

# Biesse

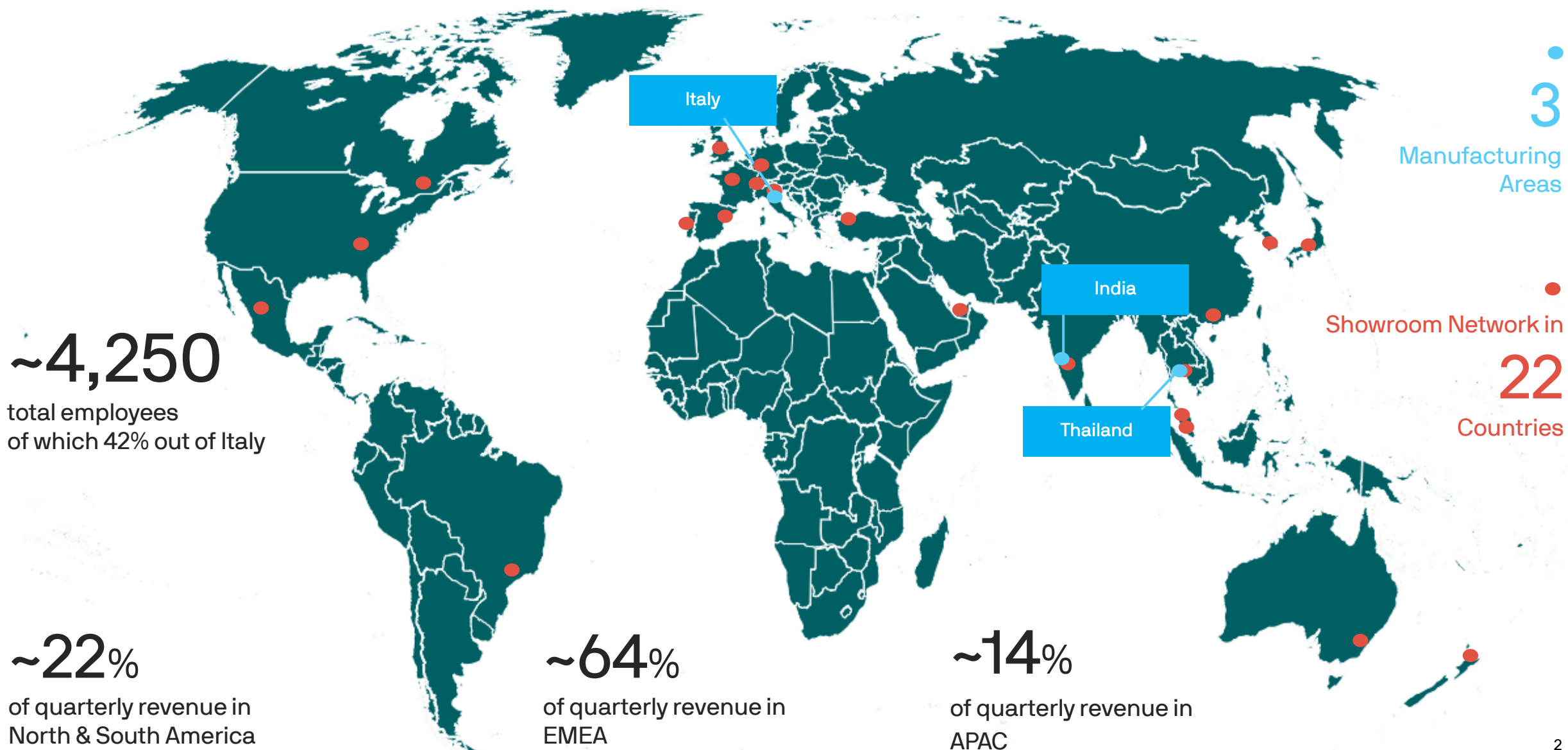
## Renovation is an extraordinary journey

# H1 2024 Results

Conference Phone Call

30 July 2024

# THE GROUP – WORLDWILDE PRESENCE



# ECONOMIC SCENARIOS 2024-2026

Confirmed **change of context** compared to the previous 5 years



## INFLATION

OECD headline inflation increases slightly to 5.9% in May 2024 as energy inflation rises rapidly



