



Company presentation – London 5-6 October
Star Conference 2015

Biesse Group

Biesse Group is a global leader in the technology for processing wood, glass, stone, plastic, advanced materials and metal.

Founded in Pesaro in 1969 by Giancarlo Selci, the company has been listed on the Stock Exchange (*STAR segment*) since June 2001.

Innovation is our driving force

Innovation is the driving force in the way we do business, continuously striving for excellence to support our customers' competitiveness.

We innovate to produce the most widely-sold processing centres in the world.

We innovate to introduce new technology standards to the market
We innovate to design production lines and systems for large enterprises.

We innovate to develop solutions and software programs to facilitate our customers' day-to-day activities.

Innovation is hard-wired in our DNA.
Past, present and future.



In
How
Where
With
We

- 1 industrial group, 4 divisions and 8 production sites
- more than 200 patents registered
- 33 branches and representative offices
300 agents/certified dealers
- customers in
120 countries
- almost 3,100 employees
(temporary workers included)
throughout the world

Worldwide distribution



Italy

Brianza
Triveneto

U.K.

Daventry

Switzerland

Luzern

Sweden

Jönköping

Russia

Moscow

Germany

Elchingen
Löhne
Gingen

France

Lyon

Spain

Barcellona

Portugal

Lisbona

U.A.E.

Dubai

North America

Charlotte
Montreal
Toronto
Los Angeles
Forth Lauderdale

Brazil

San Paolo

India

Bangalore
Mumbai
Noida

China

Shanghai
Dongguan
Guangzhou

Asia

Singapore
Kuala Lumpur
Jakarta
Seoul

Oceania

Sydney
Brisbane
Melbourne
Perth
Auckland

Biesse

Since 1969

Specialised in the woodworking segment.
Solutions for joiners and large furniture, windows, doors and
wood building components manufacturers.



Intermac

Since 1987

Specialised in the glass and stone processing sector.

Solutions for the flat glass and stone processing industry and for the furniture, construction and automotive industry.

Today

Is one of the most prestigious brands in this sector.

Technological independence

Mechatronics

Biesse Group directly designs and manufactures all high-tech components for its machines.

Thanks to a dedicated business unit specialised in Mechatronics, it manufactures key components to guarantee high performance and competitive advantage to its customers.

Cutting-edge

Diamut creates customised diamond and binder mixes - tools developed and field-tested on the basis of customers requirements.

Using high-tech tools, it is possible to process any material, from stone through to concrete, ceramic, glass and man-made materials.



Wide customer base
in more than
120 countries

Major customers wood



Major customers glass & stone



Major customers mechatronic



Lago, Italy



FIAM, Italy



The Sagrada Familia sites bets on Biesse



Moda Life, Turkey



VKDP, Russia



SCA Indústria de Móveis, Brazil



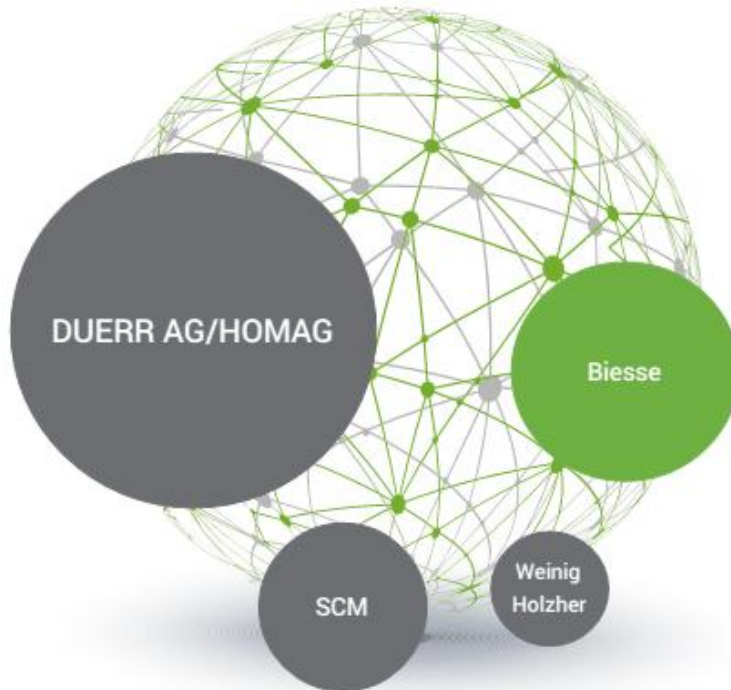
Biesse

“..show them Inside..”

Biesse **In**side (Pesaro, Italy)
but not only...
dedicated and large show
rooms in the most important
countries

