

2023 Consolidated Financial Results at June 30th approved

Revenues in line with 1H 2022, backlog continues to sustain sales. NFP remains solid and substantially in line with the first half of 2022.

Pesaro, 28th July 2023

First half 2023 (in € million)	1H 2023	2Q 2023	1H 2022	2Q 2022	Variation 1H 2023 vs. 1H 2022	
					(in € million)	In %
Consolidated Net Revenues	418,2	208,7	419,1	222,5	-0,9	-0,2%
EBITDA	47,0	19,0	53,7	27,6	-6,7	-12,5%
Operating result (EBIT)*	30,3	11,9	33,3	18,1	-3,0	-8,8%
Net Profit/Loss	19,5	7,2	19,4	9,6	+0,1	+0,6%
Net Financial Position (in € million)	+ 91,9		+ 85,0		+6,9	+8,1%

(*) after non-recurring events

Other resolutions:

- approval of compliance rules for evaluating the independence of the members of the Board and periodic self-assessments on independence by the Board of Statutory Auditors
- acknowledgment on reporting of activities by Board committees
- examination of report by the Control and Risks Committee for the first half of 2023
- acknowledgement on report by the Supervisory Board for the first half of 2023

During its meeting held in Pesaro today, the Board of Directors of Biesse S.p.A. – Mid Cap company listed on the Euronext STAR - Milan – approved the Consolidated Financial Report for the first half of 2023.

Consolidated results achieved by the Biesse Group in the first six months of 2023:

- Consolidated net revenues of 418.2 million euros (-0.2% compared to 1H 2022)
- Value Added of 173.0 million euros (-4.7% compared to 1H 2022), 41.4% of revenues (43.3% in 1H 2022)
- EBITDA of 47.0 million euros (-12.5% compared to 1H 2022), 11.2% of revenues (12.8% in 1H 2022)
- EBIT, after non-recurring events, of 30.3 million euros (-8.8% compared to 33.3 million euros recorded in 1H 2022), 7.3% of revenues (7.9% in 1H 2022)
- Net profit of 19.5 million euros (+0.6% compared to 1H 2022), 4.7% of revenues (4.6% in 1H 2022)
- Tax rate 28.0% (33.1% in 1H 2022)

Net Financial Position

As of 30 June 2023, the Group Net Financial Position was positive for 91.9 million euros, including the impact of 21.3 million euros deriving from the application of IFRS16. Without the effects linked to the application of IFRS16, the financial position would therefore be positive for 113.2 million euros. Compared to the end of year 2022, the net financial position decreases by 24.7 million euros, mainly because of the dynamics related to net working capital and the payment of dividends in May for 9.0 million euros.

Comment

“The results achieved during the first half of 2023 and approved today – commented the Group CFO Pierre La Tour – bear testimony to how the conservative approach adopted by Biesse regarding current year projections has been adequate and reasonable in the general instability of the global context.

During 2022, Biesse has taken full advantage of the global demand for capital goods and hence the previous year closed with a very significant order portfolio which continues to be reflected on 2023 turnover despite a certainly more complex market scenario.

The results of the first half of 2023, especially if compared with the exceptional 1H 2022, confirm the necessity of a prudent vision in defining demand projections, which are severely influenced by enduring restrictive monetary policies and by the sharp reduction of government incentives that have been the underlying stimulus for domestic market demand over recent years.

From a business point of view, the order portfolio has continued the expected decreasing trend, reaching a value of 315.0 million euros at the end of June 2023. Being unable to govern inflationary pressures and other exogenous factors affecting global demand for capital goods, our Group will continue to pursue operational efficiency internally, especially with the prosecution of the One Company project, whose major objectives include a higher level of flexibility and a simplification of business processes. At the same time, it becomes imperative to focus our attention on a careful management of the net working capital, in order to counterbalance the effects related to advance payments.

Innovation and research will remain two key elements of our strategy, since we are convinced that the implementation of new technical solutions for ever increasing connectivity and automation is essential. Our positive financial position, improved versus 30 June 2022, will be an important baseline to sustain our expansion, both organically as well as through acquisitions”.

Order backlog

As of June 30th 2023, the order backlog amounted to 315.0 million euros (-18.4% compared to 1H 2022), whilst on 31st December 2022 the order portfolio amounted to 384.7 million euros.

In the 1H 2023 order entry – machines only – was lower versus 1H 2022 (-20.9%), mainly as a result of decreased government incentives in the domestic market.

Revenue breakdown

Geographically, the Group's sales breakdown by macro-area at the end of June 2023 is:

- Western Europe 51.9% (53.7% in 1H 2022) – of which Italy 20.7% (25.7% in 1H 2022)
- Eastern Europe 17.6% (14.4% as at June 2022)
- North America 17.3% (17.2% as at June 2022)
- Asia Pacific 11.2% (11.7% as at June 2022)
- Rest of the World 2.1% (3.0% as at June 2022)

Sales of machines & systems always account for the overwhelming majority (91.5%) compared to mechatronics (8.5%).

Balance sheet

Group Shareholders' Equity: 270.2 million euros

Net Invested Capital: 178.3 million euros

Net Operating Current Assets positive at 48.1 million euros

Notice of filing half-yearly report

Saturday July 29th the Consolidated Half-Yearly Report at June 30th 2023, as approved by the current Board of Directors and containing the certification issued by the statutory auditors Deloitte & Touche S.p.A., will be filed at the registered office of Biesse S.p.A. at Via della Meccanica 16, Pesaro.