## GDP OUTLOOK

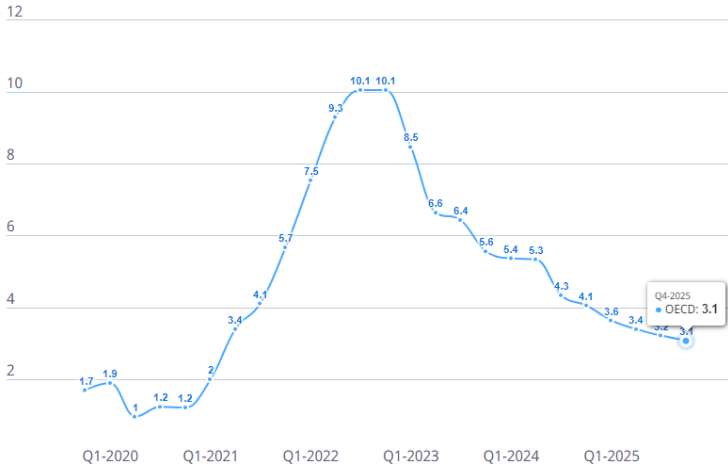
WW GDP growth is expected to be **~3%** for the next two years  
Weak outlook mainly in EU area  
Sustained growth in emerging and developing countries (+4%)



## COST OF MONEY

Interest rates are expected to remain **high** for the period 2024-2026.  
Interest rates: BCE 4,5% - FED 5,5%  
Reductions may happen in line with inflation decrease trend

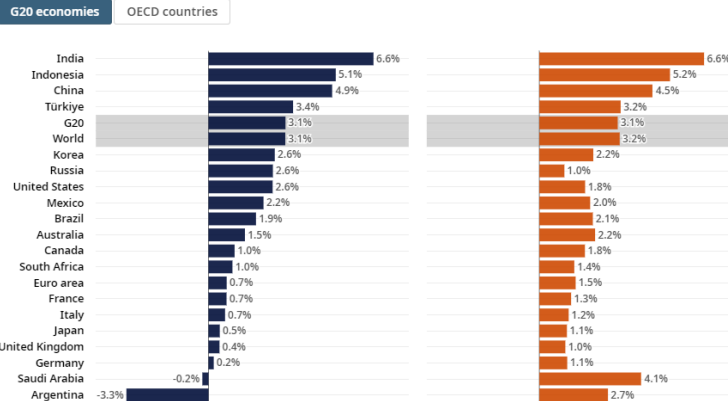
Inflation forecast  
%, year-to-year



Source: OECD July 2024

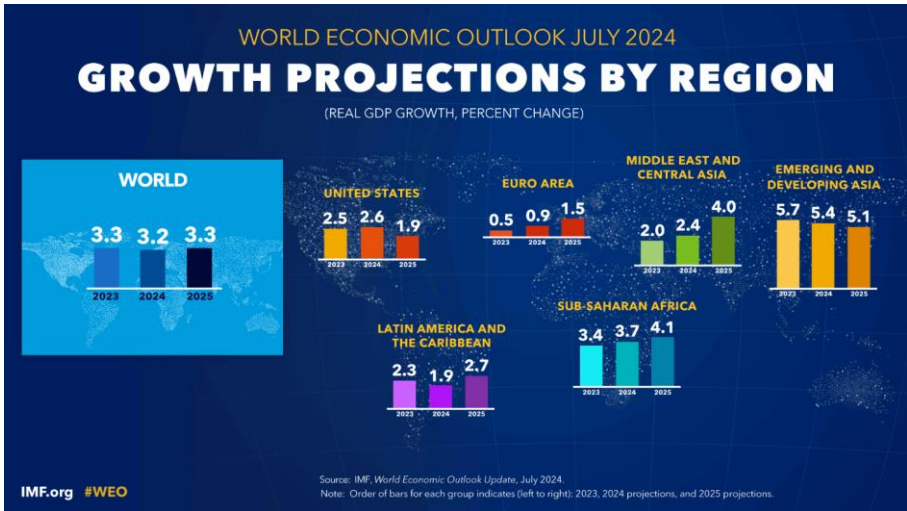
GDP growth projections for 2024 and 2025

%, year-on-year



Source: OECD Economic Outlook, May 2024.

Source: OECD, Economic Outlook May 2024



Source: IMF, World Economic Outlook Update, July 2024.  
Note: Order of bars for each group indicates (left to right): 2023, 2024 projections, and 2025 projections.

Source: IMF World Economic Outlook July 2024

# ECONOMIC SCENARIOS 2024-2026

2/2



Imports, Exports, and Order Intake are suffering vs. previous year

Source: Acimall

## GLOBAL (WOOD MACHINERY)

Jan-Apr 2024 Δ vs LY



Customs Code 8465* Wood/Cork/Bone/Rubber & Plastic Working Machinery	
IMPORT	EXPORT
<b>WORLD -11,4%</b> ▼	<b>WORLD -14,0%</b> ▼
<input type="checkbox"/> US -2,3%	<input type="checkbox"/> Germany -23,3%
<input type="checkbox"/> Germany -5,7%	<input type="checkbox"/> China -0,8%
<input type="checkbox"/> China -35,3%	<input type="checkbox"/> Italy -21,2%
<input type="checkbox"/> France -10,9%	<input type="checkbox"/> Austria -35,2%
<input type="checkbox"/> Italy -48,3%	

