

# Preliminary Financial Statements approved

# 2018

<i>Figures in Euro millions</i>	<b>2018</b>	<b>2017</b>	<b>change</b>
Net Revenues	740.2	690.1	+7.3%
Gross Operating Profit (EBITDA)	92.7	89.5	+3.6%
Operating Profit (EBIT)*	67.7	66.9	+1.2%
Profit before taxes	58.3	60.7	-4.0%
Net Profit	43.8	42.7	+2.6%

\* before non-recurring items

#### Other items approved:

- proposed dividend distribution of Euro € 0.48 per share
- to convene the Biesse Ordinary Shareholders' Meeting on 29 April 2019 at 09.00 in Pesaro in first convocation (with any eventual second convocation on 30 April 2019 at the same time and in the same place)
- the Report on Corporate Governance for the 2018 financial year
- the Sustainability Report for the 2018 financial year

Pesaro, 15 March 2019. The Board of Directors of Biesse S.p.A. – a company operating in the market for machinery and systems for working wood, glass, marble-stone and advanced materials, listed in the STAR segment of Borsa Italiana, the Italian Stock Exchange, approved the Financial Statements for the financial year ended 31 December 2018 at its meeting held today in Pesaro.

The consolidated results of the Biesse Group for the 12 months of 2018 (with no adjustments for the effects of IFRS 16) were as follows:

- Net revenues: Euro 740.2 million (+7.3% compared to the same period of 2017)
- Value Added: Euro 307.2 million (+6.5% compared to the same period of 2017)
- EBITDA: Euro 92.7 million (+3,6% compared to the same period of 2017)
- EBIT (before non-recurring items): Euro 67.7 million (+1.2% compared to the same period of 2017) R.O.C.E. 34.6%
  - EBIT (after non-recurring items) Euro 63.8 million (+0.3% compared to the same period of 2017)
- Profit before taxes: Euro 58.3 million (-4.0% compared to the same period of 2017)
- Net Profit: Euro 43.8 million (+2.6% compared to the same period of 2017) – Tax rate 24.8%. EPS: Euro 1.60
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#### Net Financial Position:

At 31 December 2018, the **Group Net Financial Position** was **positive** for **Euro 25.4 million** (it was positive for Euro 30.4 million at the same date of 2017). Cash flow after investments (capex of Euro 44.8 million) was positive for approximately Euro 8 million. The ordinary dividend distribution to Biesse shareholders paid in May 2017 was Euro 13.1 million (Euro 0.48 per share).

The operating working capital margin (as a percentage of consolidated revenues) was 7.2%.

### Geographical and divisional breakdown of revenues

At 31 December 2018, the breakdown of Group net sales (consolidated revenues) by geographic area was as follows:

- Western Europe 47.6% (44.8% in 2017) -of which Italy was 18.5% (16.6% in 2017) with a year-on-year increase in volumes of 13.9%
- Eastern Europe 14.5% (13.4% in 2017) with a year-on-year increase in volumes of 16.4%
- North America 15.9% (16.2% in 2017) with a year-on-year increase in volumes of 5.5%
- Asia - Pacific 18.2% (22.2% in 2017) with a year-on-year decrease in volumes of 11.9%
- Rest of the world 3.8% (3.5% in 2017) with a year-on-year increase in volumes of 16.6%

The breakdown by the main business divisions was as follows:

- Wood division 71.7% (70.9% in 2017)
- Glass/stone division 17.4% (15.7% in 2017)
- Mechatronic division (before inter-group eliminations) 13.1% (14.3% in 2017)

### Capital position:

At 31 December 2018, Group Net Shareholders' Funds amounted to Euro 219.5 million (Euro 188.3 million at 31 December 2017).

Net Invested Capital at year-end 2018 was Euro 195.7 million (Euro 158.0 million at 31 December 2017).

### Economic environment – order intake:

The international environment, with the exception of a few countries, is characterised by both political and economic uncertainty and volatility. Nevertheless, as shown in the recently approved Three-year Business Plan, the Group is forecasting growth in revenues and profitability driven primarily by software/services projects and programmes.

The preliminary findings of the leading Italian and foreign trade associations in the sectors of Wood and Glass and Stone show moderate improvements for 2018 and they are cautiously optimistic for 2019 although the Italian market, in particular, risks being exposed to volatility caused by the political situation.

