

## **PRESS RELEASE**

### **Q1-25: ORDER BACKLOG GROWTH (+24.6%) PROFITABILITY HOLDS SOLID DESPITE LOWER SALES**

**In the first three months of 2025, the LU-VE Group achieved the following results:**

- **turnover €135.3 million (-4.6% compared to Q1-24)**
- **order backlog of €210.4 million (+24.6% compared to Q1-24)**
- **EBITDA adjusted to €18.3 million or 13.5% of sales vs 13.8% in Q1-24**
- **net cash generation from operation to € 17.6 million (13.0% of sales) vs € 17.4 million in Q1-24 (12.3% of sales)**

**As of March 31, 2025, the net financial position amounted to €104.0 million, an improvement of €33.1 million, compared to the same date in 2024.**

**Uboldo (Varese), May 13, 2025** - The Board of Directors of LU-VE Spa, which met today, approved the consolidated results as of **March 31, 2025**.

“In the first quarter of 2025, we recorded growth in the order book and robust profitability, despite a slow start in revenue, in line with expectations. The slowdown is mainly due to delays in some projects of the Cooling Systems SBU, which nevertheless closed the period with an all-time high in the value of the order book. – stated Matteo Liberali, President and CEO of LU-VE Group – Despite the current scenario of widespread uncertainty, we expect an acceleration in sales in the second half of 2025, thanks to the high order book, the strengthening of market demand and the impact of the investments made in the past months. Our commitment to growth is focused on operational improvements, combined with sustainable expansion, while maintaining a solid financial base. I have great confidence in the dedication, flexibility and professionalism of the women and men of the Group, to whom I extend my thanks, once again, for the commitment and passion they put into their work”.

## INTERIM REPORT AS OF MARCH 31, 2025

Revenues and order backlog	As expected, the first quarter of 2025 saw a slow start in sales (-4.6% compared to March 2024), amounting to €135.3 million, against the strong growth in the value of the order book (€210.4 million) with an increase of +24.6%, compared to March 2024 and +20.8 % compared to December 2024.
Product and application segments	<p>The “<b>Components</b>” Sales Business Unit ended the quarter with sales of 74.2 million euros in line with March 2024, recording good growth in <b>refrigeration</b> and <b>tumble dryers</b> with the first signs of recovery in <b>heat pump exchangers</b> against a negative trend in <b>air conditioning</b> and “<b>mobile</b>” applications.</p> <p>The “<b>Cooling Systems</b>” Sales Business Unit suffered a marked slowdown in sales during the quarter (-11.5%), with revenues falling to 59.3 million euros mainly due to the time delay of major projects (particularly in the <b>air conditioning</b> and “<b>industrial cooling</b>” segments).</p> <p>With reference to the order backlog, on the other hand, March ended with the highest value in the Business Unit's history, which, together with the numerous projects under negotiation, suggests that the year-end sales targets are still achievable.</p>
Geographical markets	<b>Italian</b> customers contribute 20.3% of total revenue, while <b>EU customers</b> (excluding Italy) contribute 54.5%. Revenue in the <b>rest of the world</b> accounts for 25.2%.
Turnover concentration	The Group's sales revenue is not significantly dependent on individual customers. As of March 31, 2025, sales from the top 10 customers accounted for 30% of total sales, with the largest customer contributing only 4.2% of total sales.
Profitability	The “ <b>Gross Operating Margin (EBITDA)</b> ” amounted to €17.9 million (13.2% of revenues) compared to €19.6 million (13.8% of revenues) in Q1-24. The <b>income statement</b> for Q1-25 included €0.4 million in non-recurring costs, relating to activities connected with the expansion of the LU-VE production plant in Texas (no impact of non-recurring items in Q1-24), bringing adjusted EBITDA to €18.3 million (13.5% of revenues). The change in <b>adjusted EBITDA</b> compared to Q1-24 EBITDA (-€1.3 million) was generated by €2.6 million from the lower contribution resulting from the decline in volumes, net of €0.1 million from the increase in sales prices and €1.2 million from the decrease in the costs of the raw materials and other operating costs.

The “**Net result for the period**” amounted to €7.8 million (5.8% of revenues), compared to €11.0 million in Q1-24 (7.8% of revenues).

The “**adjusted**” **net result** for the period in Q1-25 (net of non-recurring items) would have been €8.2 million (6.1% of revenues), compared to €9.6 million (6.8% of revenues) in Q1-24, mainly due to decrease of IFRS related financial income (from an income of €2.6 million in Q1-24 to a cost of € 0.2 million in Q1-25).

#### Net financial position and cash generation

As of March 2025, the **net financial position** was negative by €104.0 million, an improvement of €33.1 million over March 2024.

Compared to Dec. 31, 2024 (€97.5 million), the net financial position shows a seasonal increase of €6.5 million, mainly due to €7.4 million of capital expenditures; €0.1 million of dividend distributions; €16.6 million of increase in operating working capital; €1.0 million of changes in other payables and receivables, net of €1.0 million related to decrease in other financial liabilities (IFRS16); and €17.6 million of positive cash flow from operations (13% of sales compared to 12.3% in Q1-2024).

