

approved the Interim Financial Report to 31 March 2017

Compared to the same period of 2016:

- **Strong increase** in consolidated revenues (+37.3%), order intake (+14.2%) and net profit (+199.4%)
- **positive** net financial position of Euro 4.9 million (compared to net debt of Euro 11.8 million at end-March 2016)

<i>values in Euro million</i>	31.3.17	31.3.16
Consolidated revenues	161.5	117.6
Gross operating profit (EBITDA)	21.6	9.6
Operating profit (EBIT)	16.1	5.4
Net profit	9.4	3.1
Net financial position	4.9	-11.8

Pesaro, 12 May 2017 - The Board of Directors of Biesse S.p.A. - a company listed in the STAR segment of the Italian stock exchange MIDCAP - has today approved the Consolidated Financial Statements for the 1st quarter 2017.

The Biesse Group results for the period **1/1/17 – 31/3/17** are as follows:

- Net consolidated revenues of Euro 161.5 million (+37.3% compared with the same period of 2016)
- Value Added of Euro 69.8 million (+37% compared with the same period of 2016) representing a margin on revenues of 43.2%
- Gross operating profit (EBITDA) Euro 21.6 million (+123.8% compared with the same period of 2016) representing a margin on revenues of 13.4%
- Operating profit (EBIT) Euro 16.1 million (+200.5% compared with the same period of 2016) representing a margin on revenues of 10%
- Pre-tax profit of Euro 14.8 million (+150.8% compared with the same period of 2016) representing a margin on revenues of 9.2%
- Net profit of Euro 9.4 million (+199.4% compared with the same period of 2016) representing a margin on revenues of 5.8% with a tax rate of 36.8% (47.1% in March 2016)

“we started the 2017 with an extraordinary first quarter versus the 2016 same period; however it’s correct to underline that the next quarters results will converge towards the ones stated in the three years plan. That being stated, we are particularly strengthened by this nice begin especially at the biennial fair eve (Ligna – Hannover May 22-26) regarding the wood segment; the Group has realized best of ever turnover, margins and N.F.P. regarding a first quarter”, stated Stefano Porcellini, the Group General Manager of Biesse, following the meeting.

The Group financial position at 31 March 2017 shows net cash of **Euro 4.9 million** which represents a net improvement (+Euro 16.7 million) compared with the situation at March 2016. This was substantially unchanged compared to the net financial position at end-December 2016 in spite of the seasonality that is typically characteristic of Biesse’s business in the first quarter.

Net operating working capital (+ Euro 5.8 million in absolute terms compared to December 2016) represents 45% of consolidated revenues (61% at March 2016) which, although not indicative of the annual trend, shows the expected improvement arising from the constant attention devoted to control of the component elements of working capital (The Group’s DSO – day sales outstanding- improved slightly, while DPO – days payable outstanding- and DSI – days sales of inventory - were largely unchanged).

Net invested capital was **Euro 165 million**, showing an increase over the same period of 2016.

Net shareholders’ funds totalled **Euro 170 million** (Euro 142.5 million at 31 March 2016 and Euro 159.7 million at 31 December 2016).

Orders

The positive trend in order intake continued for the Group (machinery) through the first quarter of 2017 with a total increase – compared with the same period of the previous year - of **14.2%**. The total order backlog also increased by **3.4%** to **Euro 188.5 million**. This month Biesse will participate in the industry’s most important trade fair (Fiera LIGNA – Hannover 22-26 May Hall 11), an international showcase at which it will exhibit more than 40 new solutions in a dedicated stand of 5,000 square metres which will also include innovative technologies for the “advanced materials” sector.

Particular emphasis will be given on this occasion to Industrial Revolution 4.0 concepts, highlighting the significant progress achieved in the design of integrated plant (panels/solid wood) and developments in integrated software solutions (bSolid).

Breakdown of revenues (by segment – geographical area)

The wood division remains the predominant segment (71%) compared to both glass/stone (15.5%) and mechatronics (15.9%). While volumes reported by the “advanced materials” segment do not yet allow it to be defined as an autonomous business division, it continues to grow in line with the expectations contained in the three year plan (it has already achieved more than 29% of its budget for 2017).

In total, the divisional breakdown by geographical area compared with the same period of 2016 reveals average growth of 37.3% broken down as follows:

The share of revenues of the **Italian market was 14.2%**

(15.5% at December 2016 – 12.9% at March 2016)

- **Western Europe 44.7%** (42.9% in 1Q 2016) +43.0% (including Italy)
- **Eastern Europe 13.1%** (13.3% in 1Q 2016) +35.5%
- **North America 19.4%** (20.2% in 1Q 2016) + 32.2%
- **Asia Pacific 20.1%** (19.7% in 1Q 2016) + 40.5%
- **Rest of the world 2.7%** (4.0% in 1Q 2016) -8.2%

Positive results were once again achieved in **North America (+32.2%)**, **Western Europe (+43.0%)** and the **Asia Pacific (+40,5%)** where the favourable economic environment, assisted by financial and fiscal incentives (Europe), continued to support demand for capital goods. The weaker performance in some areas (Brazil-Turkey) was characterised by turbulence and political and economic instability specific to those regions. The share of business contributed by the Russian market rose by 57% compared to March 2016. China, which is a particularly significant market, also increased its share of revenues by 23%.