Source: UCIMU

ITALY MACHINERY TOOLS	FIRST SEMESTER 2024 – TREND VARIATION	
	% changes in orders compared to the same period in 2023	
		%
	Total Orders	▼ -17,3%
	Orders from abroad	▼ -16,2%
	Internal Orders	▼ -18,7%



Source: UCIMU

Ordini di macchine utensili

Nel primo trimestre 2024 – JULY 2024

## EUROPE (MACHINERY TOOLS)

Jan-Mar 2024 Δ vs LY



UCIMU-SISTEMI PER PRODURRE

Key Markets	Order Index <sup>(1)</sup>	Var% 24/23	Trend	Var % Local	Var % Foreign
Germany	87	-23,8%	▼	-1,8%	-32,3%
Italy	89	-19,5%	▼	-19,9%	-19,1%
France <sup>(2)</sup>	88	-25,0%	▼	6,5%	-32,0%
UK	88	-24,8%	▼	-10,0%	-31,3%
Austria	101	-6,5%	▼	-29,3%	-1,8%
Czech Rep.	74	-19,6%	▼	-21,3%	-19,4%
Switzerland	85	-14,1%	▼	-25,9%	-9,6%

The first quarter of 2024 records **negative order collection data** for almost all European countries; it deals with double-digit contractions for the **United Kingdom (-24.8%)**, **Germany (-23.8%)**, the **Czech Republic (-19.6%)**, **Italy (-19.5%)** and **Switzerland (-14.1%)**

(1) Order Index (current prices, 2021=100)

(2) France: overall data not available (available only var local %) – internal estimate

\*Commodity: 8465, Machine-Tools For Wrkg Wood/Cork/Bone/ Hard Rbr & Plas, Ex Nailing/ Glueing Etc

# KEY COMPETITORS OVERVIEW 1/2



Wood



- In Q1 '24, Sales declined by 14.1% year-on-year
- Order intake increased by 7.0% year-on-year to €377.3M, due to a very large order worth around €90 million collected in Q4 '23 in China (furniture)
- To better cope with fluctuations in demand and enhance earnings resilience, 600 job cuts have been initiated
- Outlook for FY2024:
  - Sales decline up to 15%
  - EBIT before extraordinary effects between 2.0% and 4.0% due to the previous year's low order intake
  - Free cash flow €50M

Note: Except for HOMAG, which was significantly affected by market weakness, all divisions of DURR were able to expand margins



- The Wage Guarantee Fund ("Solidarietà") started in February 2024 and covers approximately 1,800 employees. It is valid until January 2025
- Plants involved: Rimini, Coriano (RN), Verucchio (RN), Thiene (VI), Vigolzone (PC)

Ministero del Lavoro e delle Politiche Sociali  
Direzione Generale degli ammortizzatori sociali e della formazione  
DIVISIONE IV

Elenco di aziende con provvedimenti C.I.G.S. emanati dal 08/02/2024 al 16/02/2024

\*\*\*\*\*

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DIVISIONE IV

Elenco di aziende con provvedimenti C.I.G.S. emanati dal 08/04/2024 al 15/04/2024

\*\*\*\*\*

Denominazione azienda: SCM GROUP SPA  
Con sede in: RIMINI Prov: RN  
Causale di Intervento: Contratti di solidarietà  
Unità di: CORIANO Prov: RN  
Settore: Fabbricazione di altre macchine utensili (incluse parti e accessori) nca  
Unità di: VERUCCHIO Prov: RN  
Settore: Fabbricazione di altre macchine utensili (incluse parti e accessori) nca  
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Settore: Fabbricazione di altre macchine utensili (incluse parti e accessori) nca  
Decreto del: 13/02/2024 N. 20240335

Concessione del trattamento di C.I.G.S. dal: 05/02/2024 al 31/01/2025  
Pagamento diretto INPS: No

Denominazione azienda: SCM GROUP SPA  
Con sede in: RIMINI Prov: RN  
Causale di Intervento: Contratti di solidarietà  
Unità di: VIGOLZONE Prov: PC  
Settore: Fabbricazione di altre macchine utensili (incluse parti e accessori) nca  
Decreto del: 11/04/2024 N. 20240888

Concessione del trattamento di C.I.G.S. dal: 01/04/2024 al 31/03/2025  
Pagamento diretto INPS: No



# KEY COMPETITORS OVERVIEW 2/2



Stone

breton

- **Economic Challenges:** The company is currently facing significant **financial difficulties**, **loss of profitability** with **high debt** and **liquidity issues** impacting its overall performance and stability
- **Declining turnover:** from €290 million in 2019 to €219 million in 2023, with a projected **€175 million for 2024 (-40%)**
- Experienced a progressive **order portfolio erosion**, indicating a **contraction of approximately 50% in H1 2024** compared to the previous year
- **Strategic Rebalancing Efforts:** The company is currently under the management of **financial restructuring** experts/advisors supporting management in implementing comprehensive **restructuring plans**, **cost-cutting measures** aimed at **restoring financial health**
- Request for the initiation of a **corporate crisis procedure** with the application of extraordinary wage guarantee fund (Cassa Integrazione Straordinaria) for the Castello di Codego and Vedelago plants (~830 employees)
- The company has a **targeted reduction plan** aiming to reduce the workforce by **~200 employees**

