

Approval of quarterly financial report for the three months ended 31 March 2019

compared to the corresponding period in 2018:

- **increase** in consolidated revenue and value added
- **fall** in EBITDA, EBIT and profit for the period
- **net financial position** of Euro 16.7 million negative due to effect of IFRS 16
(negative impact of Euro 26.4 million)

<i>Amounts in Euro millions</i>	31.3.19	31.3.18
Consolidated revenue from sales and services	169.0	162.3
EBITDA*	18.9	19.8
EBIT*	10.7	13.9
Profit for the period	5.6	8.1
Net cash/(debt) (<u>with</u> impact of IFRS16)	-16.7	18.9

*before non-recurring items

IFRS 16: increase in debt of Euro 26.4 million due to leases and rights-of-use

Pesaro, 14 May 2019 - The Board of Directors of Biesse S.p.A. - a company listed on the STAR (mid-cap) segment of the Italian Stock Exchange- today approved the consolidated interim financial report for the first quarter of 2019.

For the period **1/1/19 – 31/3/19**, Biesse Group has reported:

- consolidated revenue from sales and services of Euro 169.0 million (+4.1% compared to the corresponding period in 2018)
- value added of Euro 75.6 million (+8.5% compared to the corresponding period in 2018), being 44.8% of revenue
- EBITDA of Euro 18.9 million (-4.4% compared to the corresponding period in 2018), being 11.2% of revenue (positive impact of IFRS 16 of Euro 1.2 million)
- EBIT of Euro 10.7 million (-23.5% compared to the corresponding period in 2018), being 6.3% of revenue
- profit before tax of Euro 8.4 million (-34.8% compared to the corresponding period in 2018), being 5.0% of revenue
- profit for the period of Euro 5.6 million (-30.7% compared to the corresponding period in 2018), being 3.3% of revenue, with a tax rate of 33.3% (37.2% in the period to March 2018)

The Group's net financial position at 31 March 2019, including the impact of IFRS 16, amounts to Euro -16.7 million. On a pro-forma basis, excluding the impact of IFRS 16, the Group had a net cash position (positive) at the end of March 2019 of Euro 9.7 million, which also reflects the normal cyclicity/seasonality that is typical of Biesse's business in the first quarter of the year.

Net capital employed amounts to Euro 243.2 million.

Equity amounts to Euro 226.5 million.

Orders

At the end of the first quarter of 2019, the value of the Group's order intake (machinery) had fallen by 9.5%, influenced by the global macroeconomic trend and evident uncertainty and instability factors. There was a much more modest decrease in the order backlog (-1.4%) that, at the end of March, exceeded Euro 223 million. During the current month, Biesse will participate at the important wood industry trade fair, Ligna 2019 (27 – 31 May, Hannover Hall 11) with an exhibition area of 6,000 sqm. In addition to new advanced technological solutions offered by its products, Biesse's stand will exhibit specific proposals concerning robotics and digitalisation. In particular, those visible will include 3 automated process solutions, "from the raw material to the finished product".

Breakdown of revenue (by business division and geographical area)

The wood division has prevailed again (69.9%) over the glass & stone division (19.6%) and the mechatronics division (13.4%).

In comparison to the 2018 comparative period, the breakdown by macro geographical area has remained largely unchanged as detailed below:

the market share by revenue in Italy comes to 15% (15.75% in the period to March 2018)

- Western Europe 45.9% (41.5% in 1Q 2018) +15.1%
- Eastern Europe 13.7% (14.8% in 1Q 2018) -4.1%
- North America 21.3% (16.7% in 1Q 2018) +32.6%
- Asia Pacific 15.6% (20.5% in the IQ 2018) -20.6%
- Rest of the world 3.5% (6.5% in 1Q 2018) +4.1%

There was a highly positive performance in Western Europe (+15.1%), and, above all, in the North-American market (+32.6%), where the favourable economic environment and the positive outlook continued to support demand for capital goods. The contribution made by other countries (Brazil and Turkey) has remained weak due to turbulence and political, economic and monetary instability. The Asian share, in terms of percentage of consolidated revenue, has fallen by 20.6%.

China accounts for 3.2% of consolidated revenue. The BRIC countries account for 8.1%.

Dividends

As previously announced, an ordinary dividend was paid to eligible shareholders of Euro 0.48 per share, gross of withholding tax, (ex-dividend date 6 May (coupon No. 15) – record date 7 May - payment value date 8 May). The total cash outlay by the company came to Euro 13,148,660.

