

# Approval of Full Year Preliminary Results for 2015

	2015	2014	delta
Net Revenues	519.1	427.1	+21.5%
Gross operating margin (EBITDA)	64.1	40.9	+56.9%
Operating result (EBIT)*	43.8	26.5	+65.4%
Pre-tax profit	38.5	22.7	+69.6%
Net profit	21.1	13.8	+52.5%
Net financial position	+0.1	-11.2	

\* before non-recurring items of Euro 0.128 million

Other resolutions/approvals:

- proposed dividend distribution of Euro 0.36 per share (payout of 70.5% of the 2015 net profit of the parent company Biesse S.p.A.)
- convocation of an Ordinary Meeting of Biesse shareholders for 09.30 on 28 April 2016 in Pesaro in first convocation (and, if required, in second convocation on the following day at the same time and place)
- Corporate Governance Report approved for 2015

*Pesaro, 11 March 2016* - The Board of Directors of Biesse S.p.A. - *the company which operates in the market for wood glass and stone processing machinery and systems and which is listed in the STAR segment of the Italian stock exchange* - during today's meeting in Pesaro has approved the preliminary financial statements for the financial year ended 31.12.2015.

The **Consolidated Results** achieved by the Biesse Group for the 12 months of 2015 are as follows:

- Net revenues Euro 519.1 million (+21.5% compared with the same period of 2014)
- Value Added Euro 212.4 million (+25.6% compared with the same period of 2014) representing a margin on revenues of 40.9% (39.6% in 2014)
- EBITDA Euro 64.1 million (+56.9% compared with the same period of 2014) representing a margin on revenues of 12.4% (9.6% in 2014)
- EBIT (before non-recurring items of Euro 0.128 million) Euro 43.8 million (+65.4% compared with the same period of 2014) representing a margin on revenues of 8.4% (6.2% in 2014)
  - EBIT (post non-recurring items) Euro 43.7 million (+76.6% compared with the same period of 2014) representing a margin on revenues of 8.4%
- Pre-tax profit Euro 38.5 million (+69.6% compared with the same period of 2014) representing a margin on revenues of 7.4% (5.3% in 2014)
- Net Profit Euro 21.1 million (+52.5% compared with the same period of 2014) representing a margin on revenues of 4.1% (3.2% in 2014) – tax rate 45.3%

#### Net Financial Position:

At 31 December 2015 the Group's Net Financial Position Gruppo was positive for Euro 0.1 million representing an improvement of Euro 19.1 million compared with the position at June 2015 and an improvement of Euro 25.9 million compared with the position at September 2015. The improved profitability combined with continued focus on the trend of Net operating working capital are the foundations of the cash generation and the consequent reduction in debt achieved net of dividend distribution (cash-outflow of more than Euro 9.8 million). The positive delta of the Net Financial Position compared to last December totalled Euro 11.3 million.

#### Geographical/ divisional breakdown of revenues:

The geographical breakdown of Group net sales (consolidated revenues) at the end of December 2015 is as follows:

- **Western Europe 40.1%** (39.6% in 2014) – of which **Italy 12.4%** (10.4% in 2014)- with a year-on-year increase in volumes of 23.0%
- **Eastern Europe 17.0%** (19.7% in 2014) with a year-on-year increase in volumes of 5,3%
- **North America 17.5%** (14.0% in 2014) with a year-on-year increase in volumes of 51.9%
- **Asia Pacific 19.7%** (19.9% in 2014) with a year-on-year increase in volumes of 20.2%
- **Rest of the World 5.6%** (6.8% in 2014) with a year-on-year increase in volumes of 0.9%

The divisional breakdown of revenues by principal segment is as follows :

- **Wood Division 73.2%** (72.5% in 2014)
- **Glass/Stone division 15.6%** (15.5% in 2014)
- **Mechatronics Division 14.2%** (14.8% in 2014)
- **Tooling Division 2.0%** (2.3% in 2014)

#### Capital position:

Group Net Shareholders' Funds at 31 December 2015 were Euro 141.4 million (Euro 123.2 million at 31 December 2014).

Net Invested Capital at end-2015 was Euro 141.3 million (Euro 134.5 million at 31 December 2014).

Debt/Equity 0.36 (0.53 at 31 December 2014)

Debt/EBITDA 0.80 (1.66 at 31 December 2014)

#### Economic context – order intake:

The international macro-economic climate, despite some country-specific exceptions (Brazil-Russia above all) in which politico-economic uncertainty persists, is showing widespread indications of recovery. The leading trade associations for the Wood, Glass & Stone sectors report that 2015 should show a gradual improvement in results overall, and also project moderate optimism for 2016 (average growth is forecast to be in the range 5-8%). Expectations for the sectors served by the Mechatronics division are much more positive, where growth – beyond organic development of the core business- is tied to the potential for product diversification and therefore of the end-user markets (metals – advanced materials).

