

Draft 2022 Financial Statements approved

Record revenues in 2022 with an order portfolio set to sustain 2023

Pesaro, 14th March 2023

Fourth quarter (in € million)	IVQ 2022	IVQ 2021	Variation
Consolidated Net Revenues	209,1	215,2	-6,1 -2,8%
EBITDA	19,8	17,8	2,0 11,2%
Operating result (EBIT)*	6,6	1,2	5,4 450%
Net Profit/Loss	5,5	-1,2	6,7 558%

12 months (in € million)	FY 2022	FY 2021	Variation
Consolidated Net Revenues	822,4	742,2	80,2 10,8%
EBITDA	90,6	79,7	10,9 13,7%
Operating result (EBIT)*	50,7	45,7	5,0 11,0%
Net Profit/Loss	30,3	34,2	-3,9 -11,4%

Net Financial Position (in € million)	+116,6	+124,6	-8,0 -6,4%
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(*) after non-recurring events

Other resolutions:

- Corporate Governance Report for the year 2022 approved
- Remuneration Report for the year 2022 approved
- Sustainability Report for the year 2022 (non-financial statement) approved
- Proposed distribution of a dividend of 0.33 euros per share

During its meeting held in Pesaro today, the Board of Directors of Biesse S.p.A. – Mid Cap company listed at the Euronext STAR - Milan – approved the Consolidated Annual Financial Report 2022 as well as the Draft Financial Statements for the financial year ended on 31.12.2022.

Consolidated results achieved by the Biesse Group in the 12 months of 2022:

- Consolidated net revenues of 822.4 million euros (+10.8% compared to 2021 and +28.2% compared to 2020)
- Value Added of 342 million euros (+9.6% compared to 2021), 41.6% of revenues (42% in 2021)
- EBITDA of 90.6 million euros (+13.7% compared to 2021), 11% of revenues (10.7% in 2021)
- EBIT, after non-recurring events, of 50.7 million euros (45.7 million euros in 2021) 6.2% of revenues (6.2% in 2021)
- Net profit of 30.3 million euros (34.2 million euros in 2021), 3.7% of revenues - EPS (net profit per share) 1.11 euros
- Tax rate 27.2% (15.6% in 2021)

Net Financial Position

As of 31 December 2022, the Group Net Financial Position was positive for 116.6 million euros, including the impact of 22.7 million euros (higher debts) deriving from the application of IFRS16. Without the effects linked to the adoption of IFRS16, the net financial position would have been positive for 139.3 million euros.

Compared to the previous year, the net financial position decreases by 8 million euros (2022 cash flow). Compared to 2020, there is an improvement of 67.1 million euros.

Comment

“The results achieved during the past year and approved today - comments following the Board of Directors’ meeting the Group’s CFO Pierre La Tour – bear testimony to how Biesse has taken full advantage of the global demand for capital goods, closing 2022 with volumes that represent record levels and performances that are significantly in advance versus those considered in the Strategic Plan.

This performance – which is per se very satisfactory since it compares with a year 2021 which was already exceptional – represents a solid starting point for the current year. Nonetheless, the current scenario imposes the adoption of a cautious approach. Persistent uncertainties on the international scene, characterized by unforeseeable events that could undermine the foundations of a fragile recovery. Furthermore, the adoption of restrictive monetary policies that are impacting exchange rates and ceasing government incentives that have stimulated domestic demand over recent years, represent additional factors affecting market conditions.

From a business point of view, the order backlog at the end of 2022 is slightly increased versus 2021 and represents a record level. However, uncertainties in establishing a stable source of supplies remain, whilst the cost dynamics linked to production and difficulties in continuing to intervene on sales prices, represent a point of attention on profitability that has been factored in the current year's objectives. Nonetheless, we remain convinced to achieve targets defined in the 2021-23 Strategic Plan.

Being unable to govern exogenous inflationary pressures, we will continue to pursue efficiency actions within our structure, in continuity with the execution of the One Company project, introducing a higher level of flexibility and a swift simplification of our processes.

