

2023 Consolidated Financial Results at 30th September approved

Revenues in slight decrease compared to Q3 2023 with an order portfolio which continues to sustain sales. NFP remains solid to face the challenges of the next future.

Pesaro, 26th October 2023

Third quarter YTD (in € million)	9M 2023	9M 2022	Variation	
			(in € million)	In %
Consolidated Net Revenues	595.7	613.4	- 17.7	- 2.9%
EBITDA	62.7	70.8	- 8.1	- 11.4%
Operating result (EBIT)*	28.1	44.2	- 16.1	- 36.4%
Net Profit/Loss	16.0	24.8	- 8.8	- 35.7%
Net Financial Position	+ 90.1	+ 79.6	+ 10.5	+ 13.2%

(*) after non-recurring events

Other resolutions:

- acknowledgment of report on activities related to furlow agreements (“contratto di solidarietà”)
- examination of guidelines for the presentation of the 2024-2026 Strategic Plan
- approval of activities for 2024 related to the internal audit function
- approval of the 2024 corporate events calendar

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

Consolidated results achieved by the Biesse Group in the first 9 months of 2023:

- Consolidated net revenues of 595.7 million euros (-2.9% compared to Q3 2022)
- EBITDA of 62.7 million euros (-11.4% compared to Q3 2022), 10.5% of revenues (11.5% in Q3 2022)
- EBIT, after non-recurring events, of 28.1 million euros (a decrease of 36.4% compared to 44.2 million euros recorded as of September 30th), 4.7% of revenues (7.2% in Q3 2022)
- Net profit of 16.0 million euros (-35.7% compared to Q3 2022), 2.7% of revenues (4.0% in Q3 2022)
- Tax rate 33.0% (31.2% in Q3 2022)

Net Financial Position

As of 30 September 2023, the Group Net Financial Position was positive for 90.1 million euros, including the impact of 19.8 million euros deriving from the application of IFRS16. Without the effects linked to the application of IFRS16, the net financial position would therefore be positive for 109.9 million euros. Compared to the end of year 2022, the net financial position decreases by 26.5 million euros, mainly because of dividends payment in the first half of 2023 and the dynamics related to the net working capital.

Comment

“The results achieved during the third quarter and approved today – commented the Group CFO Pierre La Tour – confirm that, despite a changed and worsened context, Biesse is able to maintain significant performances, demonstrating a strong degree of resilience, even in perspective. In terms of revenues, the first nine months of 2023 remain substantially in line with 2022, a year in which our Group has taken full advantage of the important global demand for capital goods.

Although the main indicators in the third quarter are in line with budget expectations, our Group maintains an alert approach on the future outlook, particularly for the significant difficulties in forecasting external phenomena impacting on demand. Enduring restrictive monetary policies that are directly impacting interest rates, reduction of government incentives that have stimulated domestic market demand over recent years, and sharpening international tensions are all elements imposing an increased level of attention.

From a business point of view, the order portfolio at the end of September has, as expected, decreased versus Q3 2022, with a value of 291.0 million euros. Being unable to govern inflationary pressures and other factors that are external to the Group, we will continue to pursue internal improvements, with initiatives falling under the One Company project, aiming to introduce a higher level of flexibility and a prompt simplification of business processes, incisive cost reduction policies and measures in management of net working capital aimed to increase its efficiency.

Innovation and research will continue to be fundamental elements of our strategy, pursuing the implementation of new technical solutions with an ever increasing connectivity and automation, for a sustainable development. Our financial position, which remains highly positive, represents an important baseline in the near future to sustain our expansion goals, both organically as well as through acquisitions”.

Order backlog

As of 30th September 2023, the order backlog amounted to 291.0 million euros (-21.7% compared to Q3 2022), whilst on 31st December 2022 the order portfolio amounted to 384.7 million euros.

At the end of Q3 2023 order entry was equal to 147.0 million euros, lower versus Q3 2022 (-13.4%), as a result of reduced government incentives on the domestic market.

Revenue breakdown

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

- Western Europe 53.1% (53.0% in Q3 2022) – of which Italy 20.7% (24.8% in Q3 2022)
- Eastern Europe 15.1% (13.4% as at September 2022)
- North America 17.8% (18.7% as at September 2022)
- Asia Pacific 11.8% (12.2% as at September 2022)
- Rest of the World 2.2% (2.7% as at September 2022)

By type, sales of machines & systems always account for the overwhelming majority (91.7%) compared to mechatronics (8.3%).