The forecasts for HSD (in the Mechatronic division) are more positive as it intends increasingly to diversify and expand its production and sales into segments that include metals and, in particular, advanced materials.

*From the 2019-2021 Three-year Business Plan\* (as published in the press release dated 26 February 2019):*

- three-year CAGR in Net Revenues of 6%
- increase in Value Added with a three-year CAGR of 6.3%
- increase in operating profitability:
  - three-year CAGR in EBITDA of 7.3%
  - three-year CAGR in EBIT of 7.7%

- *positive free cash flow in excess of Euro 70 million for the period 2019-2021 net of scheduled investments (total capex of Euro 148 million)*
- *average EPS in the three-year period 2019-2021: Euro 1.74*

*\*excluding the effect of IFRS 16*

In 2018, the total order intake for the Biesse Group (only machinery) grew 3.7% compared to 2017; at year-end 2018, the order portfolio had risen to Euro 225 million (+4.9% year-on-year).

#### **Dividends:**

In addition to approving the preliminary financial statements for 2018, the Board of Directors also discussed the possibility of a dividend distribution to Biesse shareholders. Given the positive results of the 2018 financial year, the Biesse Board of Directors has decided to propose a dividend – gross of withholding taxes – of Euro 0.48 for each share ranking for dividend, which the Ordinary Shareholders Meeting will be requested to approve when it is convened on 29 April 2019 at 9.00 hours (first convocation) and, if required, on 30 April 2019 at the same time and place (second convocation). The proposed dividend distribution totals Euro 13.1 million and the ex-dividend date for coupon no. 15 is 6 May 2019 with a payment date of 8 May 2019 and a record date of 7 May 2019. The residual net profit will be transferred to reserves (of the parent company Biesse S.p.A.)

#### **Corporate Governance & Sustainability Reports:**

At its meeting today, the Board of Directors also approved the Biesse Corporate Governance Report for the 2018 calendar year and the Remuneration Report for 2018. It also approved the Sustainability Report for the 2018 Financial Year.

#### **Biesse Shareholders' Meeting:**

Having approved the 2018 preliminary financial statements, the Board of Directors convene the Biesse Ordinary Shareholders' Meeting on 29 April 2019 at 09.00 hours (first convocation) and, if required, on 30 April 2019 (second convocation), to deliberate and approve the following items on the Agenda:

1. The Financial Statements at 31 December 2018; the Board of Directors' management report, including the disclosure of non-financial information prepared in accordance with Legislative Decree 254/2016; the reports of the Board of Statutory Auditors and of the independent audit firm for the Financial Statements at 31 December 2018; resolutions pertaining thereto and resulting therefrom. Presentation of the Consolidated Financial Statements at 31 December 2018.
2. Allocation of the 2018 net profit of Biesse S.p.A.;
3. Appointment of a new director, following an increase in the number of the members of the Board of Directors; resolutions pertaining thereto and resulting therefrom.
4. The remuneration policy of the Biesse Group.

Further information on the items on the Agenda of the Shareholders' Meeting and on the documents that it will be asked to approve is provided in the Notice convening the Shareholders' Meeting, which will be published in accordance with law and within the legal time requirements.

**Organizational change:**

The Biesse Board of Directors also accepted the Mr. Cristian Berardi resignation from his Group C.F.O. role -immediate effect- with Mr. Stefano Porcellini appointed ad interim to take this role for the period absolutely necessary to appoint a new C.F.O..

*"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 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."*

