



# 9M '15 Results presentation

*November 12, 2015*

## 9M '15 - Highlights

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- ✓ Sales slight increase.
- ✓ EBIT decrease.
- ✓ Strong cash flow generation.

*The figures reported in the present document, including some percentage values, were rounded to the nearest Euro. Therefore, some totals in the tables may not coincide with the sum of constituent amounts.*

## 9M '15 Sales Trend by Geography - Change % vs. 9M '14

€M

- Overall increase.
- Asia and Row significant increase.
- Europe decrease.

€M	9M '15	% tot	9M '14	% tot	Δ%
Europe	155,8	61,3%	158,7	63,5%	(1,8%)
Asia	84,4	33,2%	78,8	31,5%	7,1%
RoW	13,9	5,5%	12,6	5,0%	10,2%
<b>Total</b>	<b>254,1</b>	<b>100,0%</b>	<b>250,1</b>	<b>100,0%</b>	<b>1,6%</b>

Revenues are reported under the "ship-to method".

## 9M '15 Special Items on EBIT vs 9M '14

€M

2015 Special items are related to the announced deal on the DeLclima's shares.

Phantom effects: share price increase (4,51 € – 2,40 €) x number of shares pertaining to the Phantom Stock Option Plan.

Accruals for Phantom up to 2,40 € are considered as a normal cost.

	9M '15	9M '14
<b>EBIT reported</b>	<b>13,6</b>	<b>26,9</b>
<i>M&amp;A costs</i>	<i>0,4</i>	<i>0,2</i>
<i>Phantom Stock Option and Long Term Incentive</i>	<i>7,4</i>	<i>-</i>
<b>Total Special Items</b>	<b>7,8</b>	<b>0,2</b>
<b>EBIT Adjusted</b>	<b>21,3</b>	<b>27,0</b>

## 9M '15 EBIT Adjusted by operating segments

€M

- EBIT decrease in Europe (due to sales trend), and worldwide less favorable job mix and fixed costs increase not recovered yet by additional sales.
- Corporate costs increased due to additional accruals for Phantom Stock Option up to 2,4 €.

	9M '15	9M '14	Δ%
<b>Europe</b>	<b>17,7</b>	<b>21,0</b>	<b>(15,5%)</b>
<i>% sales</i>	<i>9,5%</i>	<i>11,2%</i>	<i>-1,6 pp</i>
<b>Asia</b>	<b>7,7</b>	<b>8,9</b>	<b>(13,5%)</b>
<i>% sales</i>	<i>10,6%</i>	<i>13,5%</i>	<i>-2,9 pp</i>
<b>Corporate</b>	<b>(4,1)</b>	<b>(2,9)</b>	<b>n.a.%</b>
<i>% sales</i>	<i>n.a.%</i>	<i>n.a.%</i>	<i>n.a.%</i>
<b>Eliminations</b>	<b>-</b>	<b>-</b>	<b>n.a.%</b>
<i>% sales</i>	<i>n.a.%</i>	<i>n.a.%</i>	<i>n.a.%</i>
<b>Consolidated</b>	<b>21,3</b>	<b>27,0</b>	<b>(21,0%)</b>
<b>%</b>	<b>8,4%</b>	<b>10,8%</b>	<b>-2,4 pp</b>

Figures are reported under the "invoice-from method".

## 9M '15 Consolidated Income Statement Adjusted

€M

	9M '15	9M '14	Δ%
<b>Net Sales</b>	<b>254,1</b>	<b>250,1</b>	<b>1,6%</b>
<b>EBITDA</b>	<b>26,9</b>	<b>32,0</b>	<b>(15,9%)</b>
<i>% on sales</i>	<i>10,6%</i>	<i>12,8%</i>	<i>-2,2 pp</i>
<b>EBIT</b>	<b>21,3</b>	<b>27,0</b>	<b>(21,0%)</b>
<i>% on sales</i>	<i>8,4%</i>	<i>10,8%</i>	<i>-2,4 pp</i>
<b>Group Net Result</b>	<b>11,7</b>	<b>13,8</b>	<b>(14,9%)</b>
<i>% on sales</i>	<i>4,6%</i>	<i>5,5%</i>	<i>-0,9 pp</i>
<b>EPS – Euro cents</b>	<b>7,8</b>	<b>9,2</b>	<b>(14,9%)</b>