This document is made available on the company website www.biessegroup.com – investor relations area and on the authorized storage site www.1info.it. A corresponding notice will be published in Libero newspaper on July 29th.

Conference Call

Biesse will hold a conference call today at 4.30 p.m. to comment on the approved 1H 2023 Financial Statements. The supporting presentation will be available on the corporate website www.biessegroup.com in the investor relations section. The same presentation will also be made available on the official storage website www.1info.it.

The details needed for taking part in the conference call in question are on the company's website, in the section dedicated to investors.

“The Financial Reporting Officer (Pierre La Tour) declares that, pursuant to paragraph 2, Article 154-bis of the Consolidated Law on Finance, the accounting information in this press release corresponds to the results in the accounting documents, books and other records”

BIESSE S.p.A. - Biesse is an international company that designs, manufactures and distributes systems and machines for processing wood, glass, stone, metal, plastic and composite materials for the furniture, housing & construction, automotive and aerospace industries. Founded in Pesaro in 1969 by Giancarlo Selci, it has been listed in the STAR segment of Euronext Milan since June 2001. It generates approx. 85% of its consolidated turnover abroad, operating in more than 160 countries, thanks to 14 production plants and a direct presence in the main world markets. Its customers include industry-leading companies and prestigious Italian and international design brands. It currently has a total of over 4,300 employees.

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Financial statements

Profit & Loss - Income Statement at 30 June 2023

	30 June 2023	% on sales	30 June 2022	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	418,185	100.0%	419,084	100.0%	(0.2)%
Change in inventories, wip, semi-finished products and finished products	(10,413)	(2.5)%	38,319	9.1%	-
Other Revenues	3,457	0.8%	3,698	0.9%	(6.5)%
Revenue	411,229	98.3%	461,101	110.0%	(10.8)%
Raw materials, consumables, supplies and goods	(165,159)	(39.5)%	(207,060)	(49.4)%	(20.2)%
Other operating costs	(73,021)	(17.5)%	(72,489)	(17.3)%	0.7%
Personnel expense	(126,065)	(30.1)%	(127,859)	(30.5)%	(1.4)%
Gross operating profit	46,983	11.2%	53,693	12.8%	(12.5)%
Depreciation and amortisation	(15,602)	(3.7)%	(16,317)	(3.9)%	(4.4)%
Provisions	(2,974)	(0.7)%	(4,111)	(1.0)%	(27.6)%
Operating profit before non recurring items	28,406	6.8%	33,266	7.9%	(14.6)%
Non recurring items	1,937	0.5%	-	-	-
Operating profit	30,343	7.3%	33,266	7.9%	(8.8)%
Financial income	730	0.2%	288	0.1%	-
Financial expense	(1,236)	(0.3)%	(1,253)	(0.3)%	(1.4)%
Exchange rate income and expenses (net)	(2,745)	(0.7)%	(3,327)	(0.8)%	(17.5)%
Pre-tax profit	27,093	6.5%	28,973	6.9%	(6.5)%
Income taxes	(7,588)	(1.8)%	(9,590)	(2.3)%	(20.9)%
Profit/Loss for the period	19,504	4.7%	19,383	4.6%	0.6%

Balance Sheet at 30 June 2023

	30 June 2023	31 December 2022
<i>Euro 000's</i>		
Intangible assets	87,173	88,177
Property, plant and equipment	113,898	117,625
Financial assets	3,460	4,688
Non-current assets	204,531	210,489
Inventories	207,772	215,588
Trade receivables	129,119	112,513
Trade payables	(174,423)	(181,996)
Contract liabilities	(114,364)	(138,197)
Net operating working capital	48,104	7,908
Post-employment benefits	(10,208)	(10,567)
Provision for risk and charges	(26,008)	(25,015)
Other net payables	(54,553)	(54,629)
Net deferred tax assets	16,433	15,961
Other net liabilities	(74,336)	(74,249)
Net invested capital	178,299	144,147
Share capital	27,403	27,403
Profit for the previous year and other reserves	223,017	202,898
Profit/Loss for the period	19,506	30,248
Non-controlling interests	229	245
Equity	270,154	260,793
Bank loans and borrowings and loans and borrowings from other financial backers	23,958	28,937
Other financial assets	(28,682)	(20,544)
Cash and cash equivalents	(87,130)	(125,039)
Net financial indebtedness	(91,855)	(116,646)
Total sources of funding	178,299	144,147

Net financial position at 30 June 2023

	At 30th June 2023	At 31st March 2023	At 31st December 2022	At 30th June 2022
<i>Euro 000's</i>				
Financial assets:	115,812	132,381	145,583	117,201
<i>Current financial assets</i>	<i>28,682</i>	<i>20,696</i>	<i>20,544</i>	<i>7,266</i>
<i>Cash and cash equivalents</i>	<i>87,130</i>	<i>111,685</i>	<i>125,039</i>	<i>407</i>
Short term lease liabilities	(6,553)	(7,072)	(7,504)	(8,524)
Short-term bank loans and borrowings and loans from other	(1,464)	(1,412)	(4,222)	(7,493)
Short-term net financial position	107,795	123,897	133,858	101,185
Medium/Long-term lease liabilities	(15,528)	(16,114)	(16,496)	(15,508)
Medium/Long-term bank loans and borrowings	(284)	(320)	(561)	(525)
Trade payables and other medium/long-term payables	(128)	(140)	(155)	(185)
Medium/Long-term net financial position	(15,941)	(16,575)	(17,212)	(16,218)
Total net financial position	91,855	107,322	116,646	84,965