

Approval of First half results to 30 June 2018

highlights:

- increase in revenues and order intake
- rise in order backlog to historic high
- improvement in net financial position

Values in Euro millions	June '18 - IH	June '17 - IH
consolidated revenues	356.0	331.2
gross operating result (EBITDA)	43.5	40.8
net operating result (EBIT) before non-recurring items	30.3	29.6
net profit	17.2	17.5
net financial position	+16.7	-3.8

Pesaro, 3 August 2018 – The Board of Directors of Biesse S.p.A. – a company listed in the STAR segment of Borsa Italiana, the Italian Stock Exchange - has today approved the Consolidated Report for the **1st Half 2018**.

Biesse Group results for the period **1/1/18 – 30/6/18** are as follows:

- net consolidated **revenues** Euro 356 million (+7.5% compared to the same period of 2017)
- **value added** Euro 150.3 million (+8.1% compared to the same period of 2017)
- gross operating margin (**EBITDA**) Euro 43.5 million (+6.7% compared to the same period of 2017)
- operating result (**EBIT**) before non-recurring items Euro 30.3 million (+2.2% compared to the same period of 2017)
- **pre-tax profit** Euro 26.8 million (-3.5% compared to the same period of 2017)
- **net profit** Euro 17.2 million (-1.3% compared to the same period of 2017)
 - e.p.s. Euro 0.63 (Euro 0.64 at June 2017)
 - tax rate 35.8% (37.3% at June 2017)

The net financial position of the Group at 30 June 2018 is remaining positive at Euro 16.7 million – net of payment of the ordinary dividend in May of more than Euro 13.1 million.

Compared with the same period of the previous year the positive delta therefore totals Euro 20.5 million.

Net Working Capital was reduced compared with the first half of 2017 (- Euro 2 million) with an almost constant trend of DSO (inflows) and DPO (payments).

Net invested Capital totals **Euro 175.9 million** (Euro 167.3 million in the same period of 2017).

Net equity totals **Euro 192.6 million** (Euro 164.8 million in the same period of 2017).

Orders – Events - Personnel

The Group trend of order intake (machinery) remained positive in the first half of 2018 with a total increase of **3,6%** compared with the same period of the previous year.

The order portfolio rose by **10.8%** (compared with June 2017) and reached the record level of **Euro 235.9 million (March '18 Euro 226.5 million)**. Following the positive results achieved at the important trade fair for the sector (Wood) held in Italy (Xylexpo Milan 8-12 May) Biesse confirmed its success during the Australian exhibition held last month (AWISA – 4-7 July, Sydney) which concluded with the participation of 10,000 visitors.

The total number of employees in the Biesse Group is **4,115** (of which 58% in Italy), excluding temporary workers.

Breakdown of revenues (business divisions – geographical)

The predominance of the Wood division was confirmed (71.1%) compared with the glass/stone division (16.5%) and the mechatronics division (14.9%). The “advanced materials” segment, although it cannot yet be defined as an autonomous business unit based on volumes of business generated, at 30 June 2018 represented about 2.7% of the Group’s total order intake.

From the perspective of the geographical breakdown, the proportion of revenues generated by the **Italian market was 18.2%** (15.7% at March 2018 – 16.6% at December 2017 – 15.2% at June 2017) confirming the central significance of the domestic market and the growth expectations in this area.

The breakdown (as a percentage of consolidated revenues) of revenues by geographical region are as follows:

- **Western Europe 45.6%** (45.4% in 1H 2017) +11.1% **(Italy included)**
- **Eastern Europe 15.3%** (12.6% in 1H 2017) +24.1%
- **North America 16.0%** (17.7% in 1H 2017) -2%
- **Asia and Australasia 18.8%** (20.8% in 1H 2017) -6.8%
- **Rest of the World 4.3%** (3.5% in 1H 2017) +37.2%

The positive delta (compared with the same period of 2017) which is particularly evident in Eastern Europe and in Western Europe (including Italy) reflects the impact of a continued favourable macro-economic climate which, while influenced by financial and tax incentives, continues to support demand for capital goods.

The proportion of revenues contributed by the “systems” activities continued to rise compared with the recent

past and is attributable to the presence of these activities as constituents of the order portfolio.

Dividends 2018

An ordinary dividend of Euro 0.48 per share gross of withholding taxes was paid in May to shareholders with rights to dividend. The total related cash outflow was Euro 13,143,860

Update to the listing of HSD S.p.A.

On 22 June –a joint Biesse-HSD press statement – announced that *“given market conditions, it has been decided to postpone the listing of HSD S.p.A shares on the automated quotations market - Mercato Telematico Azionario - organised and managed by Borsa Italiana S.p.A. to the second half of 2018”* . Consequently, on 25 June it was announced that the related request to Consob for authorisation to publish the information prospectus had been withdrawn.