In the period April 1, 2024 to March 31, 2025, cash flow adjusted for non-operating items was €64.1 million (€48.5 million in Q1-2024).



## **BUSINESS OUTLOOK**

Sales are projected to accelerate primarily in the second half of 2025, driven by high order backlog, strengthening of market demand, the impact of key investments, and an expected easing of international turbulence, hopefully creating a more stable environment for growth.

However, short-term uncertainty remains high, posing challenges to near-term forecasts. The current macroeconomic environment and tariff war have triggered further uncertainty, especially for large data center and power generation projects, resulting in delays in customer decision-making.

The company remains cautious and adaptable in navigating these external factors while executing its strategic priorities. As LUVE moves forward, it will continue to prioritize operational improvements and targeted growth initiatives to support sustainable expansion while maintaining a strong financial foundation.

## **CONFERENCE CALL**

The results as of March 31, 2025, will be presented on May 14, 2025, at 3: 00 p.m. (CEST) during a conference call to the financial community.



\* \* \*

*The Manager responsible for preparing the financial reporting, Eligio Macchi, declares, pursuant to Art. 154-bis, paragraph 2 of the Consolidated Law on Finance, that the accounting disclosure contained in this press release corresponds to the results of the accounting documents, books and entries.*

*This document contains forward-looking statements relating to future events and future operating, economic and financial results of the LU-VE group. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Actual results may therefore differ materially from those forecast as a result of a variety of reasons, most of which are beyond the LU-VE group's control.*

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*LU-VE Group is one of the world's major industrial companies specializing in the design and production of heavily engineered air heat exchangers and high-efficiency cooling systems for commercial, industrial, and technological applications. Founded in 1986, the company has grown to become a global player in the HVACR sector, known for its strong commitment to innovation. LU-VE Group operates a network of 20 production facilities (in 9 countries) and 35 sales offices across Europe, Asia, and North America, serving customers in over 100 countries. The company's portfolio includes air heat exchangers, condensers, dry coolers, ventilated units and glass doors for refrigerated counters and cabinets, with applications ranging from food preservation and data center cooling to industrial refrigeration, power generation, nuclear, mobile applications and air conditioning. The strength of LU-VE Group lies in over 4,000 skilled people. The company is strongly focused on R&D and collaborates actively with many universities worldwide, to drive innovation and deliver advanced thermal exchange solutions. LU-VE Group is listed on the Italian Stock Exchange, since 2015.*

[www.luvegroup.com](http://www.luvegroup.com)

## ANNEX

### 1. Reclassified Consolidated Income Statement

Reclassified Consolidated Income Statement (in thousands of Euro)	31/03/2025	% of Revenues	31/03/2024	% of Revenues	% change
<b>Revenues and Operating income</b>	<b>135,327</b>	<b>100.0%</b>	<b>141,915</b>	<b>100.0%</b>	<b>(4.6%)</b>
Purchases of materials	(77,325)	57.1%	(71,978)	50.7%	
Changes in inventories	14,986	(11.1%)	2,931	(2.1%)	
Services	(18,863)	13.9%	(18,729)	13.2%	
Personnel costs	(35,204)	26.0%	(33,657)	23.7%	
Other operating costs and accruals	(1,058)	0.8%	(868)	0.6%	
<b>Total operating costs</b>	<b>(117,464)</b>	<b>86.8%</b>	<b>(122,301)</b>	<b>86.2%</b>	<b>(4.0%)</b>
<b>EBITDA</b>	<b>17,863</b>	<b>13.2%</b>	<b>19,614</b>	<b>13.8%</b>	<b>(8.9%)</b>
Depreciation and amortization	(7,634)	5.6%	(7,742)	5.5%	
Gains/(Losses) on non-current assets	-	-	52	(0.0%)	
<b>Operating profit (EBIT)</b>	<b>10,229</b>	<b>7.6%</b>	<b>11,924</b>	<b>8.4%</b>	<b>(14.2%)</b>
Net financial income and expense and net exchange gain/(losses)	(136)	(0.1%)	1,678	1.2%	
Gains/(Losses) from investments	-	-	-	-	
<b>Pre-tax result (EBT)</b>	<b>10,093</b>	<b>7.5%</b>	<b>13,602</b>	<b>9.6%</b>	<b>(25.8%)</b>
Income taxes	(2,294)	1.7%	(2,565)	1.8%	
<b>Net result for the period</b>	<b>7,799</b>	<b>5.8%</b>	<b>11,037</b>	<b>7.8%</b>	<b>(29.3%)</b>
<b>Net result attributable to non-controlling interests</b>	<b>337</b>		<b>342</b>		
<b>Net result attributable to the Group</b>	<b>7,462</b>	<b>5.5%</b>	<b>10,695</b>	<b>7.5%</b>	<b>(30.2%)</b>