Dividends

As previously announced, a distribution was made to shareholders with rights to dividends, of a dividend of Euro 0.36 per share gross of withholding taxes (coupon no. 13 detachment 8 May - record date 9 May –payment 10 May) amounting to a total payout of Euro 9,857,895 net of treasury shares held at that date.

“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 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 2017

	1Q 2017	% on sales	1Q 2016	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	161,449	100.0%	117,593	100.0%	37.3%
Change in inventories, wip, semi-finished and finished goods	11,059	6.8%	9,488	8.1%	16.6%
Other revenue	771	0.5%	988	0.8%	(21.9)%
Revenue	173,279	107.3%	128,069	108.9%	35.3%
Consumption of raw materials, consumables, supplies and goods	(71,586)	(44.3)%	(51,521)	(43.8)%	38.9%
Other operating expense	(31,932)	(19.8)%	(25,643)	(21.8)%	24.5%
Added Value	69,760	43.2%	50,905	43.3%	37.0%
Personnel expense	(48,163)	(29.8)%	(41,254)	(35.1)%	16.7%
Gross Operating profit	21,597	13.4%	9,651	8.2%	123.8%
Depreciation and amortisation	(4,814)	(3.0)%	(4,326)	(3.7)%	11.3%
Provisions	(661)	(0.4)%	63	0.1%	-
Normalised Operating profit	16,123	10.0%	5,388	4.6%	-
Impairment losses and non recurring items	-	-	(23)	(0.0)%	(100.0)%
Operating profit	16,123	10.0%	5,365	4.6%	-
Finance income/expense	(299)	(0.2)%	(335)	(0.3)%	(10.7)%
Net exchange rate losses	(987)	(0.6)%	887	0.8%	-
Pre-tax profit/loss	14,837	9.2%	5,917	5.0%	-
Income taxes	(5,458)	(3.4)%	(2,785)	(2.4)%	96.0%
Profit/Loss for the period	9,378	5.8%	3,132	2.7%	-

Net Financial Position at 31 March 2017

	31 March 2017	31 December 2016	30 September 2016	30 June 2016	31 March 2016
<i>Euro 000's</i>					
Financial assets:	49,510	46,381	33,432	41,200	35,598
<i>Current financial assets</i>	(587)	87	17	30	16
<i>Cash and cash equivalents</i>	50,097	46,295	33,414	41,170	35,582
Short term finance lease payables	(111)	(111)	(137)	(137)	(457)
Short term bank loans and borrowings and loans from other financial backers	(37,140)	(33,769)	(40,331)	(26,750)	(27,069)
Short Term Net Financial Indebtedness	12,259	12,501	(7,037)	14,313	8,072
Medium/Long term finance lease payables	-	(43)	(54)	(92)	(1,236)
Medium/Long bank loans and borrowings	(7,305)	(7,539)	(9,594)	(14,770)	(18,621)
Medium/Long Term Net Financial Indebtedness	(7,305)	(7,582)	(9,648)	(14,862)	(19,857)
Total Net Financial Indebtedness	4,955	4,919	(16,685)	(549)	(11,785)

Summary Balance Sheet data at 31 March 2017

	31 March 2017	31 December 2016	31 March 2016
<i>Euro 000's</i>			
Intangible assets	66,196	65,218	60,089
Property, plant and equipment	82,927	81,939	68,092
Financial assets	2,395	2,346	1,897
Non current assets	151,518	149,503	130,078
Inventories	144,236	130,785	129,341
Trade receivables	118,149	128,748	101,004
Trade payables	(189,709)	(192,613)	(158,702)
Net Operating Working Capital	72,676	66,920	71,643
Post-employment benefits	(13,392)	(13,746)	(13,319)
Provision for risk and charges	(12,500)	(11,994)	(10,721)
Other net payables	(44,018)	(45,890)	(34,442)
Net deferred tax assets	10,726	10,011	11,057
Other net liabilities	(59,183)	(61,618)	(47,425)
Net Invested Capital	165,011	154,804	154,296
Share capital	27,393	27,393	27,393
Profit/loss for the previous year/period and other reserves	132,905	102,656	111,753
Profit/Loss for the period	9,378	29,384	3,130
Non-controlling interests	289	290	236
Equity	169,965	159,723	142,512
Bank loans and borrowings and loans from other financial backers	44,555	41,462	47,383
Other financial assets	587	(87)	(16)
Cash and cash equivalents	(50,097)	(46,295)	(35,582)
Net financial indebtedness	(4,955)	(4,919)	11,785
Total sources of funding	165,011	154,804	154,297

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 more than 3,870 employees in its main production sites in Pesaro, Thiene, Alzate Brianza, Bangalore, Dongguan and its associates/branch offices in Europe, North America, Latin 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.

Alberto Amurri

IR & Financial Manager Biesse S.p.A.

biessegroup.com section Investor Relations

T: +39 0721439107, +39 335 1219556

alberto.amurri@biesse.com