“In accordance with paragraph 2, article 154-bis of the T.U.F. (Testo Unico Finanziario-Consolidated Financial Law), the manager responsible for the preparation of the company accounting records of Biesse Group, 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.”

attachments

P&L June 30th 2018 – income statement

	2018	% on sales	2017	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	356.008	100,0%	331.232	100,0%	7,5%
Change in inventories, wip, semi-finished products and finished products	17.596	4,9%	19.370	5,8%	(9,2)%
Other Revenues	3.146	0,9%	1.379	0,4%	128,2%
Revenue	376.749	105,8%	351.980	106,3%	7,0%
Raw materials, consumables, supplies and goods	(154.780)	(43,5)%	(146.236)	(44,1)%	5,8%
Other operating costs	(71.709)	(20,1)%	(66.692)	(20,1)%	7,5%
Normalised added value	150.261	42,2%	139.052	42,0%	8,1%
Personnel expense	(106.762)	(30,0)%	(98.281)	(29,7)%	8,6%
Normalised gross operating profit	43.499	12,2%	40.771	12,3%	6,7%
Depreciation and amortisation	(11.228)	(3,2)%	(9.763)	(2,9)%	15,0%
Provisions	(1.989)	(0,6)%	(1.378)	(0,4)%	44,3%
Normalised operating profit	30.282	8,5%	29.630	8,9%	2,2%
Impairment losses and non recurring-items	(131)	(0,0)%	-	-	-
Operating profit	30.151	8,5%	29.630	8,9%	1,8%
Net financial expense	(974)	(0,3)%	(1.050)	(0,3)%	(7,3)%
Net exchange rate losses	(2.322)	(0,7)%	(739)	(0,2)%	-
Pre-tax profit	26.855	7,5%	27.841	8,4%	(3,5)%
Income taxes	(9.622)	(2,7)%	(10.373)	(3,1)%	(7,2)%
Profit for the year	17.233	4,8%	17.467	5,3%	(1,3)%

Net Financial Position June 30th 2018

	June	March	December	September	June
	2018	2018	2017	2017	2017
<i>Euro 000's</i>					
Financial assets:	91.323	89.853	79.421	60.029	44.099
<i>Current financial assets</i>	706	637	519	14	15
<i>Cash and cash equivalents</i>	90.617	89.216	78.902	60.015	44.084
Short-term financial lease payables	(348)	(347)	(199)	(31)	(59)
Short-term bank loans and borrowings and loans from other financial institutions	(42.444)	(35.649)	(29.086)	(24.238)	(21.430)
Short-term net financial position	48.531	53.857	50.136	35.759	22.610
Medium/Long-term financial lease payables	(1.744)	(1.832)	(1.060)	(2.183)	(23)
Medium/Long-term bank loans and borrowings	(30.121)	(33.077)	(18.705)	(24.372)	(26.438)
Medium/Long-term net financial position	(31.866)	(34.908)	(19.765)	(26.554)	(26.461)
Total net financial position	16.666	18.949	30.371	9.205	(3.851)

Balance sheet at June 30th 2018

	30 June 2018	31 December 2017
<i>Euro 000's</i>		
Intangible assets	78.804	75.107
Property, plant and equipment	95.174	90.515
Financial assets	2.500	2.648
Non-current assets	176.477	168.270
Inventories	172.302	143.210
Trade receivables	128.447	119.380
Trade payables	(245.641)	(223.916)
Net operating working capital	55.107	38.674
Post-employment benefits	(12.670)	(13.456)
Provision for risk and charges	(12.611)	(10.405)
Other net payables	(41.950)	(35.617)
Net deferred tax assets	11.548	10.501
Other net liabilities	(55.682)	(48.978)
Net invested capital	175.903	157.966
Share capital	27.393	27.393
Profit for the previous year and other reserves	147.090	117.434
Profit for the year	17.163	42.558
Non-controlling interests	924	952
Equity	192.569	188.337
Bank loans and borrowings and loans and borrowings from other financial backers	74.658	49.050
Other financial assets	(706)	(519)
Cash and cash equivalents	(90.617)	(78.902)
Net financial position (1)	(16.666)	(30.371)
Total sources of funding	175.903	157.966

BIESSE S.p.A. - The Biesse Group operates in the market for machinery and systems for working wood, glass, marble and stone and advanced materials. Founded in Pesaro in 1969 by Giancarlo Selci, Biesse S.p.A. has been listed on the STAR sector MIDCAP of Borsa Italiana since June 2001.

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 leading strategic markets.

The 39 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 4,200 employees in its main production sites in Pesaro, Padua, Villafranca (VR), Thiene (VI), Alzate Brianza (CO), Bangalore, Dongguan and its associates/branch offices in Europe, North America, Latin America, the Middle East, Asia and Australasia. The Group also has more than 300 resellers and agents enabling it to cover more than 100 countries.

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