



# Interim report as at 30 June 2020 approved

- Group order intake (YTD June, machines only) **-35.5%**
- backlog **180.2** million euros (machines only)

amounts in millions of euros	IH 2020	IH 2019
net revenue	256.7	344.2
EBITDA	22.5	39.1
EBIT before non-recurring events	4.4	20.1
net profit	1.2	10.4
net financial position (without IFRS 16 effects)	+0.7	-7.7
net financial position (with IFRS 16 effects)	-22.6	-33.8

**Pesaro, 31 July 2020** - The Board of Directors of Biesse S.p.A. - a company listed in the STAR segment of the Italian Stock Exchange - today approved the Consolidated Report of the **1st Half 2020**.

In the period 1/1/20 – 30/6/20, the Biesse Group recorded:

- consolidated net revenues of 256.7 million euros (25.4% less than in the same period in 2019)
- added value of 112.4 million euros (26.1% less than in the same period in 2019), 43.8% of revenues
- EBITDA of 22.5 million euros (42.4% less than in the same period in 2019) including around 4.5 million euros as a positive effect deriving from IFRS 16, 8.8% of revenues (11.4% as at June 2019)
- EBIT of 4.4 million euros before non-recurring events (78.4% less than in the same period in 2019), 1.7% of revenues (5.8% as at June 2019)
- profit before tax of 2.0 million euros (87.6% less than in the same period in 2019), 0.8% of revenues (4.7% as at June 2019)
- net profit of 1.2 million euros (88.9% less than in the same period in 2019), 0.4% of revenues (3.0% as at June 2019)
  - e.p.s. 0.042 euros (0.378 euros as at June 2019)
  - tax rate 42.1% (35.5% as at June 2019)



On the sidelines of today's Board of Directors' meeting, Mr. Pierre La Tour - Group CFO- commented:

*"Taking into account the evident worsening of the international macro-economic situation, the negative effects of the health emergency and the consequent restrictive measures taken to contain it, the results obtained in the first half of the year can in any case be defined as satisfactory especially if compared with the forecasts. That achieved in the first six months of 2020, although negative in comparison with the previous year, shows the ability to immediately and effectively deal with the difficult context we are experiencing, pursuing the concept of value, also through the resilience and flexibility of the business model. In the presence of a reduction in revenues which appears to be an almost inevitable factor, Biesse reacted promptly, reducing its structural costs appropriately without generally depressing investments in research and development. We also maintained a strong capital structure to safeguard and consolidate a healthy financial position, while at the same time working to provide the Group with financial sources for the near future. We want to be ready to sustain our main stakeholders giving them the necessary support.*

*In essence, although we are experiencing a phase of extreme uncertainty and volatility even in the short term, we believe very important to strengthen our culture of rigour and strategic choices more and more oriented to the long term sustainability. Therefore for the near future we think that the gradual revocation of the restrictive measures together with a world new appetite for investing in durable goods can generate the required positivity to face the Covid-19 emergency effects. For all the above and for the clear difficulties to interpret the actual scenarios, our guidance- officially retired the last 8<sup>th</sup> May- can't be still updated ".*

#### **Financial Position**

The Group's net debt at 30 June 2020 amounted to 22.6 million euros, including IFRS 16 effects (without IFRS 16 effects, the Net Financial Position would have been positive at 0.7 million euros).

Compared to the same period last year, the Group's net debt decreased by 11.2 million euros.

Since the end of 2019, net debt, without significant extraordinary items, has increased by 4 million euros.

Compared to the previous quarter (March 2020), the Net Financial Position improved by 2.1 million euros.

Attention to the Group's main balance sheet dynamics remains high, and thus, at the end of June, operating working capital amounted to 81.3 million euros, up 7.5 million euros compared to the same period in 2019. In the first 6 months of 2020, average collection time (DSO) was 59 days, average payment time (DPO) was 116 days, while that relating to inventories (DSI) was 224 days.

Shareholders' equity amounted to 217.2 million euros (216.2 million euros in the same period of 2019.)