ANSA.it

As / Economia / PMI

## Crisi aziendali, Breton dichiara 216 esuberi, chiesta Cigs

Fatturato e ordini in flessione, vertice in Regione

TREVISOTODAY

ECONOMIA CASTELLO DI GODEGO

### Breton annuncia 216 esuberi: «Cigs per crisi aziendale e piano di incentivi all'esodo»

La preoccupazione del sindacato dei metalmeccanici Fiom Cgil per l'impatto occupazionale sul territorio



IL GAZZETTINO.it

### Breton, dichiara 216 esuberi: vertice in Regione per la cassa integrazione straordinaria

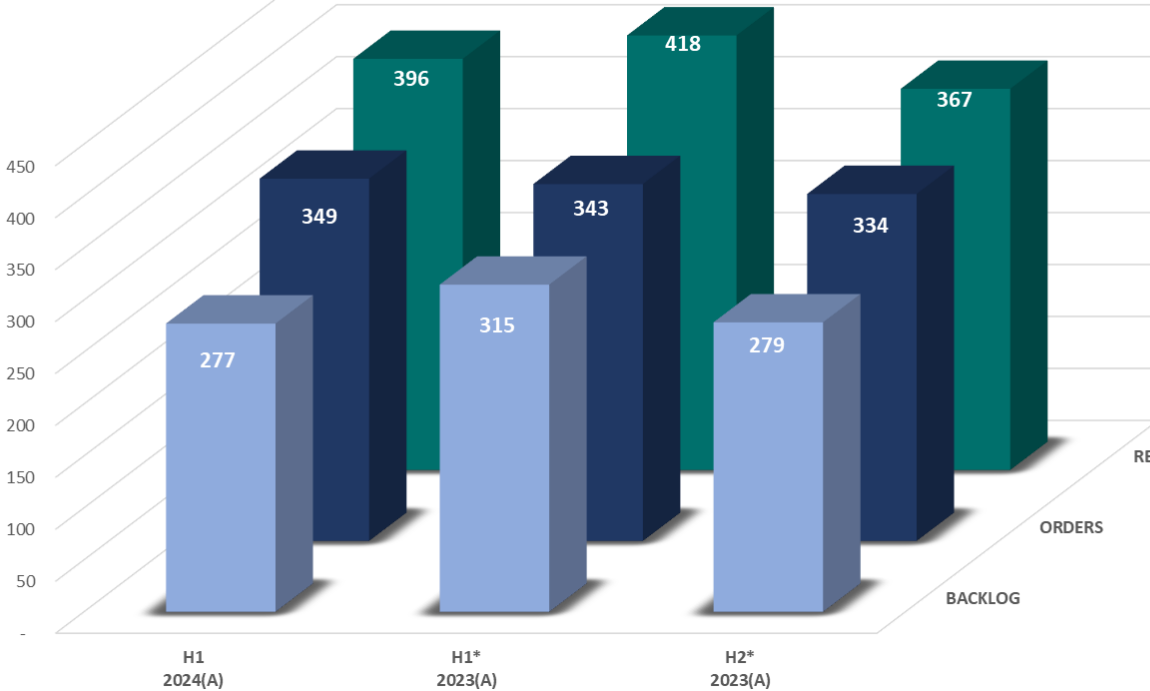
Fatturato e ordini in flessione per l'azienda specializzata nella fabbricazione di utensili per la lavorazione della pietra che oggi conta 900 lavoratori

# THE GROUP - TREND ORDERS-SALES-BACKLOG



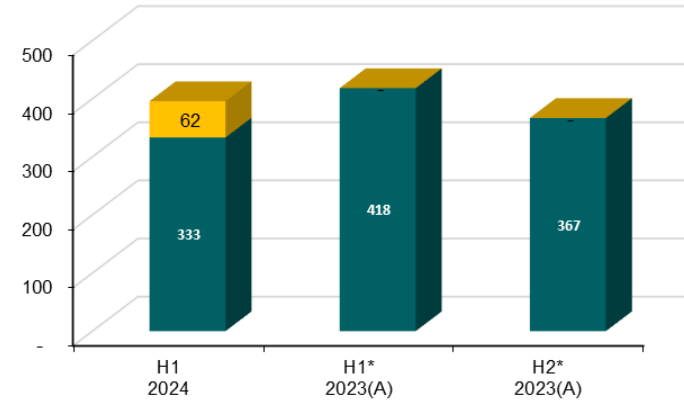
€m

■ BACKLOG ■ ORDERS ■ REVENUES



## REVENUES

■ BIESSE ■ GMM



### BIESSE perimeter

Revenues: € 333m vs € 418m PY (€ -85m; -20%)