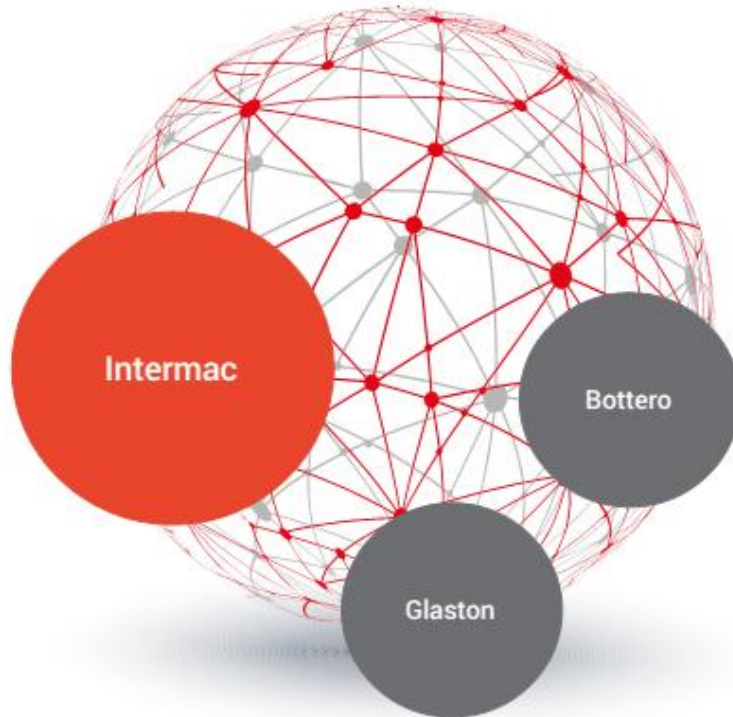
Main world competitors

Main world competitors: **wood**



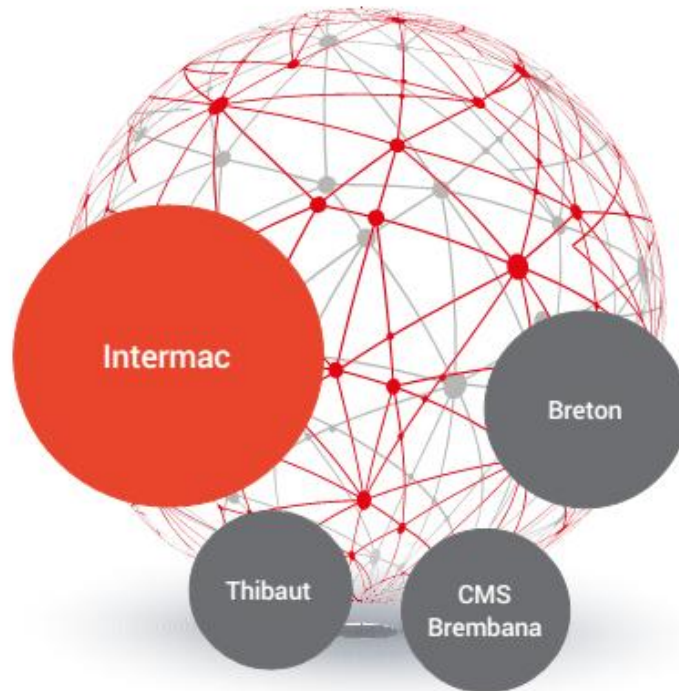
company evaluation

Main world competitors **glass**



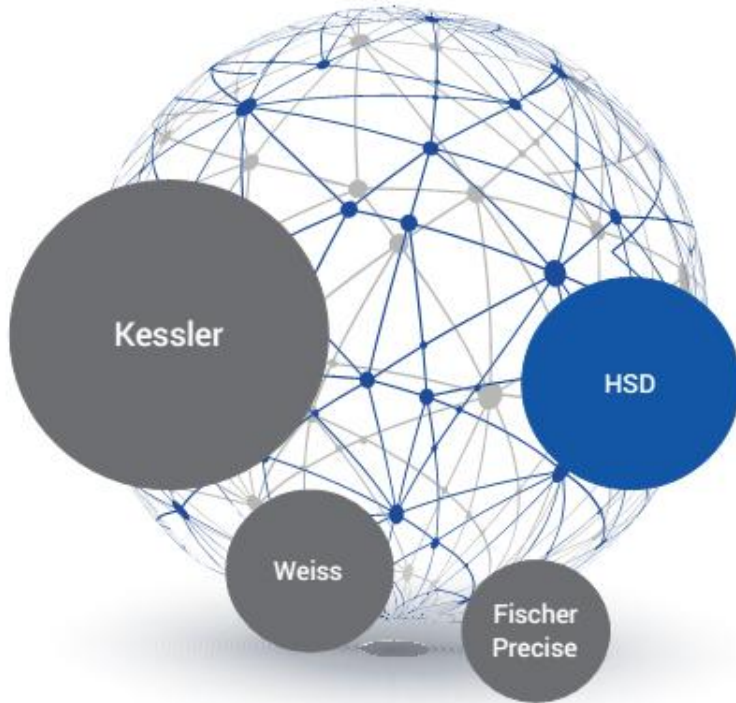
company evaluation

Main world competitors **stone**



company evaluation

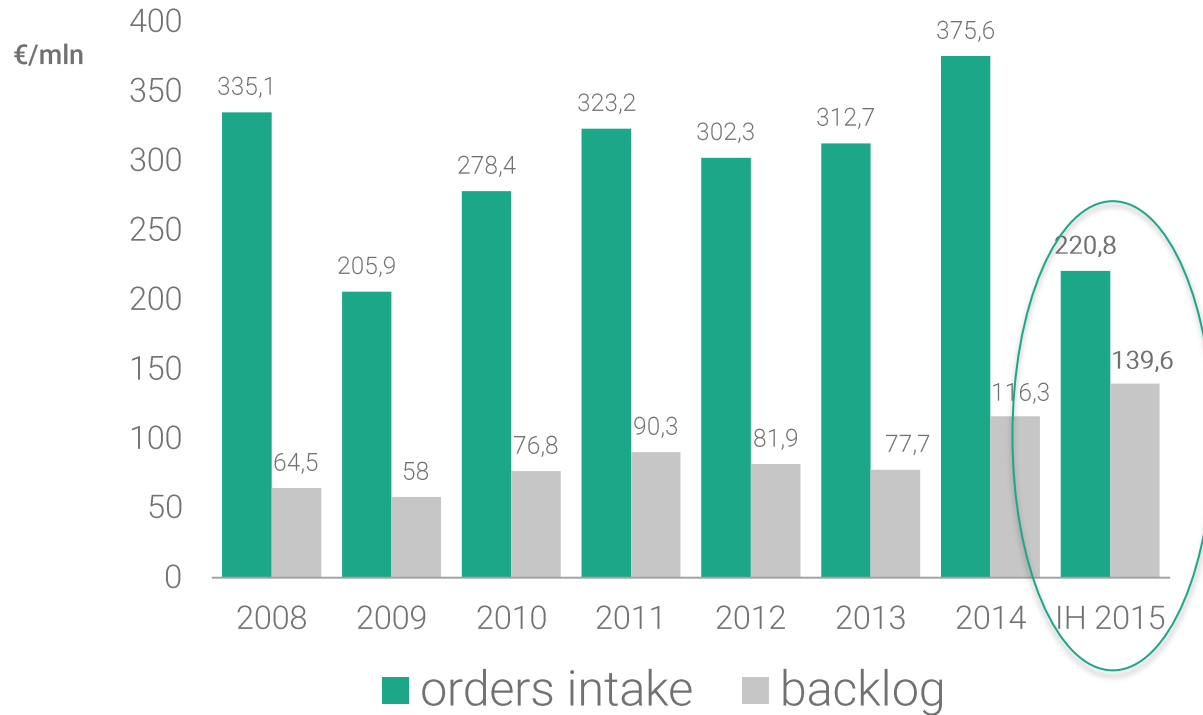
Main world competitors **mechatronics**



company evaluation