## 2. Reclassified Consolidated Balance Sheet

Reclassified Consolidated Balance Sheet (in thousands of Euro)	31/03/2025	% on net invested capital	31/12/2024	% on net invested capital	Change 2025 on 2024
Net intangible assets	86,481		88,080		(1,599)
Net property, plant and equipment	215,435		213,621		1,814
Deferred tax assets	12,258		11,227		1,031
Other non-current assets	424		424		-
<b>Non-current activities (A)</b>	<b>314,598</b>	<b>84.0%</b>	<b>313,352</b>	<b>88.8%</b>	<b>1,246</b>
Inventories	118,040		101,061		16,979
Trade Receivables	108,073		102,961		5,112
Other receivables and current assets	15,657		13,631		2,026
<b>Current assets (B)</b>	<b>241,770</b>		<b>217,653</b>		<b>24,117</b>
Trade payables	113,805		108,291		5,514
Other payables and current liabilities	42,895		44,641		(1,746)
<b>Current liabilities (C)</b>	<b>156,700</b>		<b>152,932</b>		<b>3,768</b>
<b>Net working capital (D=B-C)</b>	<b>85,070</b>	<b>22.7%</b>	<b>64,721</b>	<b>18.3%</b>	<b>20,349</b>
Provisions for employee benefits	5,429		5,390		39
Deferred tax liabilities	13,524		13,698		(174)
Provisions for risks and charges	6,030		6,012		18
<b>Medium and long-term liabilities (E)</b>	<b>24,983</b>	<b>6.7%</b>	<b>25,100</b>	<b>7.1%</b>	<b>(117)</b>
<b>Net Invested Capital (A+D-E)</b>	<b>374,685</b>	<b>100.0%</b>	<b>352,973</b>	<b>100.0%</b>	<b>21,712</b>
Shareholders' equity attributable to the Group	263,935		249,434		14,501
Non-controlling interests	6,739		6,003		736
<b>Total Consolidated Shareholders' equity</b>	<b>270,674</b>	<b>72.2%</b>	<b>255,437</b>	<b>72.4%</b>	<b>15,237</b>
Medium-term Net Financial Position	309,550		279,756		29,794
Short-term Net Financial Position	(205,539)		(182,220)		(23,319)
<b>Total Net Financial Position</b>	<b>104,011</b>	<b>27.8%</b>	<b>97,536</b>	<b>27.6%</b>	<b>6,475</b>
<b>Shareholders' Equity and Net financial debt</b>	<b>374,685</b>	<b>100.0%</b>	<b>352,973</b>	<b>100.0%</b>	<b>21,712</b>

### 3. Consolidated Statements of Cash Flows

Consolidated Statement of Cash Flows (in thousand Euro)	31/03/2025	31/03/2024
<b>A. Cash and cash equivalents at the beginning of the period</b>	<b>271,191</b>	<b>212,059</b>
Profit for the period	7,799	11,037
Adjustments for:		
- Depreciation and amortisation	7,633	7,742
- Capital (Gains)/losses, write-downs of non-current assets	-	(52)
- (Gains)/losses from the sale of investments	-	-
- Net financial expenses	91	(635)
- Income taxes	2,294	2,565
- Changes in fair value	(329)	116
Changes in employee benefit obligations	59	156
Changes in provisions	18	(18)
Changes in trade receivables	(5,112)	(18,850)
Changes in inventories	(14,986)	(2,931)
Changes in trade payables	5,514	4,488
<b>Changes in net working capital</b>	<b>(14,584)</b>	<b>(17,293)</b>
Changes in other receivables and payables, deferred taxes	(1,540)	(3,691)
Taxes paid	(2,930)	(2,362)
Net paid financial expense	(1,989)	(1,220)
<b>B. Cash flows from (used in) operating activities</b>	<b>(3,478)</b>	<b>(3,655)</b>
Investments in non-current assets:		
- intangible assets	(305)	(517)
- property, plant and equipment	(7,062)	(7,587)
- financial assets	-	-
Net investments in current financial assets	(5,310)	11,464
<b>C. Cash flows from (used in) investing activities</b>	<b>(12,677)</b>	<b>3,360</b>
Repayment of loans	(38,889)	(24,178)
Proceed from new loans	65,000	60,000
Contingent consideration subsequent to a business combination	-	-
Changes in other financial liabilities	(1,486)	(1,932)
Sale/(purchase) of treasury shares	-	-
Contributions/repayments of share capital	-	-
Dividends paid	(10)	(10)
Other changes	-	-
<b>D. Cash flows from (used in) financing activities</b>	<b>24,615</b>	<b>33,880</b>
Exchange differences	7,488	815
Other non-monetary changes	(2,932)	(876)
<b>E. Other changes</b>	<b>4,556</b>	<b>(61)</b>
<b>F. Net cash flows in the period (B+C+D+E)</b>	<b>13,016</b>	<b>33,524</b>
<b>Cash and cash equivalents at the end of the period (A+F)</b>	<b>284,207</b>	<b>245,583</b>
Current financial indebtedness	78,668	90,715
Non-current financial indebtedness	309,550	291,974
<b>Net financial indebtedness</b>	<b>104,011</b>	<b>137,106</b>