 2017 the Glass doors backlog is down by 24.8%.

LU-VE GROUP
leadership with passion

3 – Spirotech integration

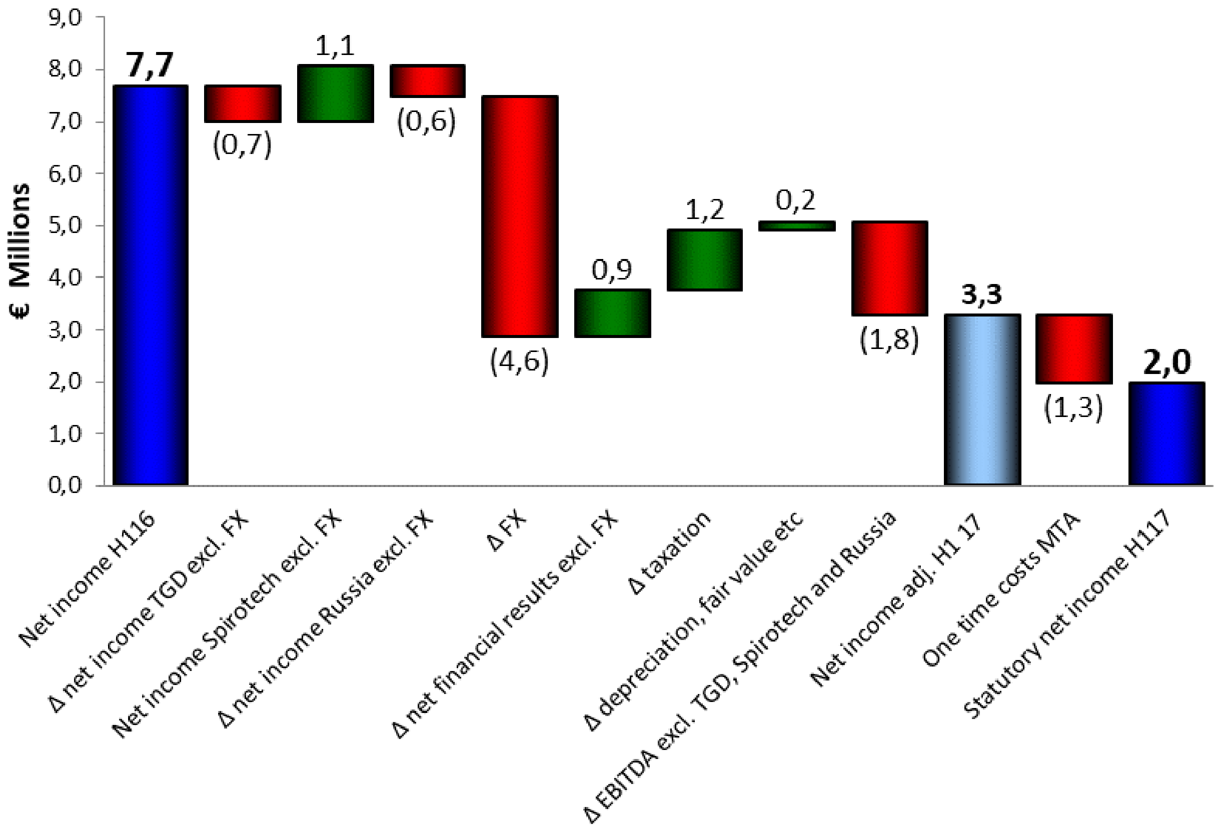
- In the H117 T Spirotech has confirmed its historical performance :
  - Sales increase : + 19.6%
  - EBITDA margin: 18.7%

- Growth prospects with the acquisition of new major customers are confirmed.

- Spirotech's integration into the group continues as expected:
  - The integration of all commercial activities has already been achieved.
  - Integration of information systems is ongoing and will be completed by 2017.
  - The integration of supply management is underway with expectations of significant improvements in NWC management.

- The project of production of air cooled equipment was launched.