On the basis of the results achieved it seems fair to say that in 2015 Biesse has significantly outperformed the indications given for its core sectors, both in terms of order intake and in terms of growth in its production order book. Total order intake for the Biesse Group in 2015 was 17.8% higher than in 2014, while the order book totalled more than Euro 141 million at end-2015 (+21.5% compared to 2014).

#### Dividends:

In addition to approving the preliminary financial statements for 2015 the Board of Directors discussed the possibility of distributing a dividend to Biesse shareholders. Taking into consideration the positive results achieved in 2015 the Board of Directors of Biesse decided to propose a dividend – gross of withholding taxes - of Euro 0.36 per share with rights to receive dividends (payout of 70.5% of the 2015 net profit of the parent company Biesse S.p.A.) which will be submitted for the approval of the Ordinary Meeting of Shareholders convened for 28 April 2016 at 09.30 (first convocation) and, if appropriate, at the same time on 29 April 2016 (second convocation). The total cash outlay for the company resulting from the dividend distribution, as proposed, (net of treasury shares) amounts to Euro 9.857 million and would be

enacted by detachment of coupon no. 12 on 9 May for payment 11 May 2016 record date 10 May 2016. The remaining attributable net profit would be allocated to the Extraordinary Reserve (Biesse S.p.A. parent company)

#### Corporate Governance:

Today's meeting of the Board of Directors also approved the Corporate Governance Report of Biesse for the calendar year 2015 updated to comply with the most recently issued regulations.

#### Ordinary Meeting of Biesse shareholders:

Having approved the preliminary financial statements for 2015, the Board of Directors called an Ordinary Meeting of Biesse shareholders to be held at 09.30 on 28 April 2016 (first convocation) allowing, if appropriate, for second convocation on the following day, to discuss the following agenda:

1. Approval of the Financial Statements for the year ended 31 December 2015; the Directors' report on operations; the report of the Board of Statutory Auditors and the Independent Auditors' report; and to discuss all matters arising therefrom. Presentation of the Consolidated Financial statements for the year to 31 December 2015.
2. Allocation of the results for the 2015 financial year of Biesse S.p.A.;
3. Approval of the Remuneration Policy of Biesse S.p.A.;

For further information, please refer to the published notice of meeting, to the individual items on the Agenda and to the documents submitted to the Shareholders' Meeting, which will be published in accordance with and in under the requirements of the relevant laws.

***“In accordance with paragraph 2, clause 154-bis del T.U.F. (Testo Unico Finanziario-Consolidated Financial Law), the manager responsible for the preparation of the company accounting records of Gruppo Biesse, Dr. Cristian Berardi, declares that the company accounting information contained in the present communication corresponds to the results contained in the group's records, books and accounts.”***

## FINANCIAL STATEMENTS

### Income Statement for the year ended 2015 highlighting non-recurring items

	2015	% on sales	2014	% on sales	CHANGE %
<i>Euro 000's</i>					
<b>Revenue from sales and services</b>	<b>519,108</b>	<b>100.0%</b>	<b>427,144</b>	<b>100.0%</b>	<b>21.5%</b>
Change in inventories, wip, semi-finished and finished goods	6,626	1.3%	6,409	1.5%	3.4%
Other revenue	4,025	0.8%	2,856	0.7%	40.9%
<b>Revenue</b>	<b>529,759</b>	<b>102.1%</b>	<b>436,409</b>	<b>102.2%</b>	<b>21.4%</b>
Consumption of raw materials, consumables, supplies and goods	(212,742)	(41.0)%	(177,606)	(41.6)%	19.8%
Other operating expense	(104,655)	(20.2)%	(89,682)	(21.0)%	16.7%
<b>Normalised Added Value</b>	<b>212,362</b>	<b>40.9%</b>	<b>169,120</b>	<b>39.6%</b>	<b>25.6%</b>
Personnel expense	(148,222)	(28.6)%	(128,242)	(30.0)%	15.6%
<b>Normalised Gross Operating profit</b>	<b>64,139</b>	<b>12.4%</b>	<b>40,878</b>	<b>9.6%</b>	<b>56.9%</b>
Depreciation and amortisation	(15,460)	(3.0)%	(13,323)	(3.1)%	16.0%
Provisions	(4,823)	(0.9)%	(1,046)	(0.2)%	-
<b>Normalised Operating profit</b>	<b>43,857</b>	<b>8.4%</b>	<b>26,509</b>	<b>6.2%</b>	<b>65.4%</b>
Impairment losses and non recurring items	(128)	(0.0)%	(1,743)	(0.4)%	(92.7)%
<b>Operating profit</b>	<b>43,729</b>	<b>8.4%</b>	<b>24,766</b>	<b>5.8%</b>	<b>76.6%</b>
Net finance expense	(3,069)	(0.6)%	(1,549)	(0.4)%	98.1%
Net exchange rate losses	(2,193)	(0.4)%	(541)	(0.1)%	-
<b>Pre-tax profit/loss</b>	<b>38,467</b>	<b>7.4%</b>	<b>22,676</b>	<b>5.3%</b>	<b>69.6%</b>
Income taxes	(17,412)	(3.4)%	(8,871)	(2.1)%	96.3%
<b>Profit/Loss for the year</b>	<b>21,055</b>	<b>4.1%</b>	<b>13,805</b>	<b>3.2%</b>	<b>52.5%</b>

