

approved the consolidated quarterly report at 30 September 2020

✓ orders intake & backlog

progressive orders intake (*products only*): -21.3% compared to the same period 2019

backlog (*products only*): 193.3 million Euros

✓ net financial position

Group debt: 3.2 million Euros including IFRS 16 negative effects for 22.3 million Euros

✓ new member of the Biesse S.p.A. B.o.D.

co-opted Massimo Potenza as executive member of the Biesse S.p.A. B.o.D.

(amounts in million Euros)

third quarter 2020

9 months 2020

<i>Consolidated Net Sales</i>	139.7	396.4
<i>EBITDA*</i> <i>Incidence on sales</i>	14.9 10.7%	37.5 9.5%
<i>EBIT*</i> <i>Incidence on sales</i>	5.8 4.2%	10.2 2.6%
<i>Net Profit</i> <i>Incidence on sales</i>	2.6 1.8%	3.7 0.9%

*before non recurring items

Pesaro, 30 October 2020 - The Board of Directors of Biesse S.p.A. -mid cap company listed on the STAR segment of the Italian Stock Exchange – approved today the Report for the third quarter 2020 examining the progressive results as at 30 September 2020.

Results

As regards the economic and financial results for the period **7/1/20 – 9/30/20** Biesse Group achieved:

- Net Consolidated Sales 139.7 euro million (-16.3% versus the 2019 same period)
- Value Added 61.2 euro million (-10.2% versus the 2019 same period) incidence on net sales 43.8%
- EBITDA 14.9 euro million (-17% versus the 2019 same period) incidence on net sales 10.7%
- EBIT 5.8 euro million (-37% versus the 2019 same period) incidence on net sales 4.2%
- Net result before taxes 3.8 euro million (-40% versus the 2019 same period) incidence on net sales 2.7%
- Net result after taxes 2.6 euro million (-41.5% versus the 2019 same period) incidence on net sales 1.8%

As a result, the progressive as at **30 September 2020** was:

- Net Consolidated Sales 396.4 euro million (-22.4% versus the 2019 same period)
- Value Added 173.6 euro million (-21.2% versus the 2019 same period) incidence on net sales 43.8%
- EBITDA 37.5 euro million (-34.4% versus the 2019 same period) incidence on net sales 9.5%
- EBIT before non recurring items 10.2 euro million (-65.4% versus the 2019 same period) incidence on net sales 2.6% (non recurring items for 1.9 euro million)
- Net result before taxes 5.8 euro million (-74.1% versus the 2019 same period) incidence on net sales 1.5%
- Net result after taxes 3.7 euro million (-74.7% versus the 2019 same period) incidence on net sales 0.9% tax rate 35.7% (34.1% September 2019)

“Although developments in the health field are still a cause for an high concern that certainly do not contribute in any case to the improvement of the already deteriorating economic and social situation, the results as of 30 September approved today - *said the Group CFO Pierre La Tour in the margins of the Board of Directors meeting* - indicate an improving scenario compared to the expected one.

Uncertainties remain on the state of health of our main markets, but, albeit with the necessary caution, the sensation at the end of the third quarter seems to be less negative at least than in the first half of this year. This does not eliminate the negative gap compared to 2019, neither what happened may be interpreted as a viaticum for the remaining part of the current year; the results of the first 9 months only confirm the perception we experienced a positive phase -especially during the last part of it- whose nature is remaining difficult to interpret. This sensation can be substantially modified by the impacts deriving from the measures that many Countries are adopting to face the “Phase nr.2” of the pandemic. Therefore is indispensable a prudent approach extremely cautions.

Although the order book in absolute value is at the highest level for 2020, reduced production visibility is affecting it.

As regards order intake (*machines only*) up to 30 September (YTD data) this is around € 289 M - down 21.3% compared to September 2019 - but is recovering compared to last June. The backlog (*machine production order backlog*), again at the end of September, was 193.3 million Euros (*up 7.2% compared to June 2020*).