Orders intake & backlog

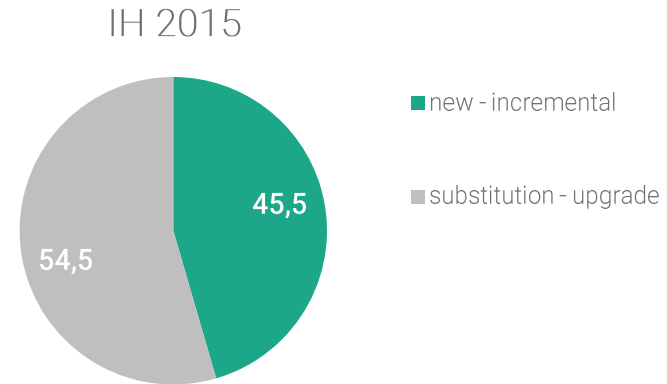
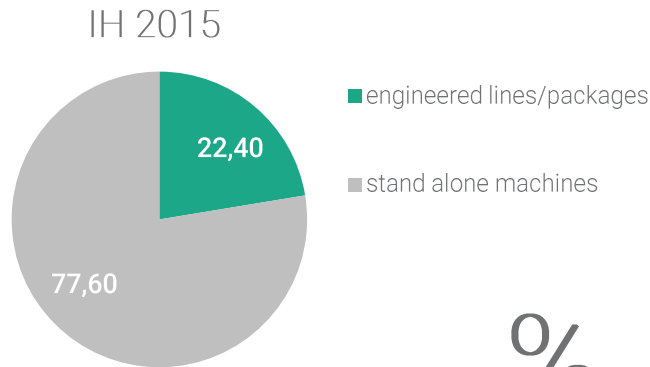
Group order intake & backlog



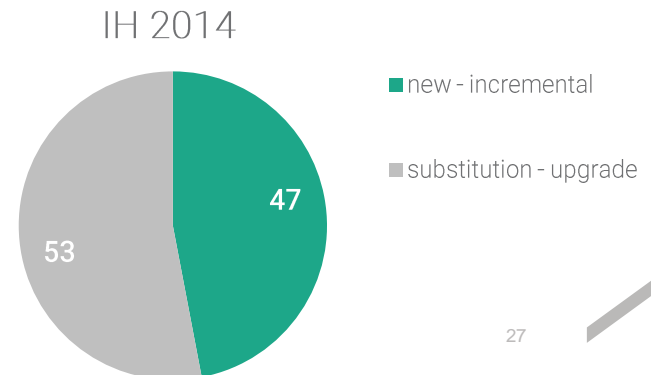
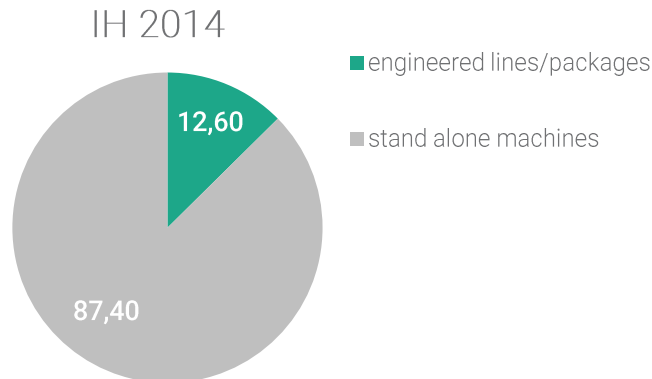
- IH 2015 : Group orders intake **+13%** (vs the same period 2014)
- IH 2015 : Group backlog June 2015 **+29.5%** (vs the same period 2014)
- **August update: orders intake +15.6%** (vs the same period 2014)