## Net financial indebtedness at 31 December 2015

	31 December 2015	30 September 2015	30 June 2015	31 March 2015	31 December 2014
<i>Euro 000's</i>					
Financial assets:	51,571	44,525	47,189	60,297	54,359
<i>Current financial assets</i>	17	16	17	26	1,048
<i>Cash and cash equivalents</i>	51,553	44,508	47,172	60,271	53,310
Short term finance lease payables	(489)	(422)	(408)	(412)	(301)
Short term bank loans and borrowings and loans from other financial backers	(28,209)	(36,503)	(31,640)	(29,402)	(20,511)
<b>Short Term Net Financial Indebtedness</b>	<b>22,873</b>	<b>7,600</b>	<b>15,141</b>	<b>30,484</b>	<b>33,547</b>
Medium/Long term finance lease payables	(1,514)	(1,555)	(1,672)	(1,769)	(1,659)
Medium/Long bank loans and borrowings	(21,234)	(31,810)	(32,463)	(41,380)	(43,159)
<b>Medium/Long Term Net Financial Indebtedness</b>	<b>(22,748)</b>	<b>(33,365)</b>	<b>(34,135)</b>	<b>(43,149)</b>	<b>(44,818)</b>
<b>Total Net Financial Indebtedness</b>	<b>126</b>	<b>(25,765)</b>	<b>(18,994)</b>	<b>(12,665)</b>	<b>(11,272)</b>

## Statement of financial position highlights at 31 December 2015

	31 December 2015	31 December 2014
<i>Euro 000's</i>		
Intangible assets	58,943	52,584
Property, plant and equipment	69,861	61,865
Financial assets	1,580	1,478
<b>Non current assets</b>	<b>130,385</b>	<b>115,927</b>
Inventories	111,374	98,051
Trade receivables	105,371	80,714
Trade payables	(153,344)	(123,153)
<b>Net Operating Working Capital</b>	<b>63,401</b>	<b>55,612</b>
Post-employment benefits	(13,536)	(14,484)
Provision for risk and charges	(11,731)	(8,915)
Other net payables	(37,202)	(25,253)
Net deferred tax assets	9,943	11,576
<b>Other net liabilities</b>	<b>(52,526)</b>	<b>(37,076)</b>
<b>Net Invested Capital</b>	<b>141,260</b>	<b>134,464</b>
Share capital	27,393	27,393
Profit/loss for the previous year/period and other reserves	92,746	81,834
Profit/Loss for the year	20,971	13,766
Non-controlling interests	275	200
<b>Equity</b>	<b>141,386</b>	<b>123,192</b>
Bank loans and borrowings and loans from other financial backers	51,445	65,630
Other financial assets	(17)	(1,048)
Cash and cash equivalents	(51,553)	(53,310)
<b>Net financial indebtedness</b>	<b>(126)</b>	<b>11,272</b>
<b>Total sources of funding</b>	<b>141,260</b>	<b>134,464</b>

**BIESSE S.p.A.** - Biesse operates in the market for machinery and systems for working wood, glass, marble and stone. Established in Pesaro in 1969 by Giancarlo Selci, Biesse SpA has been listed since June 2001 in the STAR segment of the Italian Stock Exchange. Since October 2015 it has also been a component company of the FTSE IT MID CAP index.

The Company offers modular solutions from the design of turnkey plants for large furniture manufacturers to individual automatic machines and work stations for small and medium enterprises and the design and distribution of individual highly technological components.

As a result of its attention to research and innovation, Biesse can develop modular products and solutions capable of responding to a vast range of requirements from clients.

A multinational company, the Biesse Group distributes its products through a network of subsidiaries and associates located in all leading strategic markets.

The 34 directly controlled subsidiaries guarantee specialized after-sales assistance to clients whilst at the same time carrying out market research in order to develop new products. The Biesse Group currently has more than 3,170 employees in its main production sites in Pesaro, Alzate Brianza, Bangalore, Dongguan and its subsidiaries/branch offices in Europe, North America, Latin America, the Middle East and Far East and in Australasia. The Group also has no fewer than 300 resellers and agents enabling it to cover more than 100 countries.

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