

approves the Interim Financial Report for the six month period to 30 June 2017

highlights:

- revenues, net profit and order intake all increase
- order backlog at a record high

<i>Figures in Euro million</i>	June '17 - IH	June '16 - IH
consolidated revenues	331.2	283.4
gross operating profit (EBITDA)	40.8	30.4
net operating profit (EBIT)	29.6	20.9
net profit	17.5	11.9

Pesaro, 4 August 2017 - The Board of Directors of Biesse S.p.A., a company listed on the STAR Segment of the Italian Stock Exchange, has today approved the Consolidated Financial Statements for the **First Semester 2017**.

The Group results for the period 1 January 2017 – 30 June 2017 are as follows:

- net consolidated **revenues** of Euro 331.2 million (+16.9% compared to the same period of 2016)
- **value added** of Euro 139.1 million (+19.5% compared to the same period of 2016)
- gross operating profit (EBITDA) Euro 40.8 million (+34% compared to the same period of 2016)
- net operating profit (EBIT) Euro 29.6 million (+42% compared to the same period of 2016)
- **pre-tax profit** Euro 27.8 million (+32.6% compared to the same period of 2016)
- **net profit** Euro 17.5 million (+46.4% compared to the same period of 2016)

2016)

- EPS Euro 0.637 (Euro 0.435 at 30 June 2016)
- tax rate 37.2% (43.2% at 30 June 2016, 43.8% at 31 December 2016 and 36.8% at 31 March 2017)

Following today's Board meeting, Mr Stefano Porcellini, Director General of the Group commented:
"The positive momentum for Biesse is continuing having a significant organic growth in revenues (+16.9% year-on-year in the first semester 2017) with a consequent increase in the market shares of all its business divisions."

Group net debt at 30 June 2017 was **Euro 3.8 million**, with an increase of Euro 8.7 million compared to the figure at 31 March 2017 and at 31 December 2016 and was net of the ordinary dividend pay-out, taxes and other one-off items that together totalled over Euro 26 million. The year-on-year increase of Euro 3.3 million in net debt was primarily due to tax payments concentrated in the first semester 2017 whereas in the previous financial year they had been spread over the remainder of the financial period.

In the first semester 2017, net working capital requirements fell by over Euro 9 million due, in particular, to an increase in payables and a decrease in trade receivables compared to the figures at year-end 2016. The figure for average days sales outstanding (DSO) was in line with the historic figure for the Group (54 days), whilst the average days payable outstanding (DPO) rose (124 days).

Net invested capital was **Euro 168.6 million** (Euro 141.7 million in the first semester 2016).

Net equity was **Euro 164.8 million** (Euro 141.2 million in the first semester 2016).

At the end of June R.O.C.E. 17.6% - R.O.I. 6.0% - R.O.S. 8.9%

Orders - Personnel

The Group order intake rose in the first semester 2017, **+15.3%** year-on-year with an increase that was uniformly spread over different product areas.

The order portfolio (machinery) rose **14.7%** (compared to the figure at 30 June 2016) reaching a record level of **Euro 212.9 million** (at 31 March 2017 it was Euro 188.5 million and at 31 December 2016 it was Euro 164.1 million). Following the excellent outcome of the important German trade fair in the wood sector (LIGNA Hannover May) Biesse received order totalling Euro 45 million that confirmed the high level of interest in its digital solutions (software and IoT platforms).

The contribution from systems was also noticeable in the recent order intake and this reflects the positive reception afforded the Biesse products that take advantage of the opportunities offered by Industry 4.0.

The number of Group employees rose to over **3,960** (55% in Italy).

Events

Following Biesse's strong performance at the Hannover trade exhibition (LIGNA - May 2017), it also had excellent results at the most recent fair in Las Vegas (AWFS 19-22 July) where it received orders totalling over Euro 15 million. The SOPHIA platform and Online E-Parts one (in the US and Canadian markets) sparked considerable interest and this underlines the health of the North American economy. Biesse made a correct and winning choice when it decided to focus increasingly on forward looking areas - Industry 4.0 and IoT - through the design of technologically advanced products. Currently both the US and Canadian branches are headed for record sales in 2017. A significant investment plan has been announced for the Charlotte (North Carolina) branch that will increase its size (show room and offices) and strengthen its distribution and sales networks.

Defined as scheduled the acquisitions of Movetro s.r.l. (Padua) and Montresor & C. s.r.l. (Verona). Whilst not significant in size, the acquisitions of Movetro s.r.l. and Montresor & C. s.r.l. are important strategically as both Italian companies are leaders in their reference markets (grass-granite-porcelain and synthetic materials). Both companies are strong technologically and will widen and complete the current Biesse offer, in particular, for companies seeking highly technological solutions. Through its Intermac brand, Biesse will strengthen its 4.0 solutions aimed at the glass and stone industries. For the dimension above mentioned the acquisitions will be financed from cash flow without impacting the financial and equity structure of the Biesse Group.

Breakdown of revenues (by segment - geographical area)

The predominance of the wood division was reconfirmed (71.6% of revenues) compared to both glass/stone (15.4%) and mechatronics (15.5%).

The geographical breakdown of revenues showed an increase in **revenues from the Italian market, 15.2% of total revenues at the end of June 2017** (14.2% in March 2017, 15.5% in December 2016 and 13.3% in June 2016).