Breakdown

orders backlog breakdown by type & destination *(company evaluation)*



%

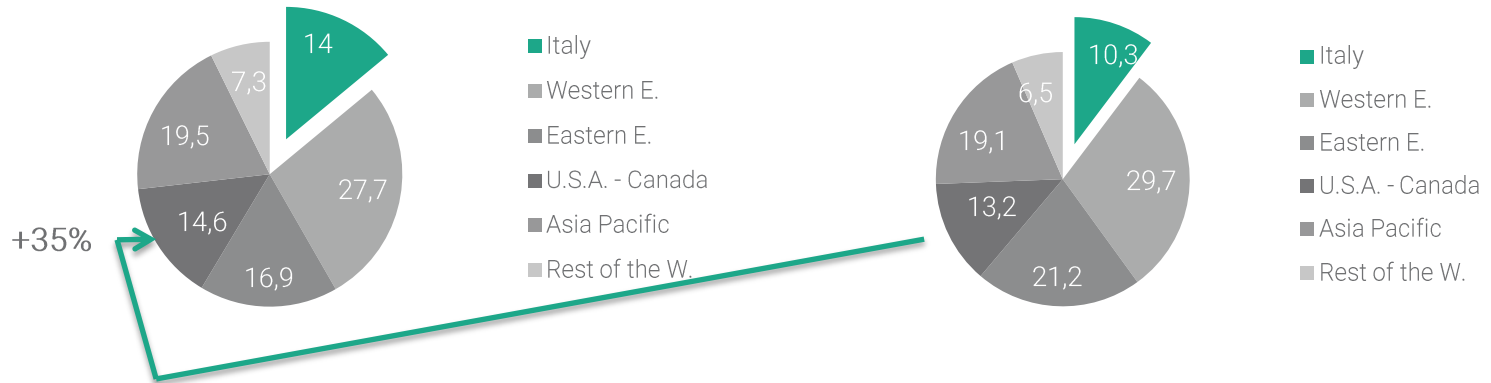


Sales breakdown by country

%

IH 2015

IH 2014



IH 2015 B.R.I.C. 11.8%

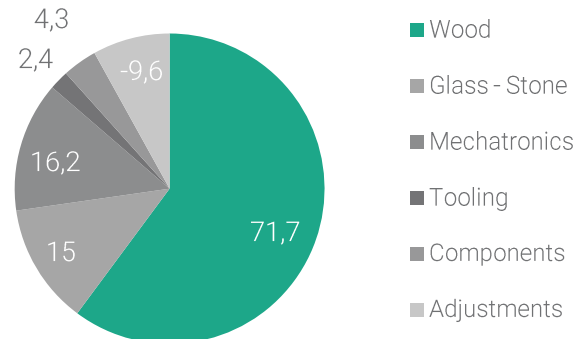
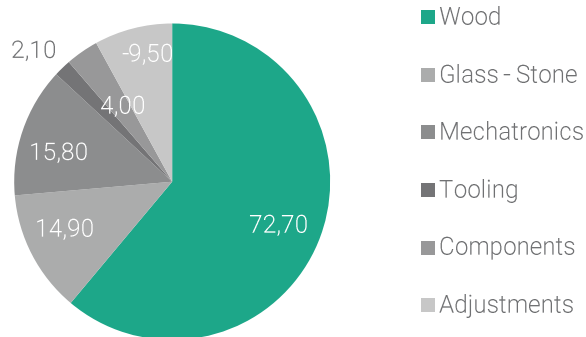
IH 2014 B.R.I.C. 14.5%

Sales breakdown by division

IH 2015

%

IH 2014

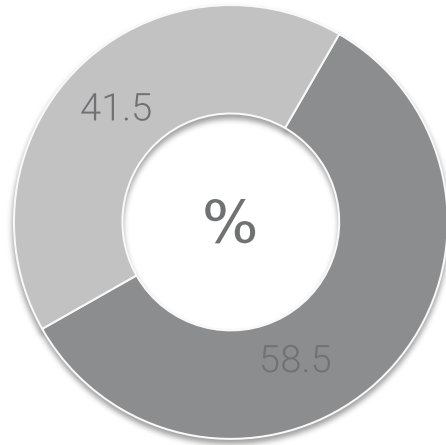


employees breakdown by destination

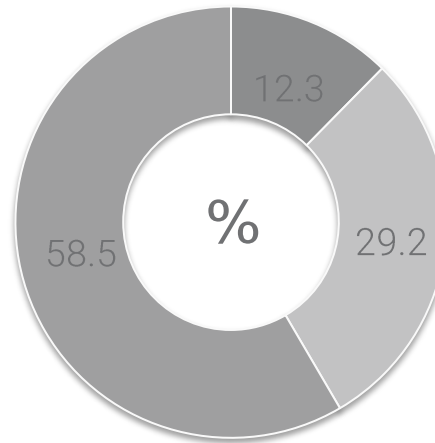
	June 2015	2014	2013	2012	2011	2010
manufacturing %	1,222 41%	1,201 42%	1,175 44%	1,265 45%	1,250 46%	965 41%
service & after-sales %	655 22%	628 22%	613 23%	574 21%	577 21%	568 24%
R&D %	366 12%	361 13%	321 12%	338 12%	316 12%	293 12%
sales & marketing %	453 15.4%	439 15%	351 13%	364 13%	361 13%	340 14%
g & a %	251 9%	252 9%	235 9%	242 9%	233 9%	202 9%
Italy %	1,638 56%	1,605 56%	1,547 57%	1,646 59%	1,656 61%	1660 70%
outside Italy %	1,309 44%	1,276 44%	1,148 43%	1,136 41%	1,081 39%	708 30%
TOTAL	2,947*	2,881	2,695	2,782	2,737	2,368