## Discontinued Operations

€M

	9M '15	9M '14	Δ%
<b>Net Sales pre special items</b>	<b>46,4</b>	<b>47,4</b>	<b>(2,1%)</b>
<b>EBITDA pre special items</b>	<b>(0,0)</b>	<b>0,1</b>	<b>n.a.%</b>
<i>% on sales</i>	<i>(0,0%)</i>	<i>0,3%</i>	<i>-0,3 pp</i>
<b>Special items<sup>(1)</sup></b>	<b>10,0</b>	<b>0,2</b>	<b>n.a.%</b>
<b>EBIT reported</b>	<b>8,7</b>	<b>(2,8)</b>	<b>n.a.%</b>
<i>% on sales</i>	<i>16,2%</i>	<i>(5,9%)</i>	<i>+22,1 pp</i>
<b>Net Result reported</b>	<b>6,4</b>	<b>(1,7)</b>	<b>n.a.%</b>
<i>% on sales</i>	<i>11,9%</i>	<i>(3,5%)</i>	<i>+15,4 pp</i>

(1) 2015 Special items are:

- a) 7,0 €M insurance reimbursement - other revenues;
- b) 0,3 €M capital gain - other revenues;
- c) 3,8 €M Assets write-up arising out of the prospected sale of DL Radiators;
- d) 0,8 €M sale of the business costs accrued
- e) 0,2 €M Long Term Incentive - cost.

## September '15 Net Working Capital trend

€M

### 9M '15 Vs IIIQ '14

- NOWC as percentage of revenues overall slight increase due to TA Payables.

#### Trade Receivables

*% on 12 months rolling sales*

#### Inventory

*% on 12 months rolling sales*

#### Trade Payables

*% on 12 months rolling sales*

#### Net Operating Working Capital

*% on 12 months rolling sales*

#### Other short term assets / liabilities

*% on 12 months rolling sales*

#### Net Working Capital

*% on 12 months rolling sales*

	Sep '15	Dec '14	Sep '14 <sup>(*)</sup>	Δ Sep '15 Dec '14	Δ Sep '15/'14
<b>Trade Receivables</b>	<b>80,8</b>	<b>82,8</b>	<b>80,9</b>	<b>(2,0)</b>	<b>(0,1)</b>
<i>% on 12 months rolling sales</i>	<i>23,0%</i>	<i>23,8%</i>	<i>23,8%</i>	<i>-0,8 pp</i>	<i>-0,8 pp</i>
<b>Inventory</b>	<b>42,3</b>	<b>32,6</b>	<b>40,2</b>	<b>9,8</b>	<b>2,2</b>
<i>% on 12 months rolling sales</i>	<i>12,0%</i>	<i>9,4%</i>	<i>11,8%</i>	<i>+2,7 pp</i>	<i>+0,2 pp</i>
<b>Trade Payables</b>	<b>(83,2)</b>	<b>(83,5)</b>	<b>(83,1)</b>	<b>0,3</b>	<b>(0,1)</b>
<i>% on 12 months rolling sales</i>	<i>(23,7%)</i>	<i>(24,0%)</i>	<i>(24,4%)</i>	<i>+0,3 pp</i>	<i>+0,7 pp</i>
<b>Net Operating Working Capital</b>	<b>39,9</b>	<b>31,8</b>	<b>38,0</b>	<b>8,1</b>	<b>2,0</b>
<i>% on 12 months rolling sales</i>	<i>11,4%</i>	<i>9,1%</i>	<i>11,1%</i>	<i>+2,3 pp</i>	<i>+0,2 pp</i>
<b>Other short term assets / liabilities</b>	<b>(25,8)</b>	<b>(21,2)</b>	<b>(24,4)</b>	<b>(4,6)</b>	<b>(1,5)</b>
<i>% on 12 months rolling sales</i>	<i>(7,3%)</i>	<i>(6,1%)</i>	<i>(7,2%)</i>	<i>-1,2 pp</i>	<i>-0,2 pp</i>
<b>Net Working Capital</b>	<b>14,1</b>	<b>10,5</b>	<b>13,6</b>	<b>3,6</b>	<b>0,5</b>
<i>% on 12 months rolling sales</i>	<i>4,0%</i>	<i>3,0%</i>	<i>4,0%</i>	<i>+1 pp</i>	<i>+0 pp</i>

<sup>(\*)</sup>The 2014 June figures relate to Continuing Operations.