**P&L (income) statement at 31 December 2018 with a special remark of the non-recurring items**

	31 Dicembre 2018	% su ricavi	31 Dicembre 2017	% su ricavi	DELTA %
<i>migliaia di euro</i>					
<b>Ricavi delle vendite e delle prestazioni</b>	<b>740.159</b>	<b>100,0%</b>	<b>690.120</b>	<b>100,0%</b>	<b>7,3%</b>
Variazione delle rimanenze di prodotti in corso di lavorazione, semilavorati e finiti	14.026	1,9%	15.387	2,2%	(8,8)%
Altri Proventi	6.729	0,9%	4.669	0,7%	44,1%
<b>Valore della produzione</b>	<b>760.913</b>	<b>102,8%</b>	<b>710.175</b>	<b>102,9%</b>	<b>7,1%</b>
Consumo materie prime, sussidiarie di consumo e merci	(309.430)	(41,8)%	(285.501)	(41,4)%	8,4%
Altre spese operative	(144.255)	(19,5)%	(136.067)	(19,7)%	6,0%
<b>Valore aggiunto prima degli eventi non ricorrenti</b>	<b>307.229</b>	<b>41,5%</b>	<b>288.607</b>	<b>41,8%</b>	<b>6,5%</b>
Costo del personale	(214.553)	(29,0)%	(199.155)	(28,9)%	7,7%
<b>Margine operativo lordo prima degli eventi non ricorrenti</b>	<b>92.676</b>	<b>12,5%</b>	<b>89.452</b>	<b>13,0%</b>	<b>3,6%</b>
Ammortamenti	(22.820)	(3,1)%	(19.904)	(2,9)%	14,7%
Accantonamenti	(2.187)	(0,3)%	(2.668)	(0,4)%	(18,0)%
<b>Risultato operativo prima degli eventi non ricorrenti</b>	<b>67.669</b>	<b>9,1%</b>	<b>66.881</b>	<b>9,7%</b>	<b>1,2%</b>
Impairment e componenti non ricorrenti	(3.897)	(0,5)%	(3.275)	(0,5)%	19,0%
<b>Risultato operativo</b>	<b>63.772</b>	<b>8,6%</b>	<b>63.606</b>	<b>9,2%</b>	<b>0,3%</b>
Proventi finanziari	350	0,0%	350	0,1%	(0,1)%
Oneri Finanziari	(2.362)	(0,3)%	(2.209)	(0,3)%	6,9%
Proventi e oneri su cambi	(3.472)	(0,5)%	(1.017)	(0,1)%	-
<b>Risultato ante imposte</b>	<b>58.287</b>	<b>7,9%</b>	<b>60.730</b>	<b>8,8%</b>	<b>(4,0)%</b>
Imposte sul reddito	(14.436)	(2,0)%	(17.992)	(2,6)%	(19,8)%
<b>Risultato dell'esercizio</b>	<b>43.851</b>	<b>5,9%</b>	<b>42.738</b>	<b>6,2%</b>	<b>2,6%</b>

## Reclassified P&L (income) statement at 31 December 2018

	31 Dicembre 2018	% su ricavi	31 Dicembre 2017	% su ricavi	DELTA %
<i>migliaia di euro</i>					
<b>Ricavi delle vendite e delle prestazioni</b>	<b>740.159</b>	<b>100,0%</b>	<b>690.120</b>	<b>100,0%</b>	<b>7,3%</b>
Variazione delle rimanenze di prodotti in corso di lavorazione, semilavorati e finiti	14.026	1,9%	15.387	2,2%	(8,8)%
Altri Proventi	6.729	0,9%	4.669	0,7%	44,1%
<b>Valore della produzione</b>	<b>760.913</b>	<b>102,8%</b>	<b>710.175</b>	<b>102,9%</b>	<b>7,1%</b>
Consumo materie prime, sussidiarie di consumo e merci	(309.430)	(41,8)%	(285.501)	(41,4)%	8,4%
Altre spese operative	(144.255)	(19,5)%	(136.067)	(19,7)%	6,0%
<b>Valore aggiunto prima degli eventi non ricorrenti</b>	<b>307.229</b>	<b>41,5%</b>	<b>288.607</b>	<b>41,8%</b>	<b>6,5%</b>
Costo del personale	(214.553)	(29,0)%	(199.155)	(28,9)%	7,7%
<b>Margine operativo lordo prima degli eventi non ricorrenti</b>	<b>92.676</b>	<b>12,5%</b>	<b>89.452</b>	<b>13,0%</b>	<b>3,6%</b>
Ammortamenti	(22.820)	(3,1)%	(19.904)	(2,9)%	14,7%
Accantonamenti	(2.187)	(0,3)%	(2.668)	(0,4)%	(18,0)%
<b>Risultato operativo prima degli eventi non ricorrenti</b>	<b>67.669</b>	<b>9,1%</b>	<b>66.881</b>	<b>9,7%</b>	<b>1,2%</b>
Impairment e componenti non ricorrenti	(3.897)	(0,5)%	(3.275)	(0,5)%	19,0%
<b>Risultato operativo</b>	<b>63.772</b>	<b>8,6%</b>	<b>63.606</b>	<b>9,2%</b>	<b>0,3%</b>
Proventi finanziari	350	0,0%	350	0,1%	(0,1)%
Oneri Finanziari	(2.362)	(0,3)%	(2.209)	(0,3)%	6,9%
Proventi e oneri su cambi	(3.472)	(0,5)%	(1.017)	(0,1)%	-
<b>Risultato ante imposte</b>	<b>58.287</b>	<b>7,9%</b>	<b>60.730</b>	<b>8,8%</b>	<b>(4,0)%</b>
Imposte sul reddito	(14.436)	(2,0)%	(17.992)	(2,6)%	(19,8)%
<b>Risultato dell'esercizio</b>	<b>43.851</b>	<b>5,9%</b>	<b>42.738</b>	<b>6,2%</b>	<b>2,6%</b>