Apart from the development of the Group's sales, which may be influenced by various uncontrollable external factors, our strong commitment to recover margins and efficiency remains confirmed, also through targeted actions that do not jeopardize the long-term sustainability of the Group (*e.g. R&D investments*). I believe that, particularly in these far from rosy times, we must try to make our costs increasingly flexible by aligning them and making them homogeneous with revenues”.

Net Financial Position and Balance Sheet Data

The Group Net Financial Position as at 30 September 2020 was negative (debit) for **3.2 million Euros**, in clear improvement (*39.4 million Euros*) compared the same 2019 period. The IFRS16 impacts -included in the NFP as at 30 September 2020- amounted to 22.3 million Euros and therefore, taking into account these effects, the revised NFP (*ordinary management*) is positive (credit) for 19.1 million Euros. Since the beginning of this year the NFP delta is positive for 15.4 million Euros.

Debt/Equity x 0.015 (*NFP/Net Equity*)

Debt/Ebitda x 0.085 (*NFP/Ebitda*)

Net invested capital 220.8 million Euros – Net Equity 217.6 million Euros – Operative N.W.C. 68.2 million Euros

The Operative Net Working Capital incidence against Net Consolidated Sales is 17.2% (*incidence 17.35% in September 2019*) with an evident improvement of the trade receivables.

DSO 59days DPO 130days DSI 217days

Geo – Divisional breakdown

The Consolidated Net Sales breakdown shows -geographical point of view- the absolute stability of the Western Europe quote that, including the domestic portion, is remaining with an incidence of 45.5%. Italy represents 13%, slightly decrease compared to the 14.3% of the previous year.

Always compared to the 2019 same period, the Eastern Europe is increasing the quote up to 13.5% vs 12.4%. Mainly due to the systems sales lack, the impact of the North America is lower, decreasing from 23% (*September 2019*) to 21.5% (*September 2020*).

Within the three (3) main business divisions the wood one is remaining predominant (*71,7% of the net sales*) compared to Glass/Stone (*17.2% of the net sales*) and Mechatronics (*12,7% of net sales before intercompany elisions*).

Orders

As at **30 September 2020** the Group orders intake (*products only*) -compared to the orders intake of the same period 2019- is lower for 21.3%, in clear recovering compared with the same as at June 2020 (*-35.5%*). During the only third quarter of this year the Group orders intake was positive (compared to the orders intake of the previous year same period) for 17.2%. The Group backlog (*products only*) at the end of September 2020 was 193.3 million Euros (*-1.7% vs the 2019 year end and -6.4% vs September 2019*).

Conference Call

Today, (*30 October 2020 4 p.m.*), subsequently the dissemination of the results, we will hold a phone conference call to comment what Biesse realized during the 2020 nine months. On our website www.biessegroupp.com investor relations area will be also available a short presentation to support.

Appointment of an executive member of the Biesse Board of Directors

As per regulation, Mr. Massimo Potenza has been co-opted as executive member of the Biesse S.p.A. Board of Directors in place of Mrs. S. Vanini (*resignation 29 September 2020*). The Massimo Potenza C.V. is already available on our website as well as the letter of appointment acceptance/possession of the requirements.

Forecast 2020

Based on of the Group results already obtained during the first nine month, as well as the expectations for the actual quarter and notwithstanding eventual negative impacts regarding the Group economic-financial perspectives deriving from the actual social-health contest or from a further worsening, for the FY 2020 the Group can cautiously forecast:

- Consolidated Net Sales in a range € 530 mln. - € 560 mln.
- EBITDA margin in a range 8.0% - 9.0%

For what is concerning the Net Financial Position, we're expecting an improvement versus the Net Financial Position at the end of the 2019

It's not possible to exclude that the uncertainties and instabilities caused by the magnitude and the duration of the new pandemic phase -Covid-19 virus-, on top of those normally present, can determinate even huge differences between the shared expectations and the final results at 31 December 2020.