## September '15 Consolidated Balance Sheet

€M	Sep '15	Sep '14	Sep '15	Sep '14	
<b>Net operating fixed assets</b>	<b>208,1</b>	<b>209,1</b>	<b>Net debt (cash) - Continuing Operations</b>	<b>(17,1)</b>	<b>(5,0)</b>
Trade receivables	80,8	80,9	<b>Net Debt (cash) - Discontinued Operations</b>	<b>2,6</b>	<b>7,6</b>
Inventories	42,3	40,2	Group Equity	217,8	257,4
Trade payables	(83,2)	(83,1)	Minorities	37,8	27,5
Short term assets & liabilities	(25,8)	(24,4)	<b>Shareholders' Equity</b>	<b>255,6</b>	<b>284,9</b>
<b>Net Working Capital</b>	<b>14,1</b>	<b>13,6</b>			
Net financial assets	1,3	1,1			
<b>Net Capital Employed - Continuing Operations</b>	<b>223,5</b>	<b>223,8</b>			
<b>Net Capital Employed - Discontinued Operations</b>	<b>17,6</b>	<b>63,8</b>			
<b>Total Net Capital Employed</b>	<b>241,0</b>	<b>287,5</b>	<b>Total Sources</b>	<b>241,0</b>	<b>287,5</b>

2015 and 2014 figures consider the Radiators business under the Discontinued Operations line.

## Consolidated Cash Flow of 9M on normalized figures

€M	9M '15	9M '14
<b>Net Debt beginning of period</b>	<b>(13,9)</b>	<b>(0,1)</b>
EBITDA (A) - normalised	26,9	32,0
<i>Change in TA Receivables (b1)</i>	2,0	(5,5)
<i>Change in Inventory (b2)</i>	(9,8)	(5,8)
<i>Change in TA Payables (b3) - normalised</i>	(0,7)	4,4
Change in NOWC (B) (b1+b2+b3)	(8,2)	(7,0)
Change in other current assets/liabilities (C)	6,1	(1,5)
Investment activities (D)	(7,0)	(5,1)
Change in provisions (E) - normalised	(0,3)	(0,5)
Taxes paid in the period (F)	(4,4)	(4,1)
<b>Operating Cash Flow (A+B+C+D+E+F=G)</b>	<b>12,8</b>	<b>13,9</b>
Financial Items (H)	(0,6)	(0,3)
Change in Equity (J)	0,1	0,9
<b>Cash Flow from the business (G+H+I=J)</b>	<b>12,3</b>	<b>14,5</b>
Put & Call revaluation (K)	(0,4)	1,1
Dividends distribution (L)	(8,7)	-
Discontinuation effect (M)	-	(6,4)
Change in consolidation perimeter (N)	-	(4,4)
<b>Cash Flow for the period (J+K+L+M+N =O )</b>	<b>3,2</b>	<b>4,9</b>
<b>Net Debt end of period</b>	<b>(17,1)</b>	<b>(5,0)</b>

## Net Debt Breakdown as of September '15

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€M

	Sep '15	Dec '14	Sep '14
<b>Net Debt (Cash)</b>	<b>(17,1)</b>	<b>(13,9)</b>	<b>(5,0)</b>
<i>of which:</i>			
<i>- positions with bank and other financial payables</i>	<i>(26,8)</i>	<i>(22,8)</i>	<i>(9,4)</i>
<i>- fair value of derivative financial instruments and options/payables for investments</i>	<i>9,7</i>	<i>8,9</i>	<i>4,5</i>

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