The breakdown of consolidated revenues by geographical region was as follows:

- **Western Europe 44.1%** (42.9% in IH 2016) in total value +20.0% **(Italy included)**
- **Eastern Europe 13.2%** (13.3% in IH 2016) in total value -0.7%
- **North America 17.6%** (20.2% in IH 2016) in total value +19.9%
- **Asia Pacific 21.7%** (19.7% in IH 2016) in total value +27.2%
- **Rest of the World 3.4%** (4.0% in IH 2016) in total value -10.6%

Revenues grew in Western Europe and in Asia Pacific but, important to be noted, there was a particularly strong year-on-year increase in sales in **North America** indicating that also in the first semester 2017 the demand for plant and machinery has been supported by the favourable macroeconomic scenario.

Dividends

As previously announced, in May those shareholders with the relevant rights received a dividend of Euro 0.36 per share gross of withholding taxes. The total dividend pay-out was Euro 9,857,895.12.

Conference call

Today (4 August at 16.00 hours), following the announcement of the results, Biesse will hold a short phone conference call to comment on the First Semester 2017 operations. The audio file of the complete conference call will be immediately available on the company website www.biessegroup.com in the investor relations section together with a short presentation.

“In accordance with paragraph 2, clause 154-bis of the 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 at 30 June 2017

	1H 2017	% on sales	1H 2016	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	331,232	100.0%	283,439	100.0%	16.9%
Change in inventories, wip, semi-finished and finished goods	19,370	5.8%	15,737	5.6%	23.1%
Other revenue	1,379	0.4%	2,222	0.8%	(38.0)%
Revenue	351,980	106.3%	301,398	106.3%	16.8%
Consumption of raw materials, consumables, supplies and goods	(146,236)	(44.1)%	(127,249)	(44.9)%	14.9%
Other operating expense	(66,692)	(20.1)%	(57,768)	(20.4)%	15.4%
Added Value	139,052	42.0%	116,381	41.1%	19.5%
Personnel expense	(98,281)	(29.7)%	(85,949)	(30.3)%	14.3%
Gross Operating profit	40,771	12.3%	30,432	10.7%	34.0%
Depreciation and amortisation	(9,763)	(2.9)%	(8,626)	(3.0)%	13.2%
Provisions	(1,378)	(0.4)%	(918)	(0.3)%	50.2%
Normalised Operating profit	29,630	8.9%	20,888	7.4%	41.8%
Impairment losses and non recurring items	-	-	(23)	(0.0)%	(100.0)%
Operating profit	29,630	8.9%	20,865	7.4%	42.0%
Net finance expense	(1,050)	(0.3)%	(777)	(0.3)%	35.1%
Net exchange rate losses	(739)	(0.2)%	913	0.3%	-
Pre-tax profit/loss	27,841	8.4%	21,001	7.4%	32.6%
Income taxes	(10,373)	(3.1)%	(9,066)	(3.2)%	14.4%
Profit/Loss for the period	17,467	5.3%	11,935	4.2%	46.4%

Net Financial Position at 30 June 2017

	30 June 2017	31 March 2017	31 December 2016	30 September 2016	30 June 2016
<i>Euro 000's</i>					
Financial assets:	44,099	49,510	46,381	33,432	41,200
<i>Current financial assets</i>	15	(587)	87	17	30
<i>Cash and cash equivalents</i>	44,084	50,097	46,295	33,414	41,170
Short term finance lease payables	(59)	(111)	(111)	(137)	(137)
Short term bank loans and borrowings and loans from other financial backers	(21,430)	(37,140)	(33,769)	(40,331)	(26,750)
Short Term Net Financial Indebtedness	22,610	12,259	12,501	(7,037)	14,313
Medium/Long term finance lease payables	(23)	-	(43)	(54)	(92)
Medium/Long bank loans and borrowings	(26,438)	(7,305)	(7,539)	(9,594)	(14,770)
Medium/Long Term Net Financial Indebtedness	(26,460)	(7,305)	(7,582)	(9,648)	(14,862)
Total Net Financial Indebtedness	(3,851)	4,955	4,919	(16,685)	(549)

Summary Statement of Financial Position at 30 June 2017

	30 June	31 December	30 June
	2017	2016	2016
<i>Euro 000's</i>			
Intangible assets	67,833	65,218	62,312
Property, plant and equipment	85,005	81,939	73,358
Financial assets	3,208	2,346	2,103
Non current assets	156,046	149,503	137,773
Inventories	145,109	130,785	136,418
Trade receivables	117,582	128,748	117,046
Trade payables	(205,555)	(192,613)	(194,719)
Net Operating Working Capital	57,136	66,920	58,745
Post-employment benefits	(13,402)	(13,746)	(14,767)
Provision for risk and charges	(11,963)	(11,994)	(11,064)
Other net payables	(31,085)	(45,890)	(41,619)
Net deferred tax assets	11,938	10,011	12,667
Other net liabilities	(44,513)	(61,618)	(54,783)
Net Invested Capital	168,669	154,804	141,735
Share capital	27,393	27,393	27,393
Profit/loss for the previous year/period and other reserves	119,710	102,656	101,644
Profit/Loss for the period	17,363	29,384	11,913
Non-controlling interests	352	290	236
Equity	164,819	159,723	141,186
Bank loans and borrowings and loans from other financial backers	47,951	41,462	41,749
Other financial assets	(15)	(87)	(30)
Cash and cash equivalents	(44,084)	(46,295)	(41,170)
Net financial indebtedness	3,851	(4,919)	549
Total sources of funding	168,669	154,804	141,735

BIESSE S.p.A. - The Biesse Group operates in the market for machinery and systems for working wood, glass, marble, stone and advanced materials. Founded in Pesaro in 1969 by Giancarlo Selci, Biesse S.p.A. has been listed on the STAR sector 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 37 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 over 3,960 employees in its main production sites in Pesaro, Alzate Brianza, Thiene, Bangalore, Dongguan and its associates/branch offices in Europe, North America, Latin America, the Middle & Far East Asia, 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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