3 – Net income bridge analysis



Due to rounding, numbers presented throughout this chart may not add up precisely to the totals provided
Source: management analysis of consolidated Net income as of 30/6/2017

4 – Net working capital

- Tight control of working capital
- Seasonality in working capital needs
- Spirotech consolidation impact:
  - Δ NWC = € 7,5 m
  - Spirotech NWC / sales = 34,1%
- Excluding Spirotech, NWC = 12,4% of sales

Net Working Capital: H117 vs H116

€uro/000

	30/06/2017 (1)	Days (1)	LFL 30/6/17 (2)	Days (2)	30/06/2016 (2)	Days (2)
Stock	34.743	49	30.098	46	25.350	41
A/reicevable	53.853	75	49.902	76	49.984	81
Less: A/payable (3)	(51.802)	98	(50.673)	106	(46.857)	109
Net working capital	36.794	51	29.327	45	28.477	46
% on net sales	**14,3%**		**12,4%**		**12,8%**	

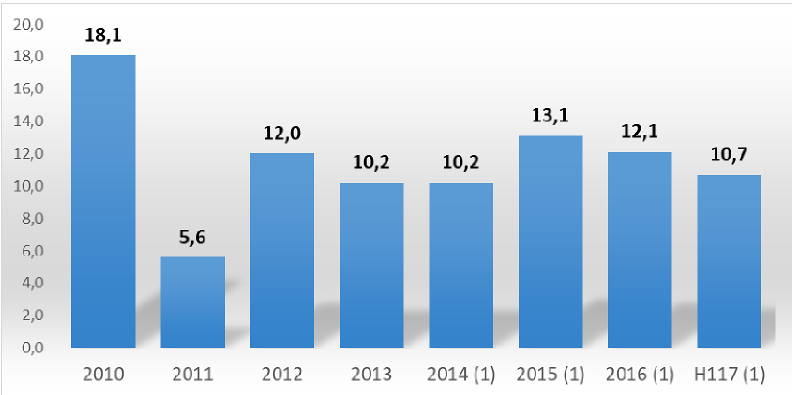
(1) Including Spirotech
(2) Excluding Spirotech
(3) Including purchases of raw materials and services

LU-VE GROUP leadership with passion

5 – Net cash flow

- Consistently strong cash generation
- In October 2016 impact of acquisitions
- NWC synergies with Spirotech to be cashed in
- Increased capex program above maintenance level

LTM net cash generation adjusted 2010-H1 2017 (€ m):



(1) 2010-2013 ITA GAAP – 2014-2017 IFRS

Net cash / (net debt)	€ m	
Net financial position as of June 16	(15,4)	
Net financial position as of June 17	(51,1)	
Decrease in net financial position	(35,7)	(35,7)
+ Dividends paid in 2017		4,4
+ Accelerated capex program		7,5
+ Treasury stock purchase		0,4
+ Spirotech acquisition including transaction costs & oth		34,1
= Total normalized net cash flow		**10,7**

6 – Balance sheet

- Seasonal working capital needs
- Strong financial structure
- Debt capacity to finance acquisitions:
  - PFN / LTM adj EBITDA = 1.6x

Consolidated Balance Sheet Reclassified *(000 Euro)*	30/06/2017	% net invested capital	31/12/2016	% net invested capital	30/06/2016	% net invested capital
Net intangible assets	59.053		58.432		39.812	
Net tangible assets	107.551		103.127		92.678	
Pre-paid taxes	3.774		3.059		3.426	
Financial assets	1.991		2.050		923	
Non current assets (A)	**172.369**	**92,7%**	**166.668**	**101,2%**	**136.839**	**96,0%**
Inventory	34.743		30.914		25.350	
A/receivable	53.853		45.456		49.984	
Other receivables and current assets	8.711		7.525		6.788	
Current assets (B)	**97.307**		**83.895**		**82.122**	
A/payable	51.802		53.070		46.857	
Other payable and current liabilities	15.476		16.407		13.981	
Current liabilities (C)	**67.278**		**69.477**		**60.838**	
Working capital (D=B-C)	**30.029**	**16,1%**	**14.418**	**8,8%**	**21.284**	**14,9%**
Personnel provisions	3.898		3.936		3.580	
Deferred taxes	10.339		10.329		9.818	
Risk provisions	2.184		2.182		2.158	
Long term liabilities (E)	**16.421**	**8,8%**	**16.447**	**10,0%**	**15.556**	**10,9%**
Net invested capital (A+D-E)	**185.977**	**100,0%**	**164.639**	**100,0%**	**142.567**	**100,0%**
Group net worth	132.912		132.572		124.861	
Minority interest	1.967		1.823		2.281	
Total group net worth	**134.879**	**72,5%**	**134.395**	**81,6%**	**127.142**	**89,2%**
M/L term net financial position	123.678		107.705		83.753	
Short term net financial position (cash)	(72.580)		(77.461)		(68.328)	
Net financial position	**51.098**	**27,5%**	**30.244**	**18,4%**	**15.425**	**10,8%**
Net worth and net financial position	**185.977**	**100,0%**	**164.639**	**100,0%**	**142.567**	**100,0%**