Balance sheet

Group Shareholders' Equity: 268.1 million euros

Net Invested Capital: 178.0 million euros

Net Operating Current Assets positive at 78.0 million euros

Conference Call

Biesse will hold a conference call today at 4.30 p.m. to comment on the approved Q3 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.tinfo.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 September 2023

	30 September 2023	% on sales	30 September 2022	% on sales	CHANGE %
<i>Euro 000's</i>					
Revenue from sales and services	595,656	100.0%	613,371	100.0%	(2.9)%
Change in inventories, wip, semi-finished products and finished products	(20,730)	(3.5)%	39,986	6.5%	-
Other Revenues	4,348	0.7%	5,314	0.9%	(18.2)%
Revenue	579,273	97.2%	658,670	107.4%	(12.1)%
Raw materials, consumables, supplies and goods	(225,904)	(37.9)%	(289,982)	(47.3)%	(22.1)%
Other operating costs	(108,512)	(18.2)%	(112,946)	(18.4)%	(3.9)%
Personnel expense	(182,109)	(30.6)%	(184,955)	(30.2)%	(1.5)%
Gross operating result	62,748	10.5%	70,788	11.5%	(11.4)%
Depreciation and amortisation	(23,270)	(3.9)%	(24,358)	(4.0)%	(4.5)%
Provisions	(5,166)	(0.9)%	(3,839)	(0.6)%	34.6%
Operating result before non recurring items	34,311	5.8%	42,591	6.9%	(19.4)%
Non recurring items	(6,237)	(1.0)%	1,568	0.3%	-
EBIT Operating result	28,074	4.7%	44,158	7.2%	(36.4)%
Financial income	1,418	0.2%	729	0.1%	94.5%
Financial expense	(1,852)	(0.3)%	(1,778)	(0.3)%	4.1%
Net exchange rate losses	(3,804)	(0.6)%	(7,074)	(1.2)%	(46.2)%
Pre-tax result	23,836	4.0%	36,035	5.9%	(33.9)%
Income taxes	(7,888)	(1.3)%	(11,234)	(1.8)%	(29.8)%
Result for the year	15,949	2.7%	24,801	4.0%	(35.7)%

Balance Sheet at 30 September 2023

	30 September 2023	31 December 2022
<i>Euro 000's</i>		
Intangible assets	86,177	88,177
Property, plant and equipment	112,233	117,625
Financial assets	2,870	4,688
Non-current assets	201,279	210,489
Inventories	189,358	215,588
Trade receivables and contract assets	126,015	112,513
Trade payables	(140,656)	(181,996)
Contract liabilities	(103,897)	(138,197)
Net operating working capital	70,819	7,908
Post-employment benefits	(9,915)	(10,567)
Provision for risk and charges	(35,782)	(25,015)
Other net payables	(66,672)	(54,629)
Net deferred tax assets	18,269	15,961
Other net liabilities	(94,099)	(74,249)
Net invested capital	178,000	144,147
Share capital	27,403	27,403
Result for the previous year and other reserves	224,758	202,898
Result for the year	15,947	30,248
Non-controlling interests	7	245
Equity	268,114	260,793
Bank loans and borrowings and loans and borrowings from other financial backers	26,383	28,937
Other financial assets	(21,435)	(7,164)
Cash and cash equivalents	(95,063)	(138,419)
Net financial indebtedness	(90,115)	(116,646)
Total sources of funding	178,000	144,147

Net financial position at 30 September 2023

<i>Euro 000's</i>	30th September	30th June	31st March	31st December	30th September
	2023	2023	2023	2022	2022
Financial assets:	116,498	115,812	132,381	145,583	108,061
<i>Current financial assets</i>	21,435	28,682	20,696	20,544	7,157
<i>Cash and cash equivalents</i>	95,063	87,130	111,685	125,039	100,903
Short-term lease liabilities	(6,252)	(6,553)	(7,072)	(7,504)	(7,983)
Short-term bank loans and borrowings and loans from other finan	(5,436)	(1,464)	(1,412)	(4,222)	(4,761)
Short-term net financial position	104,811	107,795	123,897	133,858	95,317
Medium/Long-term lease liabilities	(14,249)	(15,528)	(16,114)	(16,496)	(14,997)
Medium/Long-term bank loans and borrowings	(284)	(284)	(320)	(561)	(573)
Trade payables and other medium/long-term payables	(163)	(128)	(140)	(155)	(171)
Medium/Long-term net financial position	(14,696)	(15,941)	(16,575)	(17,212)	(15,740)
Total net financial position	90,115	91,855	107,322	116,646	79,577