*without temporary workers

Shareholders breakdown



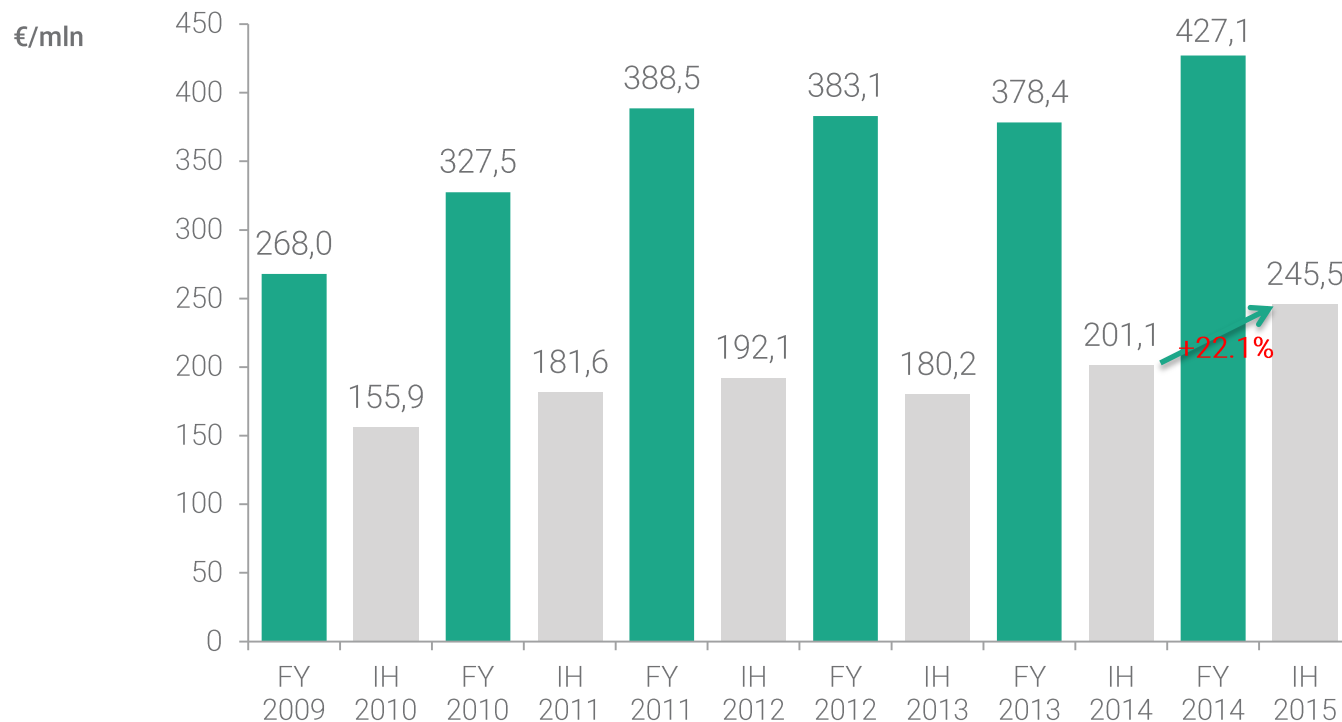
■ Bi.Fin s.r.l (Selci family)
 ■ free float



■ retail
 ■ institutional
 ■ Selci family

IH 2015: consolidated financial

Group turnover



P&L: main items

€/mln	IH 2014	IH 2015	Delta %
Net sales	201.1	245.5	+22.1%
Value added	79.8 39.7%	101.9 41.5%	+27.7%
Labour cost	62.9 31.3%	72.9 29.7%	+16.1%
EBITDA	16.9 8.4%	28.9 11.8%	+70.7
EBIT	9.7 4.8%	20.2 8.2%	+108.1%
Net result	3.9 2.0%	10.5 4.3%	+115,3%
tax rate	53.7%	43.0%	

