



approval of First Half Results to 30 June 2019

compared to H1 2018:

- decrease in turnover -3.5%
- margins and net profit down

- ❖ Group order entry -16.7%
- ❖ backlog over 225 million euros (only machines - unchanged from December 2018)

<i>amounts in millions of euros</i>	H1 2019	H1 2018
consolidated revenues	344.2	356.6
gross operating profit (EBITDA)	38.0	43.5
net operating profit (EBIT) before non-recurring events	20.1	30.3
net profit	10.4	17.2
net financial position (without IFRS 16 effects)	-7.7	16.7
net financial position (with IFRS 16 effects)	-33.8	

Pesaro, 2 August 2019 - The Board of Directors of Biesse S.p.A. -a company listed on the STAR segment of the Italian Stock Exchange - today approved the Consolidated Report for **H1 2019**.

In the period 1/1/19 - 30/6/19, the Biesse Group booked:

- consolidated net revenues: 344.2 million euros (-3.5% on the same period of 2018)
- value added of 151.0 million euros (+0.5% on the same period of 2018) 43.9% incidence on revenues
- gross operating margin (EBITDA) 38.0 million euros (-12.7% on the same period of 2018) including 3.1 million euros as a positive effect deriving from IFRS 16, 11.0% incidence on revenues (12.2% in June 2018)
- operating income (EBIT) 20.1 million euros before non-recurring events (-33.5% on the same period of 2018), 5.8% incidence on revenues (8.5% in June 2018)
- pre-tax profit 16.1 million euros (-40.2% on the same period of 2018) 4.7% incidence on revenues (7.5% in June 2018)



- net profit 10.4 million euros (-39.9% on the same period of 2018) 3.0% incidence on revenues (4.8% in June 2018)
 - e.p.s. 0.378 euros (0.629 euros in June 2018)
 - tax rate 35.5% (35.8% at the end of June 2018)

During today's meeting of the BoD, Stefano Porcellini - Group General Manager - commented:

"The demand in our sectors of reference is slowing down, - as punctually described in the press release of last 21 June -. Instrumental assets market figures, and more in particular the machinery industry segment, as well as our own listed competitors and peers, publish data on order intake that is negative for 15-20% compared to 2018 first half. Biesse will handle this phase with great balance and maturity; it will certainly see its profits partially impacted by the effects of the decline in volumes, but will continue to produce profits, albeit to a lesser extent, in a context - moreover - of an absolutely marginal financial debt position (net of the misleading effect of IFRS 16). It is clear that we will carefully monitor the dynamics of costs and cash, but - thanks to our financial capacity - we will not slow down the investments in innovation and capillarity that will allow us - as has always happened in the last 20 years - to restart better and stronger, as the first signs of an expansionary phase re-emerge."

Financial position

As at 30 June 2019, the Group's net debt amounted to 7.7 million euros, **gross** of the incidence of IFRS 16 (**with** the effects of IFRS 16, net debt amounted to 33.8 million euros - IFRS 16 adopted as envisaged from 1/1/19). Compared to the same period of last year, the Group's net debt has increased by 24.4 million euros (uniform comparison without effects of IFRS 16).

Since the beginning of 2019, debt - **again without** considering the incidences of IFRS 16 - has increased by 33.1 million euros (25.4 million euros at 31/12/18 NFP positive + 7.7 million euros at 30/6/19 NFP negative). This difference - in addition to other non-recurring items - contains the dividend disbursement made last May (total cash-out of 13.1 million euros).

- debt/equity ratio 0.16
- debt/EBITDA ratio 0.89

The attention paid to the Group's main equity dynamics remains high, with the result that, in the first six months of 2019, both average collection times (DSO 38 days) and payment times (DPO 121 days) remain in line with the Group's time series.

Shareholders' equity amounted to 216.2 million euros (192.6 million euros in the same period of 2018)

Orders - Personnel

Group order intake (machinery) slowed in the first half of 2019, with an overall decrease of 16.7% compared to the same period of the previous year. The decline of the Mechatronics division, which is directly affected by the complex situation of the Asian markets, is evident within this.