LU-VE GROUP
leadership with passion

7 - Future developments

1. Integration of Spirotech In progress

2. Filing MTA – spring 2017 Delivered: 21 June 2017

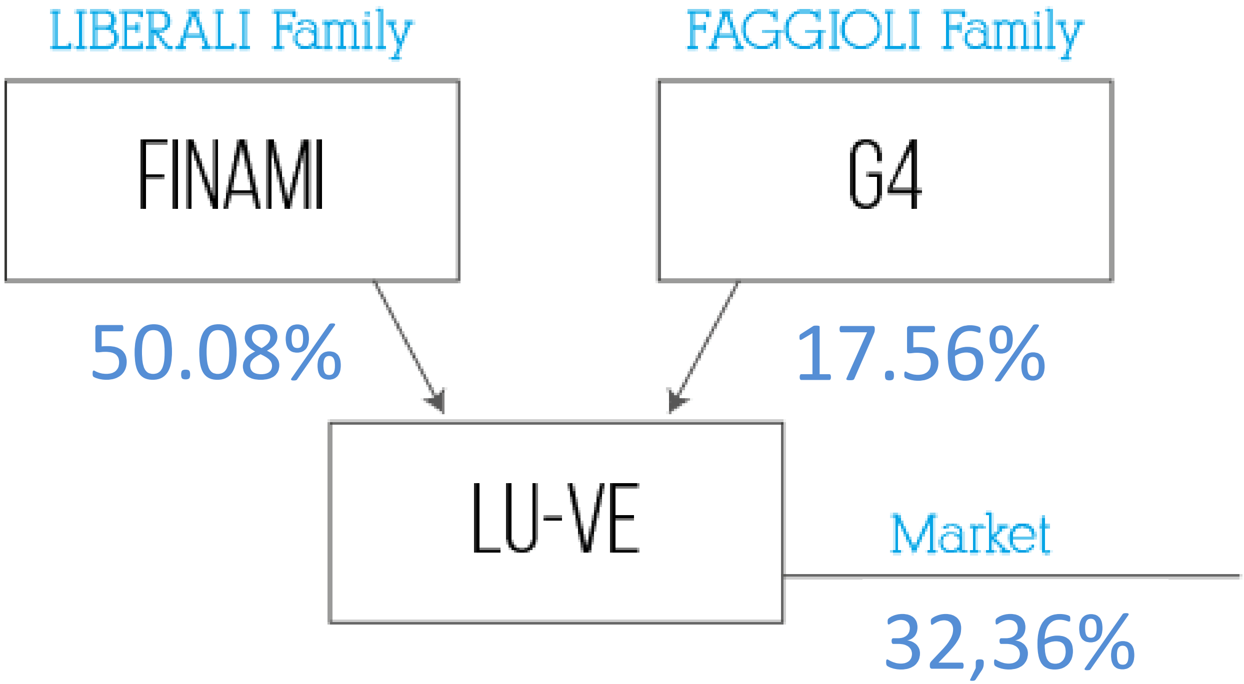
3. Accelerated capex program In progress

4. Orderbook increased by 21% as of 31 August 2017 (+10% LFL)

5. M&A activity (about € 40/50 millions firepower) In progress

LU-VE GROUP leadership with passion

8 – Shareholder Structure [1]



(1) Fully diluted – post warrant conversion at end of May 2017

8 – Group structure: 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

LU-VE GROUP
leadership with passion

9 - 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.
- Any reference to past performance of the LU-VE Group shall not be taken as an indication of future performance.
- This document does not constitute an offer or invitation to purchase or subscribe for any shares and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.
- By attending the presentation you agree to be bound by the foregoing terms.

LU-VE GROUP leadership with passion

LU-VE GROUP

leadership with passion

"OUR BEST DAYS HAVE YET TO BE LIVED"

NAZIM HIKMET