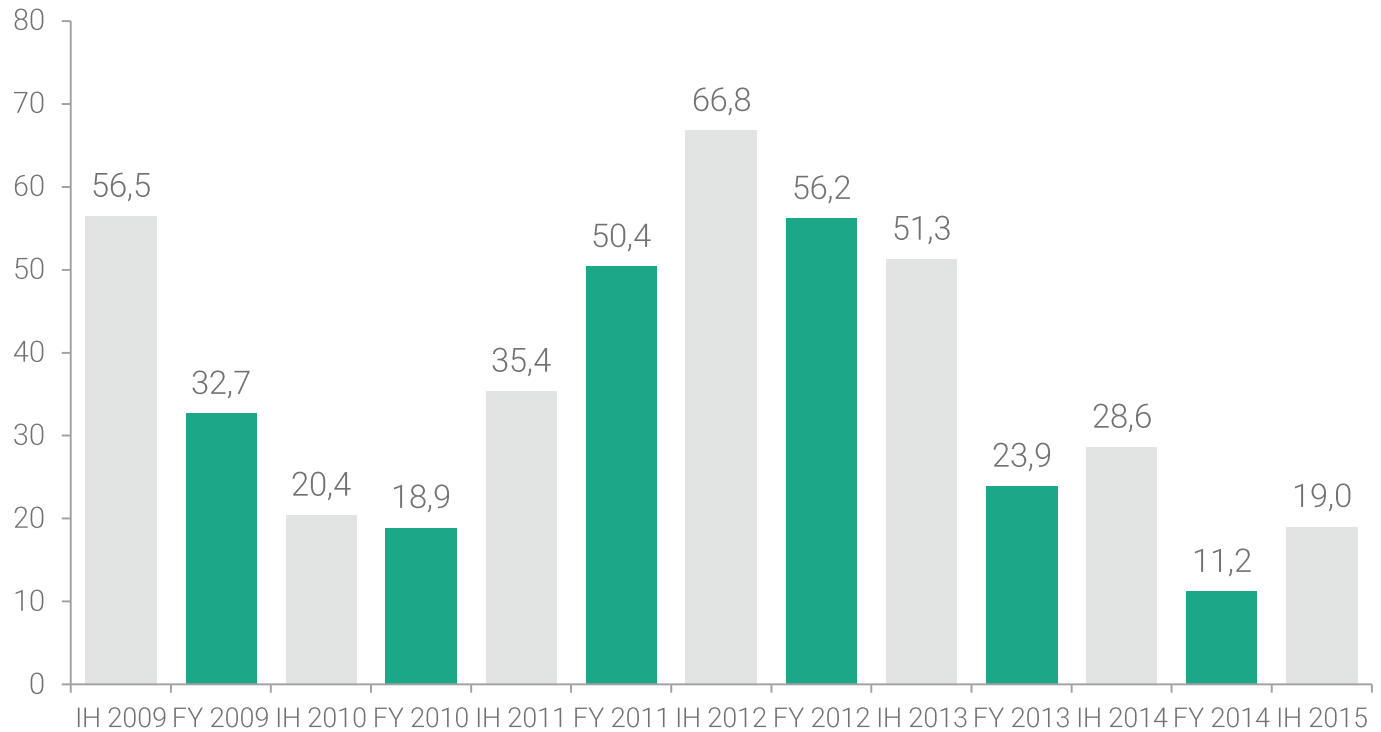
Operating net working capital

€/m	IH 2014	IH 2015	Delta €
inventory % over IH net sales	98.7 49.1%	124.3 50.6%	25.6
trade receivables % over IH net sales	78.5 39.0%	99.6 40.6%	21.1
trade payables % over IH net sales	118.8 59.1%	157.2 64.0%	38.4
operating net working capital % over IH net sales	58.4 29.0%	66.8 27.2%	8.4

Cashflow

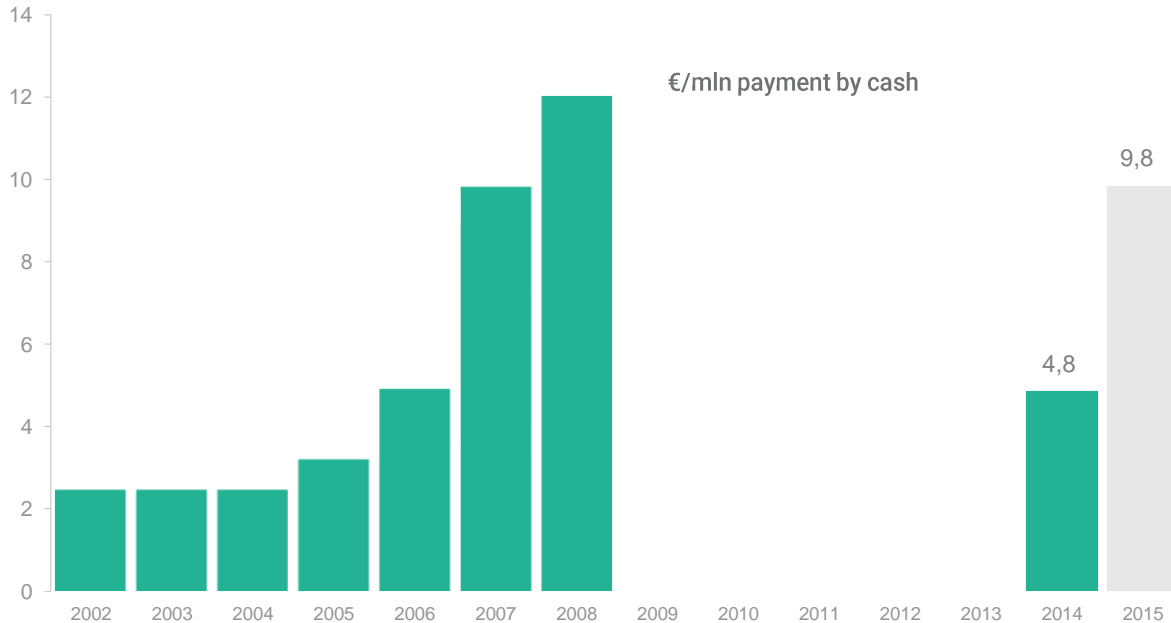
€/mln	IH 2014	IH 2015	Delta €
OPERATIVE cashflow	9.0	9.7	+0.7
Investments	-8.8	-11.4	+2.6
FREE cashflow	0.1	-1.7	-1.8
<u>dividends paid</u>	-4.8	-9.8	