"The manager responsible for preparing the company's accounting reports (Dr. 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

specific notice regarding the deposit at the Company's registered of the Consolidated Financial Statement 30 September 2020 will be published the 31 October in the Italian Libero newspaper. (copy of this notice regarding the deposit is even available on our Group website www.biessegroup.com)

BIESSE S.p.A. - Biesse Group is a global leader in technology for processing wood, glass, stone, plastic, advanced materials and metal. It designs, manufactures and distributes machines, integrated systems and software for manufacturers of furniture, door/window frames and components for the construction, ship-building and aerospace industries. It invests an average of more €14 million per year in R&D, boasting over 200 registered patents. The company operates through 12 industrial sites, 39 branches, and 300 agents and selected dealers, exporting 90% of its production. Its customers include some of the most prestigious names in Italian and international design. Founded in Pesaro in 1969 by Giancarlo Selci, Biesse SpA has been listed in the STAR segment of the Italian Stock Exchange since June 2001. Less than 4,000 the employees today in its facilities (production & distribution) based in Pesaro, Gradara, Padova, Villafranca (VR), Thiene (VI), Alzate Brianza (CO), Bangalore, Dongguan and in its branches/representative offices in Europe, North America, Latin America, the Middle & Far East, Asia and Oceania.

FINANCIAL STATEMENTS

Income statement 30 September 2020 highlighting non-recurring items

	30 September 2020	% on sales	30 September 2019	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	396,430	100.0%	511,142	100.0%	(22.4)%
Change in inventories, wip, semi-finished products and finished products	(1,766)	(0.4)%	10,874	2.1%	-
Other Revenues	6,038	1.5%	4,206	0.8%	43.6%
Revenue	400,702	101.1%	526,221	103.0%	(23.9)%
Raw materials, consumables, supplies and goods	(162,585)	(41.0)%	(208,371)	(40.8)%	(22.0)%
Other operating costs	(64,478)	(16.3)%	(97,444)	(19.1)%	(33.8)%
Added value	173,640	43.8%	220,405	43.1%	(21.2)%
Personnel expense	(136,162)	(34.3)%	(163,296)	(31.9)%	(16.6)%
Gross operating profit	37,478	9.5%	57,109	11.2%	(34.4)%
Depreciation and amortisation	(25,310)	(6.4)%	(25,049)	(4.9)%	1.0%
Provisions	(1,995)	(0.5)%	(2,693)	(0.5)%	(25.9)%
Operating profit before non recurring items	10,173	2.6%	29,367	5.7%	(65.4)%
Impairment losses and non recurring-items	(1,928)	(0.5)%	(2,368)	(0.5)%	(18.6)%
Operating profit	8,245	2.1%	26,998	5.3%	(69.5)%
Financial income	726	0.2%	191	0.0%	-
Financial expense	(1,992)	(0.5)%	(2,253)	(0.4)%	(11.6)%
Net exchange rate losses	(1,180)	(0.3)%	(2,528)	(0.5)%	(53.3)%
Pre-tax profit	5,799	1.5%	22,408	4.4%	(74.1)%
Income taxes	(2,069)	(0.5)%	(7,650)	(1.5)%	(73.0)%
Profit for the year	3,730	0.9%	14,759	2.9%	(74.7)%

Net Financial indebtedness at 30 September 2020

Euro 000's					
	30th September 2020	30th June 2020	31st March 2020	31st December 2019	30th September 2019
Financial assets:	159,097	141,296	79,314	88,714	69,519
<i>Current financial assets</i>	24,111	22,618	3,652	2,653	2,128
<i>Cash and cash equivalents</i>	134,986	118,677	75,661	86,061	67,391
Short term lease liabilities	(6,699)	(6,599)	(6,344)	(7,415)	(2,158)
Short-term bank loans and borrowings and loans from other financial backers	(37,077)	(55,804)	(16,211)	(46,859)	(47,373)
Short-term net financial position	115,322	78,894	56,760	34,439	19,988
Medium/Long-term lease liabilities	(23,914)	(25,188)	(26,858)	(27,043)	(29,879)
Medium/Long-term bank loans and borrowings	(94,560)	(76,292)	(54,564)	(26,006)	(32,728)
Medium/Long-term net financial position	(118,473)	(101,479)	(81,422)	(53,049)	(62,607)
Total net financial position	(3,152)	(22,587)	(24,663)	(18,609)	(42,619)

Statement of financial position highlights at 30 September 2020

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