"Pursuant to paragraph 2, Art. 154-bis of the Consolidated Finance Act, the financial reporting manager (Mr. Stefano Porcellini) declares that the accounting information contained in this press release corresponds to the underlying documents, books and accounting records"

FINANCIAL STATEMENTS

Statement of profit or loss for the period ended 31 March 2019 highlighting non-recurring items

	2019	% on sales	2018	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	169.017	100,0%	162.327	100,0%	4,1%
Change in inventories, wip, semi-finished products and finished products	12.379	7,3%	9.418	5,8%	31,4%
Other Revenues	1.637	1,0%	1.615	1,0%	1,3%
Revenue	183.033	108,3%	173.361	106,8%	5,6%
Raw materials, consumables, supplies and goods	(75.352)	(44,6)%	(70.608)	(43,5)%	6,7%
Other operating costs	(32.028)	(18,9)%	(32.997)	(20,3)%	(2,9)%
Normalised added value	75.652	44,8%	69.756	43,0%	8,5%
Personnel expense	(56.752)	(33,6)%	(49.994)	(30,8)%	13,5%
Normalised gross operating profit	18.901	11,2%	19.762	12,2%	(4,4)%
Depreciation and amortisation	(7.985)	(4,7)%	(5.458)	(3,4)%	46,3%
Provisions	(242)	(0,1)%	(361)	(0,2)%	(33,0)%
Normalised operating profit	10.674	6,3%	13.944	8,6%	(23,5)%
Impairment losses and non recurring-items	(495)	(0,3)%	(5)	(0,0)%	-
Operating profit	10.179	6,0%	13.939	8,6%	(27,0)%
Financial income	83	0,0%	95	0,1%	(12,1)%
Net exchange rate losses	(1.243)	(0,7)%	(497)	(0,3)%	-
Pre-tax profit	8.378	5,0%	12.848	7,9%	(34,8)%
Income taxes	(2.788)	(1,6)%	(4.786)	(2,9)%	(41,7)%
Profit for the year	5.590	3,3%	8.063	5,0%	(30,7)%

Net cash/debt at 31 March 2019

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Summary financial position at 31 March 2019

	31 March 2019	31 December 2018
<i>Euro 000's</i>		
Intangible assets	84.860	84.240
Property, plant and equipment	129.417	102.774
Financial assets	3.058	2.847
Non-current assets	217.335	189.862
Inventories	183.396	162.786
Trade receivables	130.331	134.331
Trade payables	(240.937)	(244.024)
Net operating working capital	72.790	53.092
Post-employment benefits	(12.359)	(12.550)
Provision for risk and charges	(10.778)	(10.737)
Other net payables	(34.015)	(35.526)
Net deferred tax assets	10.266	9.985
Other net liabilities	(46.885)	(48.827)
Net invested capital	243.239	194.127
Share capital	27.393	27.393
Profit for the previous year and other reserves	192.650	147.577
Profit for the year	5.542	43.672
Non-controlling interests	940	893
Equity	226.524	219.536
Bank loans and borrowings and loans and borrowings from other financial backers	84.504	57.900
Other financial assets	(35)	(288)
Cash and cash equivalents	(67.753)	(83.020)
Net financial position (1)	16.716	(25.407)
Total sources of funding	243.240	194.127

Biesse Group manufactures machinery and systems for the processing of wood, glass, marble and stone. Founded in Pesaro in 1969 by Giancarlo Selci, Biesse S.p.A. has been listed on the STAR segment of the Italian Stock Exchange since June 2001 and is currently included in the FTSE IT Mid Cap index. The Company offers modular solutions ranging from the design of turnkey systems for large furniture manufacturers to individual automated machines and processing centres for small and medium enterprises, as well as the design and sale of individual high-tech components. Thanks to its focus on innovation and research, Biesse is capable of developing products and modular solutions and of meeting a vast range of customer needs. Biesse Group, which is a multinational business, markets its products via a network of subsidiaries and branches located in key strategic markets. Its 39 directly controlled subsidiaries guarantee specialised after sales service to customers, while, at the same time, conducting market research for new product development. Biesse Group currently has 4,115 employees in its main production facilities in Pesaro, Padua, Villafranca (VR), Thiene (VI), Alzate Brianza (CO), Bangalore and Dongguan and in its branches/representative offices in Europe, North America, Latin America, the Middle & Far East, Asia and Oceania. Furthermore, the Group has over 300 dealers and agents enabling it to cover over 100 countries.

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