The order book is unchanged (compared to December 2018) and its total value (machines only) remains above 225 million euros, with average production "visibility" of about 4 months.

The total number of employees of the Biesse Group without temporary staff fell to 4,057 (of whom 61% in Italy). Compared to the end of 2018, the total number of employees has decreased by more than 4% (a total of 170 people fewer).

Breakdown of revenues (main business divisions - geographies)

The predominance of the wood sector (70.0%) with respect to both the glass/stone sector (19.5%) and the mechatronics division (5.5% after intercompany eliminations) remains clear.



From a geographical point of view, the domestic market's share of turnover is 14.1% (18.2% in June 2018)

This is the breakdown (incidence on the consolidated) of revenues by macro-area:

- Western Europe 46.0% (45.6% in H1 2018) -2.8% (including Italy)
- Eastern Europe 12.7% (15.3% in H1 2018) -19.5%
- North America 21.8% (16.0% in H1 2018) + 31.6%
- Asia Pacific 15.6% (18.8% in H1 2018) -19.8%
- Rest of the World 3.9% (4.3% in H1 2018) -12.6%

Profit Warning

Last 21 June, the Biesse Group disclosed its new expectations to the market, prudently forecasting consolidated revenues for 2019 in the range of 680-690 million euros and EBITDA within the range of 62-65 million euros. This downward revision of the estimates of the Three-Year Business Plan approved last February matured in an international context in progressive deterioration, characterized by a significant cooling of demand, the interpretation of which is made even more difficult by the considerable uncertainty surrounding the performance of the world economies and by current geo-political tensions. The high volatility makes any forecast extremely uncertain, especially for the two-year period 2020-2021, which will therefore be the subject of in-depth evaluation in the second half of this year.

Conference Call

Today 2 August 4 pm, subsequently this press release spread, Biesse will hold a brief phone conference call to comment the 2019 first half results. A presentation (PDF file) to this regard and support will be available on the Company website www.biessegroup.com investor relations area.

“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. Stefano Porcellini, 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
Accounting statements


Income statement 30 June 2019

	2019	% on sales	2018	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	344.224	100,0%	356.609	100,0%	(3,5)%
Change in inventories, wip, semi-finished products and finished products	20.466	5,9%	17.596	4,9%	16,3%
Other Revenues	3.524	1,0%	2.545	0,7%	38,5%
Revenue	368.213	107,0%	376.749	105,6%	(2,3)%
Raw materials, consumables, supplies and goods	(151.877)	(44,1)%	(154.780)	(43,4)%	(1,9)%
Other operating costs	(65.286)	(19,0)%	(71.709)	(20,1)%	(9,0)%
Normalised added value	151.050	43,9%	150.261	42,1%	0,5%
Personnel expense	(113.079)	(32,9)%	(106.762)	(29,9)%	5,9%
Normalised gross operating profit	37.971	11,0%	43.499	12,2%	(12,7)%
Depreciation and amortisation	(15.386)	(4,5)%	(11.228)	(3,1)%	37,0%
Provisions	(2.451)	(0,7)%	(1.989)	(0,6)%	23,3%
Normalised operating profit	20.134	5,8%	30.282	8,5%	(33,5)%
Impairment losses and non recurring-items	(1.042)	(0,3)%	(131)	(0,0)%	-
Operating profit	19.092	5,5%	30.151	8,5%	(36,7)%
Financial income	103	0,0%	130	0,0%	(21,3)%
Financial expense	(1.394)	(0,4)%	(1.104)	(0,3)%	26,3%
Net exchange rate losses	(1.743)	(0,5)%	(2.322)	(0,7)%	(25,0)%
Pre-tax profit	16.058	4,7%	26.855	7,5%	(40,2)%
Income taxes	(5.707)	(1,7)%	(9.622)	(2,7)%	(40,7)%
Profit for the year	10.350	3,0%	17.233	4,8%	(39,9)%