Net debt



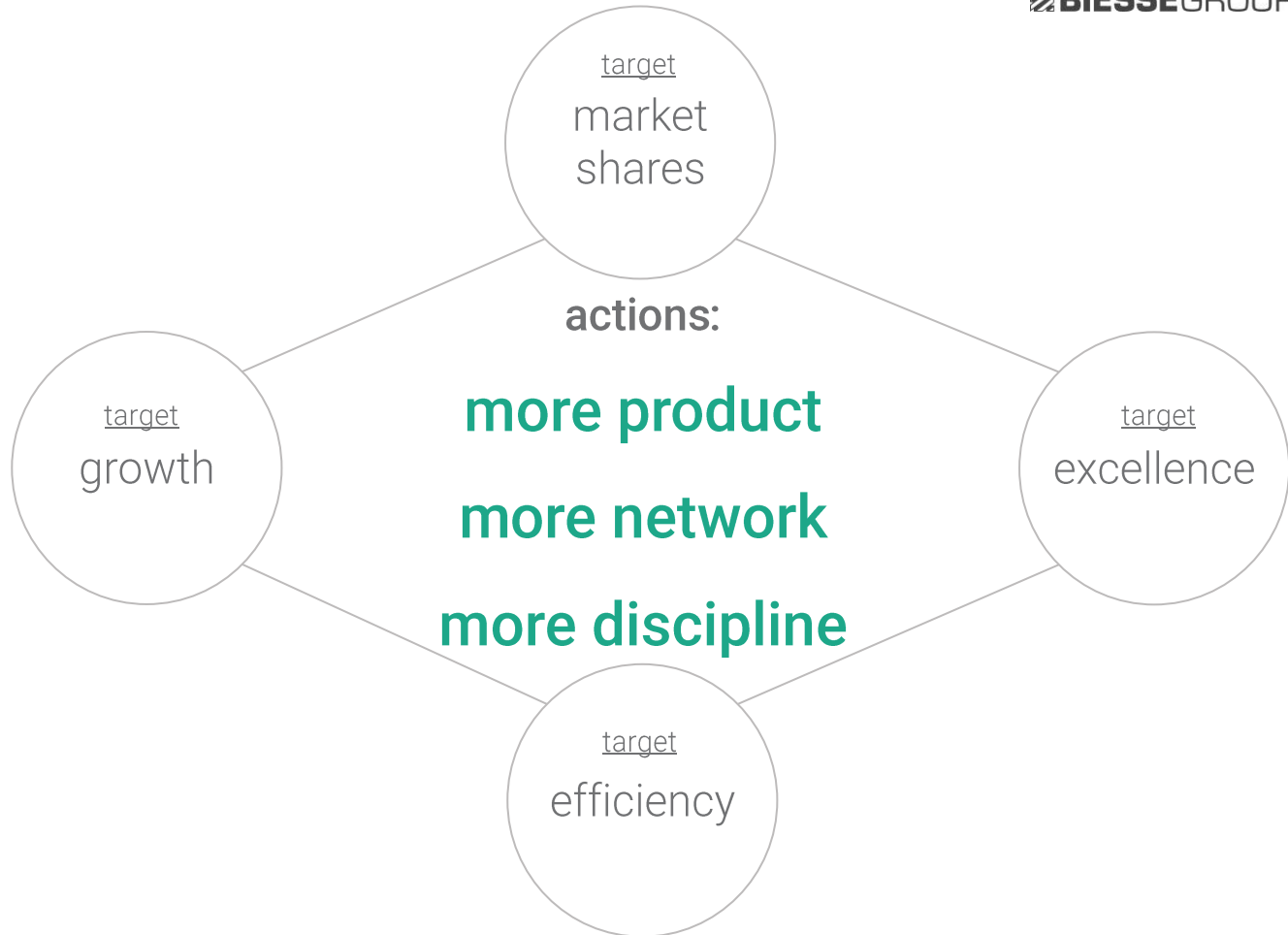
•August update: net debt 17.6 mln

Dividends paid



2015	may 18th <i>(may 20th value date)</i>	
dividends payment	€ 9,811,066.68	
payout	0.36 x share	67.7% (2014 Biesse s.p.a. net result)

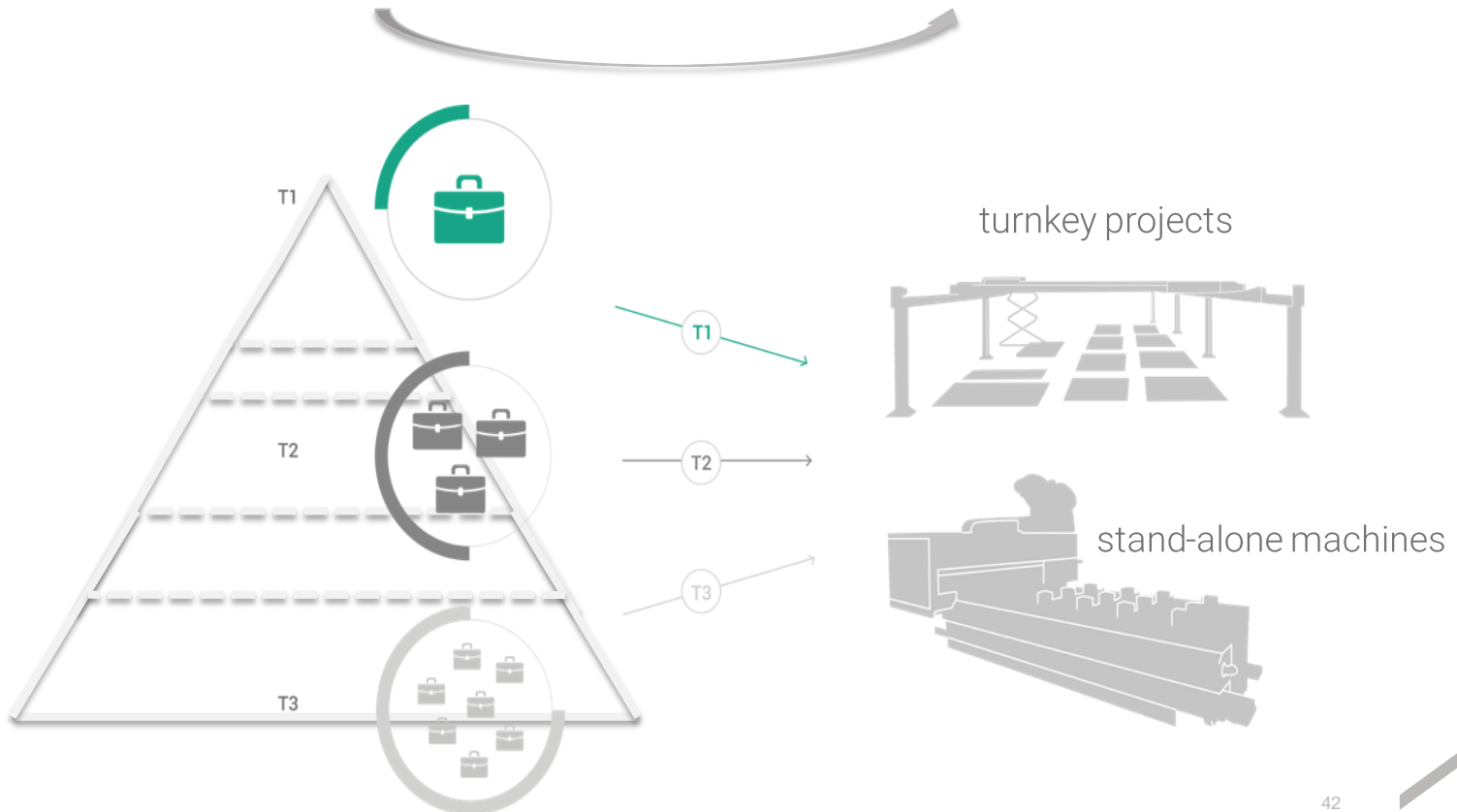
Three years business plan extract to remind (February 2015)



