

## Biesse: approves the results for the quarter ended

# 31 March 2014

- Excellent order intake for the Group
- Growth in consolidated revenues +8.6%
- Strong recovery in profitability continues

(values in € million)	1Q 2014	1Q 2013
• Consolidated revenues	91.6	84.4
• Value Added percentage of revenues	38.3 (41.9%)	34.0 (40.3%)
• EBITDA percentage of revenues	7.4 (8.1%)	5.0 (5.9%)
• EBIT percentage of revenues	3.9 (4.3%)	1.5 (1.8%)
• Net result percentage of revenues	1.6 (1.7%)	0.3 (---)

Pesaro, 12 May 2014 - The Board of Directors Biesse S.p.A. – a company listed in the STAR segment of the Italian stock exchange, has today approved the Consolidated Financial Statements for the **1st Quarter of 2014**.

The results for the Biesse Group for the period **1/1/14 – 31/3/14** are as follows:

- Net consolidated revenues of € 91.6 million (+8.6% compared with the same period of 2013)
- Value Added of € 38.3 million (+12.8% compared with the same period of 2013) representing a margin on revenues of 41.9% (40.3% in 2013)
- Gross operating margin (EBITDA) of € 7.4 million (+48.0% compared with the same period of 2013) representing a margin on revenues of 8.1% (5.9% in 2013)
- Operating profit (EBIT) of € 3.9 million (€ 1.5 million in the same period of 2013) representing a margin on revenues of 4.3% (1.8% in 2013)
- Pre-tax profit of € 3.3 million (€ 1.3 million in the same period of 2013) representing a margin on revenues of 3.6% (1.5% in 2013)
- Net profit of € 1.6 million (€ 0.3 million in the same period of 2013) representing a margin on revenues of 1.7%

Group Net Debt at **31 March 2014** was € 33.1 million, € 9.2 million higher than at 31 December 2013, but significantly lower than the figure for the same period of the previous year ( down € 28.9 million).

The improved profitability, in the absence of extraordinary items, partially offset the seasonal cash absorption that is characteristic of the 1st quarter. Net working capital rose compared to the position at December 2013 due to the expected reduction in payables, counterbalanced by positive cash inflows; furthermore, the net working capital position at 31.3.2014 was a good € 22.7 million less than at March 2013.

### **Orders**

On the eve of the important wood sector trade fair XYLEXPO - Milan 13/17 May- the Group's order intake was extremely positive, particularly for the "systems" segment which, in the opening months of the current year, booked orders for large scale plant and equipment of about € 15 million. This performance demonstrates the growing reputation of Biesse's product range amongst the most demanding customers of solutions with a high technological content.

In line with the statistics reported by the leading trade associations (ACIMALL-UCIMU in Italy, VDMA in Germany) the Group's order intake at 31 March 2014 was 21.6% higher than that reported at the end of the first quarter of 2013, and 22% higher than at 31 March 2012. This demand trend is reflected in the trend of the Group's order portfolio ( € 83.5 million +7.4% compared to the position at end- 2013).

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### **Geographical breakdown of sales**

The geographical breakdown of consolidated revenues reveals that the domestic market accounts for 10.8% of consolidated revenues (12.1% in the first quarter of 2013 and 11.2% at end-December 2013). The Biesse Group generated 14.2% of its sales in the B.R.I.C. (Brazil-Russia-India-China) area compared to 18.6% in the same period last year and 17.7% at end-December 2013.

At the end of March 2014 the breakdown of revenues by geographical area was as follows:

- Western Europe 41.0% (39.2% in IQ 2013) –including Italy-
- Eastern Europe 19.3% (17.2% in IQ 2013)
- North America 15.1% (15.4% in IQ 2013)
- Australasia 17.7% (17.5% in IQ 2013)
- Rest of the World 6.9% (10.6% in IQ 2013)

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“The year has begun with a very positive first quarter, both in terms of revenues/profitability, and in terms of orders intake - Mr Stefano Porcellini, the Chief Executive Officer of Biesse, commented following the Board of Directors' meeting – and all of the indicators we have, both internally and of the main sector trends, give us reason to be comfortable about the prospects of achieving our objectives for 2014. The extremely positive trend of orders in March and April – if confirmed in the coming months – could indicate the possibility of a slight upgrade of the Group's growth expectations. The financial situation reflects the strong positive trend of the timing of cash receipts due largely to the extremely high levels of reliability/product quality achieved by our products/plant over the past two years. The geographical outlook indicates a reduction in perceived risk in Turkey, and potential signs of recovery in Russia (despite the uncertainty of the current situation), while the trend in South America remains weaker. Demand in other markets remains very strong, with some signs of reawakening in the Italian and Spanish markets”.