We will continue to promote innovation and research since we are convinced that these are essential characteristics, implementing new technical solutions that are based on connectivity and automation, for a sustainable development. The positive cash situation represents an important element to sustain our organic growth and our planned expansion through acquisitions”.

Order backlog

At the end of 2022, the order backlog amounted to 384.7 million euros (+1.7% compared to the same date of 2021 and +81.4% compared to the same date of 2020).

The order intake (machinery only) for the full year 2022 decreased by 14.6% compared to 2021 and increased by 37.2% compared to 2020.

In the fourth quarter of 2022 alone, order intake was lower than both the same period in 2021 (-25.4%) and the last quarter of 2020 (-1.7%).

Revenue breakdown

Geographically, the Group's sales breakdown by macro-area at the end of December 2022 is:

- Western Europe 52.4% (51.5% as at December 2021) – of which Italy 23.5% (19.9% at the end of 2021)
- Eastern Europe 13.8% (16.1% as at December 2021)
- North America 19.1% (16.5% as at December 2021)
- Asia Pacific 12.2% (12.9% as at December 2021)
- Rest of the World 2.5% (3.0% as at December 2021)

By type, sales of machines & systems always account for the overwhelming majority (91%) compared to mechatronics (9%).

Balance sheet

Group Shareholders' Equity: 260.8 million euros

Net Invested Capital: 144.1 million euros

Net Operating Current Assets positive at 7.9 million euros

Dividends

Considering the positive earnings and financial performance achieved, it is proposed to pay a gross dividend of 0.33 euros per share, 9,042,855.69 euros for the year, in line with the rule adopted by the Group in this regard (30% of net profit). The proposed dividend represents 30% of Group net profit achieved in 2022. The last dividend payment dates back to May 2022 when it was 0.624 euros per share.

The total disbursement for the proposed dividends amounts to 9,042,855.69 euros. Coupon date: 8 May 2023, Record date: 9 May 2023; Payment date: 10 May 2023. Coupon no. 17.

Corporate Governance, Remuneration Report & Sustainability Report

During today's Board of Directors' meeting, the Biesse Report on corporate governance and the shareholding structure pursuant to Article 123-bis of the Consolidated Law on Finance and the Report on the 2022 remuneration policy and on the remuneration paid in 2022 pursuant to Article 123-ter of the Consolidated Law on Finance and Article 84-quater of the Issuers' Regulations were also approved. The Sustainability Report relating to the year 2022 was also approved.

Biesse Ordinary Shareholders' Meeting

The Board of Directors has called the Biesse Ordinary Shareholders' Meeting to be held on 26 April 2023 at 9.30 a.m. in first call.

Conference Call

Biesse will hold a conference call today at 4.30 p.m. to comment on the approved Draft 2022 Financial Statements. The supporting presentation will be available on the corporate website

www.biessegroup.com in the Investor Relations section. The same presentation will also be made available on the official storage website www.1info.it

The details needed for taking part in the conference call in question are on the company's website, in the section dedicated to investors. I riferimenti utili per partecipare alla call telefonica in questione sono sul sito societario nell'apposita sezione dedicata agli investitori.

“The Financial Reporting Officer (Pierre La Tour) declares that, pursuant to paragraph 2, Article 154-bis of the Consolidated Law on Finance, the accounting information in this press release corresponds to the results in the accounting documents, books and other records”

BIESSE S.p.A. - Biesse is an international company that designs, manufactures and distributes systems and machines for processing wood, glass, stone, metal, plastic and composite materials for the furniture, housing & construction, automotive and aerospace industries. Founded in Pesaro in 1969 by Giancarlo Selci, it has been listed in the STAR segment of Euronext Milan since June 2001. It generates approx. 85% of its consolidated turnover abroad, operating in more than 160 countries, thanks to 14 production plants and a direct presence in the main world markets. Its customers include industry-leading companies and prestigious Italian and international design brands. It currently has a total of over 4,200 employees.