Orders: € 300m vs € 343m PY (€ -43m; -13%)

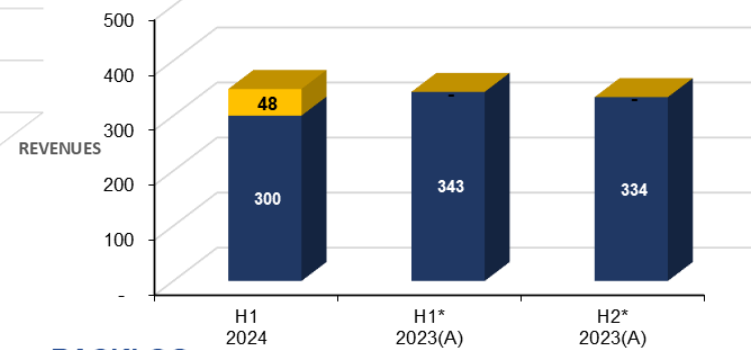
Backlog: € 249m vs € 315m PY (€ -66m; -21%)

The order intake has decreased compared to previous year because of:

- Slowdown recorded in some markets of EU area
- Difficulties in credit access and increase in interest rates which led to a consequential growth in orders blocked for financial reasons

## ORDERS

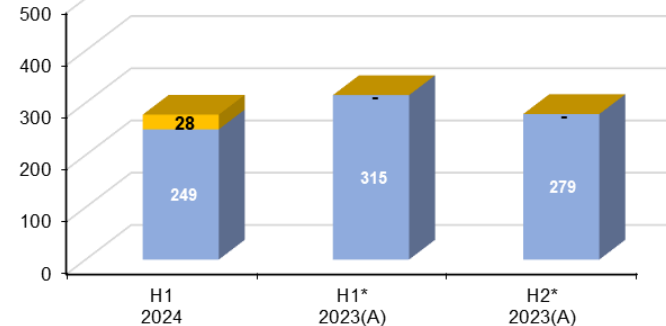
■ BIESSE ■ GMM



Revenues result lower than previous year as a consequence of the dynamic of order intake.

## BACKLOG

■ BIESSE ■ GMM



### GMM Group perimeter

Revenues : € 62m

Order: € 48m

Backlog : € 28m

\* Data for 2023 does not include GMM Group in the perimeter

# THE GROUP – H1 2024 HIGHLIGHTS



Value in €m		H1 2024(A)	H1* 2023(A)	Δ	H2* 2023(A)	Δ
<b>Revenues</b>	<b>A</b>	395,7	418,2	-5,4%	366,8	7,9%
<b>EBITDA adjusted</b>	<b>B</b>	32,9	47,0	-30,0%	30,0	9,5%
<i>% on Net Sales</i>		8,3%	11,2%		8,2%	
<b>EBIT adjusted</b>	<b>C</b>	13,3	28,4	-53,1%	11,9	11,6%
<i>% on Net Sales</i>		3,4%	6,8%		3,3%	
<b>EBIT</b>		10,3	30,3	-66,1%	-6,2	NA
<i>% on Net Sales</i>		2,6%	7,3%		-1,7%	
<b>Net Result</b>	<b>D</b>	3,9	19,5	-79,9%	-7,0	NA
<i>% on Net Sales</i>		1,0%	4,7%		-1,9%	
<b>Order intake</b>		348,9	343,4	1,6%	333,8	4,5%