#### **Orders - Personnel**

As expected, the Group's order intake (machines) in the first half of 2020 slowed down, with an overall decrease compared to the same period of the previous year of 35.5% (YTD).

The order backlog decreased less (compared to December 2019), with a total value (machines only) of 180.2 million euros (8.3% less compared to December 2019) and an average production visibility of approx. 3-4 months.

The number of Biesse Group employees fell to 4,041 (64% of which in Italy) at the end of the first half of 2020.

Compared to the end of 2019, the number of employees (net of temporary workers) decreased by 3.4%.

#### **Revenue Breakdown** (main business divisions - geographies)

The wood division (71.7%) remained much larger than glass/stone (17.0%) and mechatronics (6.5% after intercompany eliminations).



From the geographical point of view, the domestic market accounted for 13.4% of turnover (14.1% as at June 2019)

This is the breakdown (incidence on the consolidated financial statements) of revenues by macro-area:

- Western Europe 45.3% (46.0% in the first half of 2019)
- Eastern Europe 13.2% (12.7% in the first half of 2019)
- North America 22.0% (21.8% in the first half of 2019)
- Asia Pacific 15.8% (15.6% in the first half of 2019)
- Rest of World 3.8% (3.9% in the first half of 2019)

#### Conference Call

Today at 4.00 p.m., following the publication of the results, Biesse will hold a brief conference call to comment on what has been achieved in the first half of 2020. A short supporting presentation (PDF) will be made available on the company website [www.biessegroup.com](http://www.biessegroup.com) investor relations area.

***"The manager responsible for preparing the company's accounting reports (Mr. Pierre Giorgio Sallier De La Tour) declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records***



## FINANCIAL STATEMENTS

### Income Statement 30 June 2020 highlighting non-recurring items

	30 June 2020	% on sales	30 June 2019	% on sales	CHANGE %
<i>Euro 000's</i>					
<b>Revenue from sales and services</b>	<b>256.728</b>	<b>100,0%</b>	<b>344.224</b>	<b>100,0%</b>	<b>(25,4)%</b>
Change in inventories, wip, semi-finished products and finished products	(418)	(0,2)%	20.466	5,9%	-
Other Revenues	4.187	1,6%	3.524	1,0%	18,8%
<b>Revenue</b>	<b>260.496</b>	<b>101,5%</b>	<b>368.213</b>	<b>107,0%</b>	<b>(29,3)%</b>
Raw materials, consumables, supplies and goods	(104.599)	(40,7)%	(150.648)	(43,8)%	(30,6)%
Other operating costs	(43.489)	(16,9)%	(65.377)	(19,0)%	(33,5)%
<b>Added value</b>	<b>112.408</b>	<b>43,8%</b>	<b>152.188</b>	<b>44,2%</b>	<b>(26,1)%</b>
Personnel expense	(89.863)	(35,0)%	(113.079)	(32,9)%	(20,5)%
<b>Gross operating profit</b>	<b>22.545</b>	<b>8,8%</b>	<b>39.109</b>	<b>11,4%</b>	<b>(42,4)%</b>
Depreciation and amortisation	(16.985)	(6,6)%	(16.524)	(4,8)%	2,8%
Provisions	(1.204)	(0,5)%	(2.451)	(0,7)%	(50,9)%
<b>Operating profit before non recurring items</b>	<b>4.357</b>	<b>1,7%</b>	<b>20.134</b>	<b>5,8%</b>	<b>(78,4)%</b>
Impairment losses and non recurring-items	(152)	(0,1)%	(1.042)	(0,3)%	(85,4)%
<b>Operating profit</b>	<b>4.205</b>	<b>1,6%</b>	<b>19.092</b>	<b>5,5%</b>	<b>(78,0)%</b>
Financial income	439	0,2%	103	0,0%	-
Financial expense	(1.412)	(0,6)%	(1.394)	(0,4)%	1,3%
Net exchange rate losses	(1.244)	(0,5)%	(1.743)	(0,5)%	(28,6)%
<b>Pre-tax profit</b>	<b>1.988</b>	<b>0,8%</b>	<b>16.058</b>	<b>4,7%</b>	<b>(87,6)%</b>
Income taxes	(838)	(0,3)%	(5.707)	(1,7)%	(85,3)%
<b>Profit for the year</b>	<b>1.150</b>	<b>0,4%</b>	<b>10.350</b>	<b>3,0%</b>	<b>(88,9)%</b>