*“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 31 March 2014

	1Q 2014	% on sales	1Q 2013	% on sales	CHANGE %
<i>Euro 000's</i>					
<b>Revenue from sales and services</b>	<b>91,635</b>	<b>100.0%</b>	<b>84,404</b>	<b>100.0%</b>	<b>8.6%</b>
Change in inventories, wip, semi-finished and finished goods	7,711	8.4%	3,315	3.9%	132.6%
Other revenue	443	0.5%	746	0.9%	(40.6)%
<b>Revenue</b>	<b>99,789</b>	<b>108.9%</b>	<b>88,465</b>	<b>104.8%</b>	<b>12.8%</b>
Consumption of raw materials, consumables, supplies and goods	(40,901)	(44.6)%	(35,484)	(42.0)%	15.3%
Other operating expense	(20,527)	(22.4)%	(18,976)	(22.5)%	8.2%
<b>Added Value</b>	<b>38,362</b>	<b>41.9%</b>	<b>34,006</b>	<b>40.3%</b>	<b>12.8%</b>
Personnel expense	(30,967)	(33.8)%	(29,011)	(34.4)%	6.7%
<b>Gross Operating profit</b>	<b>7,395</b>	<b>8.1%</b>	<b>4,995</b>	<b>5.9%</b>	<b>48.1%</b>
Depreciation and amortisation	(3,185)	(3.5)%	(3,361)	(4.0)%	(5.2)%
Provisions	(278)	(0.3)%	(125)	(0.1)%	122.3%
<b>Operating profit</b>	<b>3,931</b>	<b>4.3%</b>	<b>1,509</b>	<b>1.8%</b>	<b>-</b>
Finance income/expense	(301)	(0.3)%	(784)	(0.9)%	(61.6)%
Net exchange rate losses	(302)	(0.3)%	547	0.6%	-
<b>Pre-tax profit/loss</b>	<b>3,329</b>	<b>3.6%</b>	<b>1,271</b>	<b>1.5%</b>	<b>-</b>
Income taxes	(1,736)	(1.9)%	(998)	(1.2)%	73.9%
<b>Profit/Loss for the period</b>	<b>1,592</b>	<b>1.7%</b>	<b>273</b>	<b>0.3%</b>	<b>-</b>

**Summary Statement of Financial Position**

	31 March 2014	31 December 2013	31 March 2013
<i>Euro 000's</i>			
Intangible assets	48,447	47,899	47,589
Property, plant and equipment	60,566	61,086	61,368
Financial assets	1,034	973	929
<b>Non current assets</b>	<b>110,046</b>	<b>109,958</b>	<b>109,886</b>
Inventories	96,960	86,273	96,094
Trade receivables	72,315	76,231	91,940
Trade payables	(105,420)	(111,102)	(101,416)
<b>Net Operating Working Capital</b>	<b>63,855</b>	<b>51,403</b>	<b>86,618</b>
Post-employment benefits	(12,444)	(12,795)	(13,700)
Provision for risk and charges	(9,023)	(8,975)	(10,557)
Other net payables	(18,431)	(16,547)	(16,500)
Net deferred tax assets	13,897	13,987	17,397
<b>Other net liabilities</b>	<b>(26,002)</b>	<b>(24,331)</b>	<b>(23,360)</b>
<b>Net Invested Capital</b>	<b>147,900</b>	<b>137,030</b>	<b>173,144</b>
Share capital	27,393	27,393	27,393
Profit/loss for the previous year/period and other reserves	85,647	79,077	83,271
Profit/Loss for the period	1,567	6,435	281
Non-controlling interests	170	190	203
<b>Equity</b>	<b>114,778</b>	<b>113,094</b>	<b>111,148</b>
Bank loans and borrowings and loans from other financial backers	61,096	60,035	84,217
Other financial assets	(1,039)	(949)	(849)
Cash and cash equivalents	(26,936)	(35,151)	(21,372)
<b>Net financial indebtedness</b>	<b>33,122</b>	<b>23,936</b>	<b>61,996</b>
<b>Total sources of funding</b>	<b>147,900</b>	<b>137,030</b>	<b>173,144</b>

**Net financial indebtedness at 31 March 2014**

	31 March 2014	31 December 2013	30 September 2013	30 June 2013	31 March 2013
<i>Euro 000's</i>					
Financial assets:	27,975	36,099	24,605	28,681	22,221
<i>Current financial assets</i>	1,039	949	949	890	849
<i>Cash and cash equivalents</i>	26,936	35,151	23,657	27,791	21,372
Short term finance lease payables	(452)	(285)	(281)	(277)	(273)
Short term bank loans and borrowings and loans from other financial backers	(41,587)	(44,599)	(50,226)	(50,624)	(79,182)
<b>Short Term Net Financial Indebtedness</b>	<b>(14,065)</b>	<b>(8,785)</b>	<b>(25,902)</b>	<b>(22,220)</b>	<b>(57,235)</b>
Medium/Long term finance lease payables	(2,121)	(1,960)	(2,033)	(2,105)	(2,175)
Medium/Long bank loans and borrowings	(16,936)	(13,191)	(22,435)	(26,958)	(2,586)
<b>Medium/Long Term Net Financial Indebtedness</b>	<b>(19,057)</b>	<b>(15,151)</b>	<b>(24,468)</b>	<b>(29,062)</b>	<b>(4,762)</b>
<b>Total Net Financial Indebtedness</b>	<b>(33,122)</b>	<b>(23,936)</b>	<b>(50,370)</b>	<b>(51,282)</b>	<b>(61,996)</b>

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*The Biesse Group operates in the market for machinery and systems for working wood, glass, marble and stone. 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 strategic markets.*

*The 30 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 has more than 2,700 employees in its main production sites in Pesaro, Alzate Brianza, Bangalore, Dongguan and its subsidiaries/branch offices in Europe, North 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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