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Financial statements

Income Statement at 31 December 2022

	31 December 2022	% on sales	31 December 2021	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	822,425	100.0%	742,199	100.0%	10.8%
Change in inventories, wip, semi-finished products and finished products	30,791	3.7%	21,409	2.9%	43.8%
Other Revenues	8,421	1.0%	7,007	0.9%	20.2%
Revenue	861,638	104.8%	770,615	103.8%	11.8%
Raw materials, consumables, supplies and goods	(363,363)	(44.2)%	(333,566)	(44.9)%	8.9%
Other operating costs	(156,292)	(19.0)%	(124,958)	(16.8)%	25.1%
Personnel expense	(251,423)	(30.6)%	(232,419)	(31.3)%	8.2%
Gross Operating Result	90,559	11.0%	79,672	10.7%	13.7%
Depreciation and amortisation	(32,496)	(4.0)%	(33,236)	(4.5)%	(2.2)%
Provisions	(10,489)	(1.3)%	(12,372)	(1.7)%	(15.2)%
Operating result before non recurring items	47,574	5.8%	34,064	4.6%	39.7%
Non recurring-items	3,175	0.4%	11,657	1.6%	(72.8)%
EBIT Operating result	50,749	6.2%	45,721	6.2%	11.0%
Financial income	868	0.1%	292	0.0%	-
Financial expense	(2,014)	(0.2)%	(2,595)	(0.3)%	(22.4)%
Net exchange rate losses	(7,969)	(1.0)%	(2,933)	(0.4)%	-
Pre-tax profit	41,634	5.1%	40,484	5.5%	2.8%
Income taxes	(11,338)	(1.4)%	(6,289)	(0.8)%	80.3%
Profit for the year	30,296	3.7%	34,195	4.6%	(11.4)%

Statement of financial position at 31 December 2022

	31 December 2022	31 December 2021
<i>Euro 000's</i>		
Intangible assets	88,177	97,989
Property, plant and equipment	117,625	117,203
Financial assets	4,688	4,578
Non-current assets	210,489	219,770
Inventories	215,588	179,417
Trade receivables and contract assets	112,513	125,962
Trade payables	(181,996)	(186,660)
Contract liabilities	(138,197)	(127,093)
Net operating working capital	7,908	(8,375)
Post-employment benefits	(10,567)	(13,318)
Provision for risk and charges	(25,015)	(24,850)
Other net payables	(54,629)	(63,274)
Net deferred tax assets	15,961	14,660
Other net liabilities	(74,249)	(86,781)
Net invested capital	144,147	124,614
Share capital	27,403	27,393
Profit for the previous year and other reserves	202,898	186,957
Profit for the year	30,248	34,018
Non-controlling interests	245	849
Equity	260,793	249,217
Bank loans and borrowings and loans and borrowings from other financial backers	28,937	29,594
Other financial assets	(20,544)	(27,098)
Cash and cash equivalents	(151,798)	(127,099)
Net financial position (1)	(116,646)	(124,603)
Total sources of funding	144,147	124,614

Net financial position

	31st December	30th September	30th June	31st March	31st December
	2022	2022	2022	2022	2021
<i>Euro 000's</i>					
Financial assets:	145,583	108,061	117,201	136,539	154,197
<i>Current financial assets</i>	20,544	7,157	7,266	27,141	27,098
<i>Cash and cash equivalents</i>	125,039	100,903	109,935	109,398	127,099
Short-term financial lease payables	(7,504)	(7,983)	(8,524)	(7,194)	(7,384)
Short-term bank loans and borrowings and loans from other financial	(4,222)	(4,761)	(7,493)	(5,826)	(5,998)
Short-term net financial position	133,858	95,317	101,185	123,520	140,815
Medium/Long-term financial lease payables	(16,496)	(14,997)	(15,508)	(15,179)	(15,320)
Medium/Long-term bank loans and borrowings	(561)	(573)	(525)	(395)	(680)
Trade payables and other medium/long-term payables	(155)	(171)	(185)	(285)	(213)
Medium/Long-term net financial position	(17,212)	(15,740)	(16,218)	(15,859)	(16,212)
Total net financial position	116,646	79,577	84,965	107,661	124,603