Net Financial Position as at 30 June 2020

<i>Euro 000's</i>	<b>30th June 2020</b>	<b>31st March 2020</b>	<b>31st December 2019</b>	<b>30th June 2019</b>
Financial assets:	141.296	79.314	88.714	84.115
<i>Current financial assets</i>	22.618	3.652	2.653	2.147
<i>Cash and cash equivalents</i>	118.677	75.661	86.061	81.968
Short term lease liabilities	(6.599)	(6.344)	(7.415)	(485)
Short-term bank loans and borrowings and loans from other financial backers	(55.804)	(16.211)	(46.859)	(47.179)
<b>Short-term net financial position</b>	<b>78.894</b>	<b>56.760</b>	<b>34.440</b>	<b>36.451</b>
Medium/Long-term lease liabilities	(25.188)	(26.858)	(27.043)	(32.565)
Medium/Long-term bank loans and borrowings	(76.292)	(54.564)	(26.006)	(37.726)
<b>Medium/Long-term net financial position</b>	<b>(101.479)</b>	<b>(81.422)</b>	<b>(53.049)</b>	<b>(70.291)</b>
<b>Total net financial position</b>	<b>(22.587)</b>	<b>(24.663)</b>	<b>(18.609)</b>	<b>(33.841)</b>

Financial Data as at June 30, 2020



	30 June 2020	31 December 2019
<i>Euro 000's</i>		
Intangible assets	82.155	83.228
Property, plant and equipment	132.797	139.710
Financial assets	2.828	2.640
<b>Non-current assets</b>	<b>217.780</b>	<b>225.578</b>
Inventories	152.832	155.498
Trade receivables and contract assets	98.182	116.973
Trade payables	(109.845)	(132.673)
Contract liabilities	(59.859)	(67.536)
<b>Net operating working capital</b>	<b>81.310</b>	<b>72.262</b>
Post-employment benefits	(12.540)	(12.711)
Provision for risk and charges	(14.953)	(18.053)
Other net payables	(42.560)	(40.249)
Net deferred tax assets	10.792	10.458
<b>Other net liabilities</b>	<b>(59.261)</b>	<b>(60.555)</b>
<b>Net invested capital</b>	<b>239.830</b>	<b>237.285</b>
Share capital	27.393	27.393
Profit for the previous year and other reserves	187.841	177.397
Profit for the year	1.246	13.027
Non-controlling interests	763	858
<b>Equity</b>	<b>217.243</b>	<b>218.675</b>
Bank loans and borrowings and loans and borrowings from other financial backers	163.882	107.323
Other financial assets	(22.618)	(2.653)
Cash and cash equivalents	(118.677)	(86.061)
<b>Net financial indebtedness</b>	<b>22.587</b>	<b>18.609</b>
<b>Total sources of funding</b>	<b>239.830</b>	<b>237.285</b>

Biesse is a global leader in technology for processing wood, glass, stone, plastic and metal. It designs, manufactures and distributes machines, integrated systems and software for manufacturers of furniture, door and window frames and



components for the construction, ship-building and aerospace industries. The Group invests around 4% of its annual revenue in research and development and has registered over 200 patents. It operates through 12 industrial sites, 39 branches, 300 agents and selected dealers, exporting around 85% of its products. Its customers include some of the most prestigious names in Italian and international design. Founded in Pesaro in 1969 by Giancarlo Selci, Biesse has been listed on the "STAR" segment of the Italian Stock Exchange since June 2001. It actually has more than 4,000 employees distributed in the main sites based in Pesaro, Gradara, Padua, Villafranca (near Verona), Thiene (near Vicenza), Alzate Brianza (near Como), Bangalore, Dongguan and the foreign subsidiaries and representative offices in Europe, North America, Latin America, the Middle and Far East, Asia and Oceania.

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