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Other revenues	3.524	1,0%	2.545	0,7%	38,5%
Revenue	368.213	107,0%	376.749	105,6%	(2,3)%
Raw materials, consumables, supplies and goods	(152.492)	(44,3)%	(154.911)	(43,4)%	(1,6)%
Other operating costs	(65.292)	(19,0)%	(71.709)	(20,1)%	(8,9)%
Added value	150.429	43,7%	150.130	42,1%	0,2%
Personnel expense	(113.574)	(33,0)%	(106.762)	(29,9)%	6,4%
Gross operating profit	36.855	10,7%	43.368	12,2%	(15,0)%
Depreciation and amortisation	(14.817)	(4,3)%	(11.228)	(3,1)%	32,0%
Provisions	(2.946)	(0,9)%	(1.984)	(0,6)%	48,5%
Impairment losses	-	-	(5)	(0,0)%	(100,0)%
Operating profit	19.092	5,5%	30.151	8,5%	(36,7)%
Net financial expense	(1.292)	(0,4)%	(974)	(0,3)%	32,7%
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Net Financial Position 30 June 2019

	30th June	31st March	31st December	30th September	30th June
	2019	2019	2018	2018	2018
<i>Euro 000's</i>					
Financial assets:	84.115	67.788	83.308	91.114	91.323
<i>Current financial assets</i>	2.147	35	288	336	706
<i>Cash and cash equivalents</i>	81.968	67.753	83.020	90.778	90.617
Short-term financial lease payables	(485)	(350)	(349)	(336)	(348)
Short-term bank loans and borrowings and loans from other financial institutions	(47.179)	(26.287)	(22.161)	(43.133)	(42.444)
Short-term net financial position	36.450	41.151	60.798	47.645	48.531
Medium/Long-term financial lease payables	(32.565)	(27.167)	(1.569)	(1.662)	(1.744)
Medium/Long-term bank loans and borrowings	(37.726)	(30.700)	(33.821)	(26.579)	(30.121)
Medium/Long-term net financial position	(70.291)	(57.867)	(35.390)	(28.241)	(31.865)
Total net financial position	(33.841)	(16.716)	25.407	19.403	16.666


Balance sheet 30 June 2019

	30th June 2019	31st December 2018
<i>Euro 000's</i>		
Intangible assets	86.138	84.240
Property, plant and equipment	136.279	102.774
Financial assets	3.240	2.847
Non-current assets	225.657	189.862
Inventories	187.637	162.786
Trade receivables	122.016	134.331
Trade payables	(235.834)	(244.024)
Net operating working capital	73.818	53.092
Post-employment benefits	(13.536)	(12.550)
Provision for risk and charges	(12.986)	(10.737)
Other net payables	(34.169)	(35.526)
Net deferred tax assets	11.287	9.985
Other net liabilities	(49.404)	(48.827)
Net invested capital	250.071	194.128
Share capital	27.393	27.393
Profit for the previous year and other reserves	177.652	147.577
Profit for the year	10.278	43.672
Non-controlling interests	907	893
Equity	216.230	219.536
Bank loans and borrowings and loans and borrowings from other financial backers	117.956	57.900
Other financial assets	(2.147)	(288)
Cash and cash equivalents	(81.968)	(83.020)
Net financial position (1)	33.841	(25.407)
Total sources of funding	250.071	194.128



BIESSE S.p.A. - Biesse Group is a global leader in technology for processing wood, glass, stone, plastic, and metal. It designs, manufactures and distributes machines, integrated systems and software for manufacturers of furniture, door/window frames and components for the construction, ship-building and aerospace industries. It invests an average of more €14 million per year in R&D, boasting over 200 registered patents. The company operates through 12 industrial sites, 39 branches, and 300 agents and selected dealers, exporting 90% of its production. Its customers include some of the most prestigious names in Italian and international design. Founded in Pesaro in 1969 by Giancarlo Selci, Biesse SpA has been listed in the STAR segment of the Italian Stock Exchange since June 2001, and is currently included in the FTSE IT Mid Cap index. Almost 4,300 the employees today in its facilities (production & distribution) based in Pesaro, Gradara, Padova, Villafranca (VR), Thiene (VI), Alzate Brianza (CO), Bangalore, Dongguan and in its branches/representative offices in Europe, North America, Latin America, the Middle & Far East, Asia and Oceania.

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