**A**

**Revenues** in H1 2024 have been equal to € 395.7 mil., (5.4%) compared with H1 2023 but +7.9% compared with H2 2023.

**B**

**EBITDA adjusted** equal to € 32.9 mil., lower than H1 2023 and higher compared to H2 2023.

**C**

**EBIT adjusted** equal to € 13.3 mil., lower than H1 2023 and higher than H2 2023.

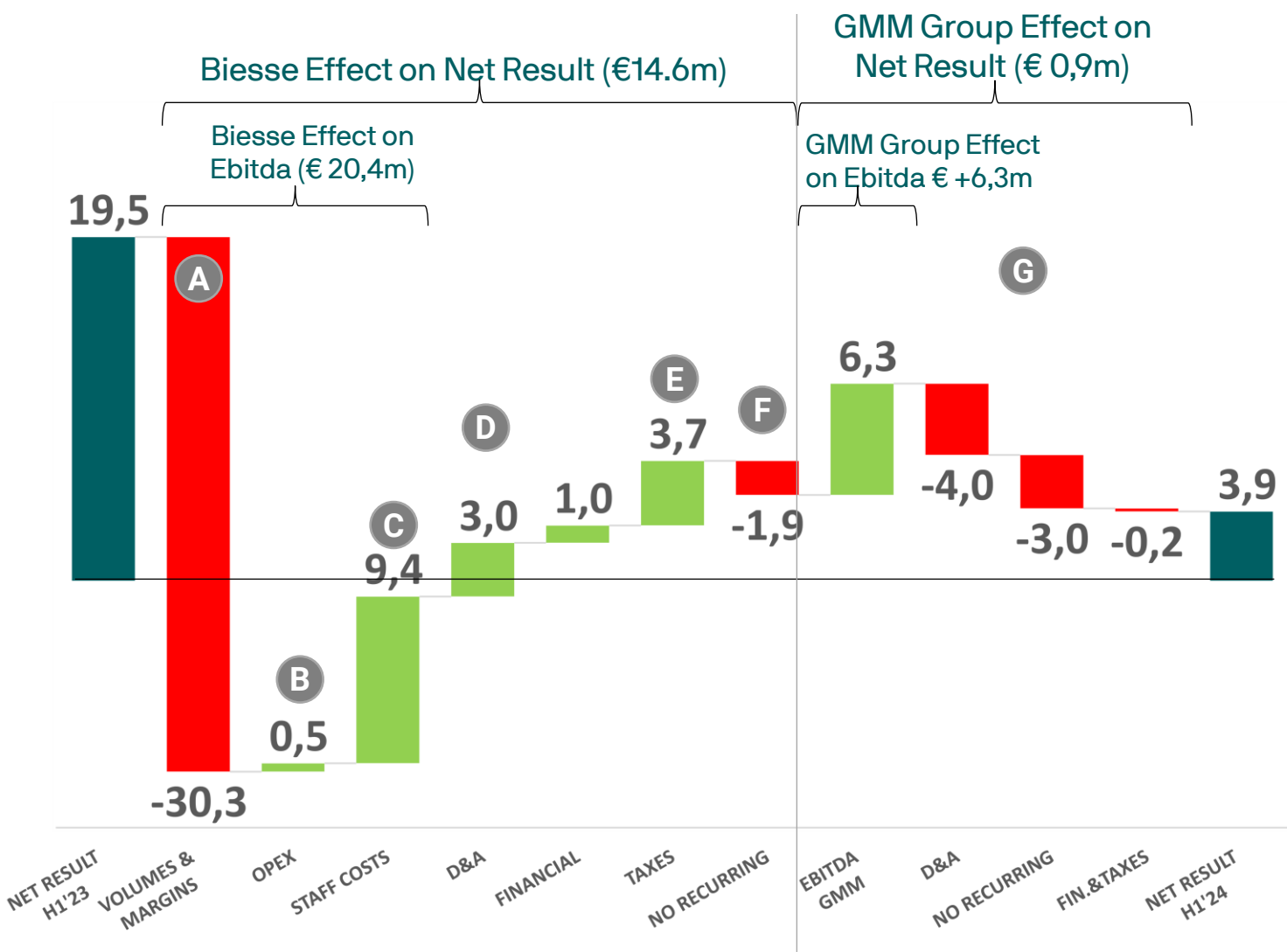
**D**

The Group has recorded a **Net Result** positive for € 3.9 mil., € (15.6) mil. lower than H1 2023.



# THE GROUP-BRIDGE NET RESULTS H1 2023 VS H1 2024

Net result as of 30<sup>th</sup> June 2024 has been equal to € 3.9 mil., € (15.6) mil. compared with H1 2023.



- A** Revenues lower compared with H1 2023 of about € 85 mil., generating a lower marginality equal to € 43.6 mil. However, industrial margin improves of 4.3% because of the mix effect and of minor devaluations for € 2.3 mil.
- B** OPEX lower due to savings in trade shows and in business trips, partially compensated with higher consultancy and IT costs.
- C** Labor costs lower of about 9.4 mil. due to higher turnover, “cassa integrazione” and lower variable rewards, notwithstanding higher inflation costs.
- D** D&A lower of roughly € 3 mil. due to changes in capitalization policies, lower provisions and lower devaluations in R&D.
- E** Taxes: positive effect due to minor result of the period. Tax rate increased compared with H1 2023 (50% vs 28%).
- F** Non-recurring: higher due to a capital gain recorded in H1 2023
- G** GMM: negative effect on net result of the H1 2024 due to amortization of PPA, non-recurring costs related to the acquisition and restructuring costs of € 2 mil.