**Statement of financial position highlights at 31 December 2018**

	31 Dicembre 2018	31 Dicembre 2017
<i>migliaia di euro</i>		
Immateriali	84.240	75.107
Materiali	102.774	90.515
Finanziarie	2.847	2.648
<b>Immobilizzazioni</b>	<b>189.862</b>	<b>168.270</b>
Rimanenze	162.786	143.210
Crediti commerciali	134.331	119.380
Debiti commerciali	(244.024)	(223.916)
<b>Capitale Circolante Netto Operativo</b>	<b>53.092</b>	<b>38.674</b>
Fondi relativi al personale	(12.550)	(13.456)
Fondi per rischi ed oneri	(10.737)	(10.405)
Altri debiti/crediti netti	(35.526)	(35.617)
Attività nette per imposte anticipate	9.985	10.501
<b>Altre Attività/(Passività) Nette</b>	<b>(48.827)</b>	<b>(48.978)</b>
<b>Capitale Investito Netto</b>	<b>194.127</b>	<b>157.966</b>
Capitale sociale	27.393	27.393
Risultato del periodo precedente e altre riserve	147.577	117.734
Risultato dell'esercizio	43.672	42.581
Patrimonio netto di terzi	893	629
<b>Patrimonio Netto</b>	<b>219.536</b>	<b>188.337</b>
Debiti finanziari verso banche e altri finanziatori	57.900	49.050
Altre attività finanziarie	(288)	(519)
Disponibilità liquide e mezzi equivalenti	(83.020)	(78.902)
<b>Posizione Finanziaria Netta</b>	<b>(25.407)</b>	<b>(30.371)</b>
<b>Totale Fonti di Finanziamento</b>	<b>194.127</b>	<b>157.965</b>

Statement of the Group net financial position at 31 December 2018

*(Dati consolidati in migliaia di Euro)*

	Al 31 dicembre 2018	Al 30 settembre 2018	Al 30 giugno 2018	Al 31 marzo 2018	Al 31 dicembre 2017
<i>migliaia di euro</i>					
Attività finanziarie:	83.308	91.114	91.323	89.853	79.421
Attività finanziarie correnti	288	336	706	637	519
Disponibilità liquide	83.020	90.778	90.617	89.216	78.902
Debiti per locazioni finanziarie a breve termine	(349)	(336)	(348)	(347)	(199)
Debiti bancari e altri debiti finanziari a breve termine	(22.161)	(43.133)	(42.444)	(35.649)	(29.086)
<b>Posizione finanziaria netta a breve termine</b>	<b>60.798</b>	<b>47.645</b>	<b>48.532</b>	<b>53.857</b>	<b>50.136</b>
Debiti per locazioni finanziarie a medio/lungo termine	(1.569)	(1.662)	(1.744)	(1.832)	(1.060)
Debiti bancari a medio/lungo termine	(33.821)	(26.579)	(30.121)	(33.077)	(18.705)
<b>Posizione finanziaria netta a medio/lungo termine</b>	<b>(35.390)</b>	<b>(28.241)</b>	<b>(31.866)</b>	<b>(34.908)</b>	<b>(19.765)</b>
<b>Posizione finanziaria netta totale</b>	<b>25.407</b>	<b>19.403</b>	<b>16.666</b>	<b>18.949</b>	<b>30.371</b>

*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 of Borsa Italiana since June 2001 and is part 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 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 almost 4,400 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, Far East and Oceania. The Group also has more than 300 resellers and agents enabling it to cover more than 100 countries.*

**Alberto Amurri**

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