



## **PRESS RELEASE**

### **The Board of Directors of LU-VE SpA reviews the impacts of the Covid-19 emergency**

- **Fully operational plants in Poland, Finland, Czech Republic, Sweden, USA and China**
- **Strong liquidity position**
- **Q1 additional information will be released in advance**

**Uboldo (VA), 6 April 2020** – The Board of Directors of LU-VE S.p.A. (“LU-VE”) meeting today reviewed the management impacts stemming from the health emergency caused by Covid-19, accordingly to the ESMA (European Securities and Markets Authority) Recommendations.

In light of the most recent developments, the Board approved the integration of the Consolidated Management Report at 31 December 2019 as approved on 18 March 2020 in particular in the paragraph “Performance in the opening months of 2020: significant events and business outlook” as follows:

- The Board of Directors follows with particular attention the developments in the spread of Covid-19 (defined as a world pandemic by the World Health Organization) and has adopted all the necessary control and prevention measures, in consultation with local authorities and union representatives, at all Group facilities.
- To minimize the presence of staff in offices (even before this was required by recent decrees), remote working has been applied with great success at all offices.
- As of today, by virtue of the laws in force in the various countries, production was stopped until April 13 in India and Italy (excluding a production line dedicated to machines for the hospital sector, and the shipments of products already available in stock and spare parts). However, it cannot currently be ruled out that these restrictive measures will be further prolonged.
- In Italy, on the basis of requests from some customers (both Italian and non-Italian) active in the supply chains which are considered to be strategic, the Group has sent to the relevant local Territorial Government Offices (*Prefetti*) requests for the partial reopening of other production lines in all plants, starting today.
- In Russia, after six working days of lockdown, the reopening was set for April 7, following the inclusion of the refrigeration supply chain among the strategic activities which cannot be stopped.
- The Chinese plant in Tianmen (Hubei), located in the main area of the spread of the virus in China, has gradually restarted production, starting on March 13, 2020, after an



extraordinary closure period of over a month. The restart of production in China (about 2% of the Group's turnover) represents an important experience of success in managing a complex situation linked to the Covid-19 problem. The acquisition of orders, just after the reopening, has been sustained.

- The Group's other non-Italian plants, in Finland, Poland, the Czech Republic, Sweden and the USA, are currently operational. However, it cannot be excluded that the various local authorities may adopt gradually more stringent restrictive measures to counter the expansion of the Covid-19 epidemic.
- Overall, the Group's production capacity currently in lockdown is estimated at between 50% and 55%. This situation is mitigated by the fact that some important customers (Italian and non-Italian) have also stopped production, thus allowing the delivery of orders to be delayed (to date, the Group has hardly suffered any order cancellations). The independence of the Group's factories from one another also allows the transfer of some production from closed factories to those in operation.
- Based on the current information, the following is highlighted to cover liquidity risk:
  - €122 million – cash available in banks account and financial investments (redeemable in very short terms);
  - €22.5 million – unused short-term lines of credit;
  - €25 million - unsecured loan agreement with Intesa Sanpaolo (signed on March 23, 2020), repayable within 66 months (12 months grace period), in quarterly instalments with constant capital (average duration 3.1 years);
  - €30 million - unsecured loan agreement with UBI Banca (approved on April 2, 2020 – to be signed by mid-April 2020), repayable within 36 months (12 months grace period), in quarterly instalments with constant capital (average duration 1.9 years );
  - €3.5 million – increase of short-term credit lines;
  - Up to €70 million – further new unsecured financing transactions are being finalized;
  - one bank has proposed to the company a voluntary moratorium which has reduced capital repayments of the year 2020 by approximately €2.6 million.

The above mentioned factors of instability have been considered not to require adjustments to the financial statements (non-adjusting events) pursuant to the international accounting standard IAS10.

The Directors are constantly monitoring the management impacts deriving from the pandemic and, as a precautionary measure, have developed a risk mitigation plan which provides for the accurate assessment of expenses and investments, attention to the continuity of strategic supplies and frequent monitoring of receivables collection and the liquidity situation.

Iginio Liberali, president of LU-VE Group declared: *“Our ‘Crisis Committee’ has promptly put in place extraordinary measures for the protection of health in advance of, and more stringent than, the provisions of the ordinances issued by the competent authorities in the*



*various countries. For this effort, I want to thank all those who literally worked day and night with passion and inspirational dedication to guarantee our health and preserve our corporate assets in the face of an emergency of unimaginable proportions.”*

Due to the possible economic impact of Covid-19, the macroeconomic scenario remains characterized by strong uncertainty and rather limited visibility, with possible important impacts on the commercial, economic and financial results.

In this context, LU-VE, while managing the contingent situation, will maintain its constant commitment:

- to improve its strategic positioning in all the markets in which it operates;
- to pursue its medium and long-term growth targets for volumes and profitability.

In order to ensure timely financial information, the Board of Directors has decided to modify the Financial Calendar, providing for the publication of additional periodic information as of 31.03.2020 on April 9<sup>th</sup> 2020.

Further information, if necessary, will be disclosed in subsequent interim financial reports.

\* \* \*

*Pursuant to paragraph 2 of article 154 bis of the Consolidated Law on Finance, the manager responsible for preparing the corporate accounting documents, Eligio Macchi, declares that the accounting information contained in this press release corresponds to the documentary results, books and accounting records.*

**For further information:**

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