# THE GROUP – REVENUES BY GEOGRAPHY



Value in €m	CONSOLIDATED			Biesse			GMM	GMM Group	
AREA GEO	H1 2024(A)	H1* 2023(A)	H2* 2023(A)	H1 2024(A)	H1* 2023(A)	H2* 2023(A)	H1 2024(A)	H1** 2023(A)	H2** 2023(A)
<b>AMERICAS</b>	<b>88,8</b>	<b>79,3</b>	<b>76,1</b>	<b>68,4</b>	<b>79,3</b>	<b>76,1</b>	<b>20,4</b>	<b>20,4</b>	<b>17,3</b>
<b>% on Total</b>	<b>22%</b>	<b>19%</b>	<b>21%</b>	<b>21%</b>	<b>19%</b>	<b>21%</b>	<b>33%</b>	<b>31%</b>	<b>28%</b>
USA - MEXICO	64,9	60,1	53,0	47,2	60,1	53,0	17,7	17,9	15,1
CANADA	13,1	14,0	15,1	12,0	14,0	15,1	1,0	0,0	0,7
LATIN AMERICA	10,8	5,2	8,0	9,2	5,2	8,0	1,6	2,5	1,4
<b>APAC</b>	<b>54,3</b>	<b>42,2</b>	<b>41,1</b>	<b>47,1</b>	<b>42,2</b>	<b>41,1</b>	<b>7,2</b>	<b>8,4</b>	<b>5,6</b>
<b>% on Total</b>	<b>14%</b>	<b>10%</b>	<b>11%</b>	<b>14%</b>	<b>10%</b>	<b>11%</b>	<b>12%</b>	<b>13%</b>	<b>9%</b>
OCEANIA	25,5	17,7	16,6	20,1	17,7	16,6	5,4	6,6	4,5
INDIA	10,1	7,6	7,2	9,8	7,6	7,2	0,3	0,0	0,1
CHINA-TAIWAN	11,1	9,7	9,1	10,8	9,7	9,1	0,4	0,2	0,4
OTHERS	7,6	7,2	8,1	6,5	7,2	8,1	1,1	1,6	0,7
<b>EMEA</b>	<b>252,7</b>	<b>296,7</b>	<b>249,7</b>	<b>217,8</b>	<b>296,7</b>	<b>249,7</b>	<b>34,8</b>	<b>36,0</b>	<b>38,3</b>
<b>% on Total</b>	<b>64%</b>	<b>71%</b>	<b>68%</b>	<b>65%</b>	<b>71%</b>	<b>68%</b>	<b>56%</b>	<b>56%</b>	<b>63%</b>
NEEA	72,1	87,9	74,2	65,5	87,9	74,2	6,5	8,1	6,7
ITALY	56,0	86,3	71,2	47,4	86,3	71,2	8,7	13,8	12,0
DACH	32,6	34,1	24,4	28,9	34,1	24,4	3,7	4,5	4,2
FRANCE	29,4	26,6	32,1	26,0	26,6	32,1	3,4	0,6	2,2
UK - IRELAND	19,1	27,1	15,5	16,6	27,1	15,5	2,4	2,7	2,2
OTHERS	46,0	34,7	32,3	33,4	34,7	32,3	12,5	9,1	13,3
<b>Total</b>	<b>395,7</b>	<b>418,2</b>	<b>366,8</b>	<b>333,3</b>	<b>418,2</b>	<b>366,8</b>	<b>62,4</b>	<b>64,8</b>	<b>61,2</b>

EMEA, even after the acquisition of GMM, remains the main market of the Group, with revenues in H1 2024 equal to € 252.7 mil., 64% of the global sales.

\* Data for 2023 does not include GMM Group in the perimeter

\*\* Data presented pro-forma in order to allow comparability

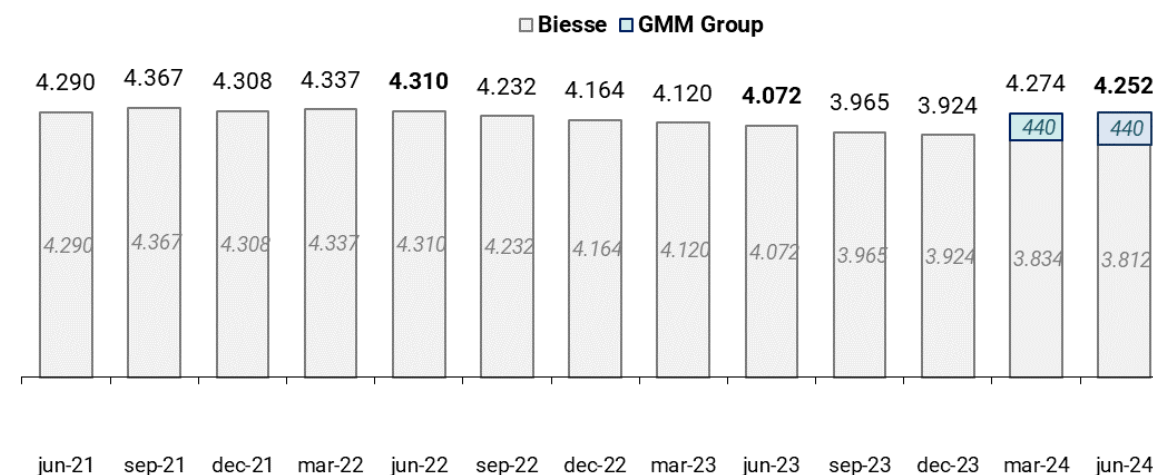
# THE GROUP – HEADCOUNT TREND



Headcount	JUN 2024	%	JUN 2023*	%	Δ	Δ %
Italy	2.141	50%	2.422	59%	-281	-12%
Rest of the world	1.671	39%	1.650	41%	21	1%
BIESSE	3.812	90%	4.072	100%	-260	-6%
GMM Group	440	10%	NA	NA	440	NA
<b>TOTAL</b>	<b>4.252</b>	<b>100%</b>	<b>4.072</b>	<b>100%</b>	<b>180</b>	<b>4,4%</b>

Headcount as of June 2024 has recorded a growth of 180 unities compared with June 2023. The growth is due to the integration of GMM Group, partially compensated by a reduction of 260 unities in Biesse's perimeter.

Headcount	JUN 2024	MAR 2024	DEC 2023*	SEP 2023*	JUN 2023*
Italy	2.141	2.189	2.265	2.312	2.422
Rest of the world	1.671	1.645	1.659	1.653	1.650
BIESSE	3.812	3.834	3.924	3.965	4.072
GMM Group	440	440	NA	NA	NA
<b>TOTAL</b>	<b>4.252</b>	<b>4.274</b>	<b>3.924</b>	<b>3.965</b>	<b>4.072</b>



\* Data for 2023 does not include GMM Group in the perimeter

# THE GROUP – H1 2024 NWC & NFP



Value in €m	H1 2024	DEC 2023*	Δ	H1 2023*	Δ
Inventories	216,3	168,4	47,9	207,8	8,6
Trade receivables	129,2	116,6	12,6	129,1	0,1
Trade payables	(155,7)	(135,3)	(20,5)	(174,6)	18,8
Contract liabilities	(103,8)	(108,0)	4,3	(114,4)	10,6
<b>Net operating working capital</b> <b>A</b>	<b>86,0</b>	<b>41,7</b>	<b>44,3</b>	<b>48,0</b>	<b>38,1</b>
<b>Net financial position without IFRS16</b>	<b>24,4</b>	<b>118,5</b>	<b>(94,0)</b>	<b>113,1</b>	<b>(88,7)</b>
<b>Net financial position</b> <b>B</b>	<b>(7,4)</b>	<b>93,0</b>	<b>(100,4)</b>	<b>91,9</b>	<b>(99,3)</b>

**A** The **operative net working capital** has increased of € 44.3 mil. compared with December 2023, mainly because of the variation of the consolidation perimeter as consequence of the **acquisition of GMM Group**. The remaining part of the effect is due to the decrease recorded in contract liabilities, equal to € 4.3 mil., influenced by the slowdown of order intake already started during 2023.

**B** **Net financial position** is negative for € 7.4 mil. Compared with year-end 2023, the indicator decreases of € 100.4 mil., mainly because of the financial disbursement for the acquisition of GMM Group, the dynamics related to net working capital and the payment of dividends in May for a total amount of 3.8 million euros. **Without the effects related to the application of IFRS16, NFP as of June 30<sup>th</sup> 2024, was positive for € 24.4 mil.**

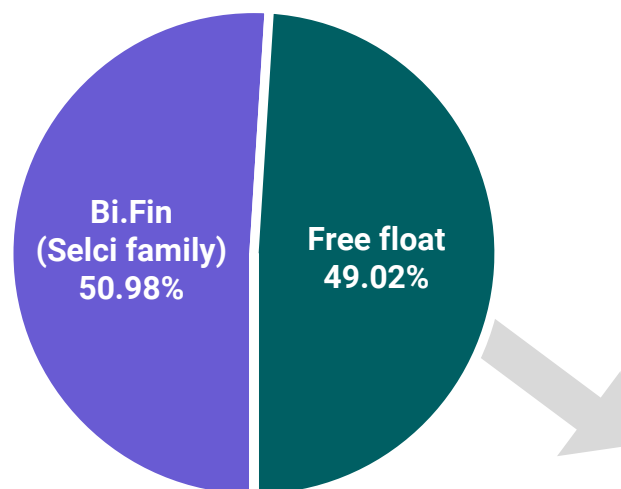
# THE GROUP - SHAREHOLDER DISTRIBUTION



## Biesse Board of Directors

- Roberto Selci (President)
- Massimo Potenza (C.E.O.)
- Alessandra Baronciani
- Rossella Schiavini
- Federica Ricceri
- Massimiliano Bruni
- Cristina Sgubin

## Shareholders distribution



## Top 5 Shareholders