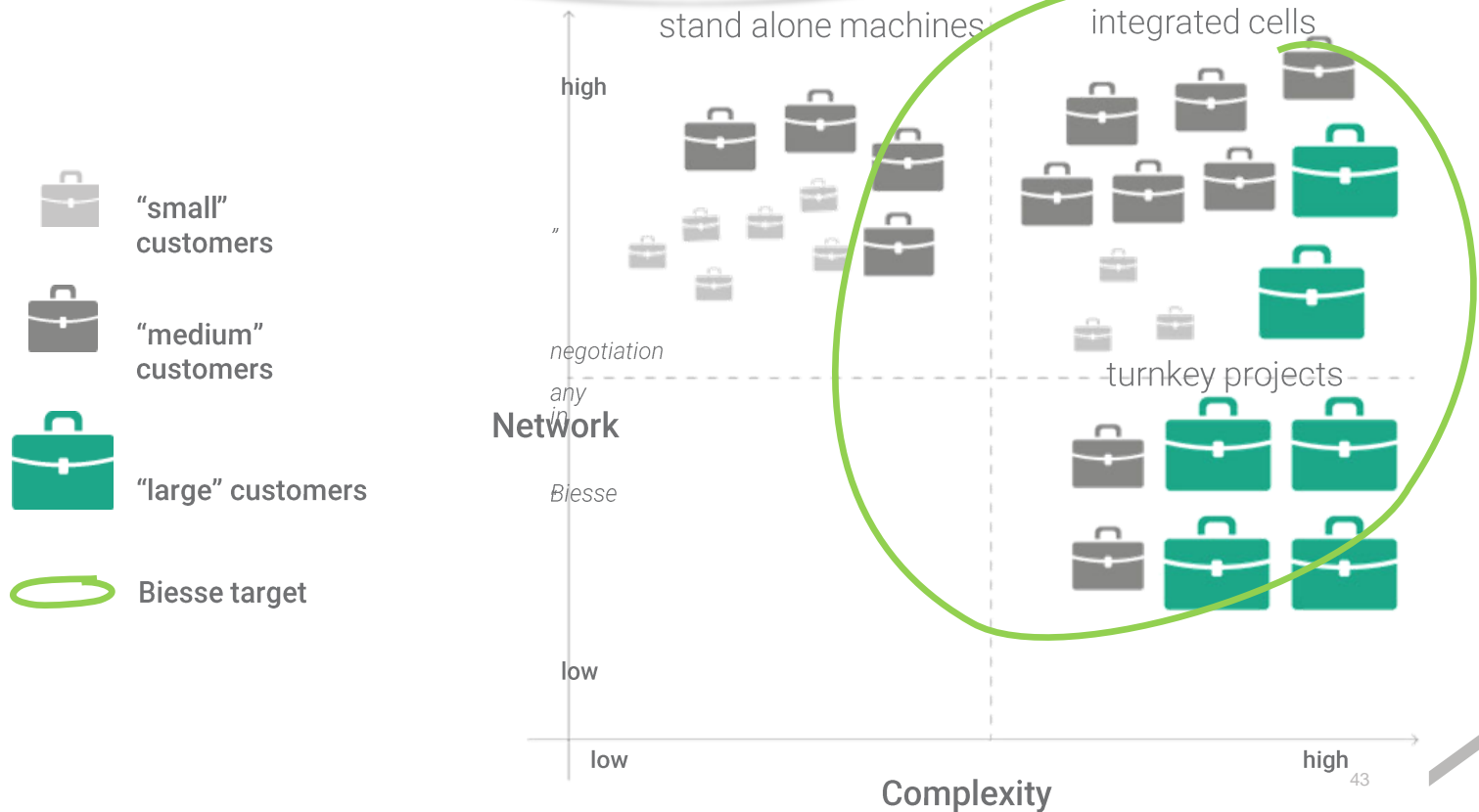
Strategy 2015-2017

main driver

From tri-band offer to dual strategy



From tri-band offer to dual strategy



More product

- plastic
- metal (*HSD*)
- bSuite (*software*)
- Systems / cells (*batch one lines- winstore range*)
- new glass and stone range

More network



- subsidiaries & trade channel development, increased headcount for foreign subsidiaries (*salespeople & engineers*), enhanced training and expertise
- development of Latin America sales network /manufacturing (*Brazil*) and of Asia sales network
- development of overseas manufacturing (*India and China*)
- group marketing & communications

More discipline

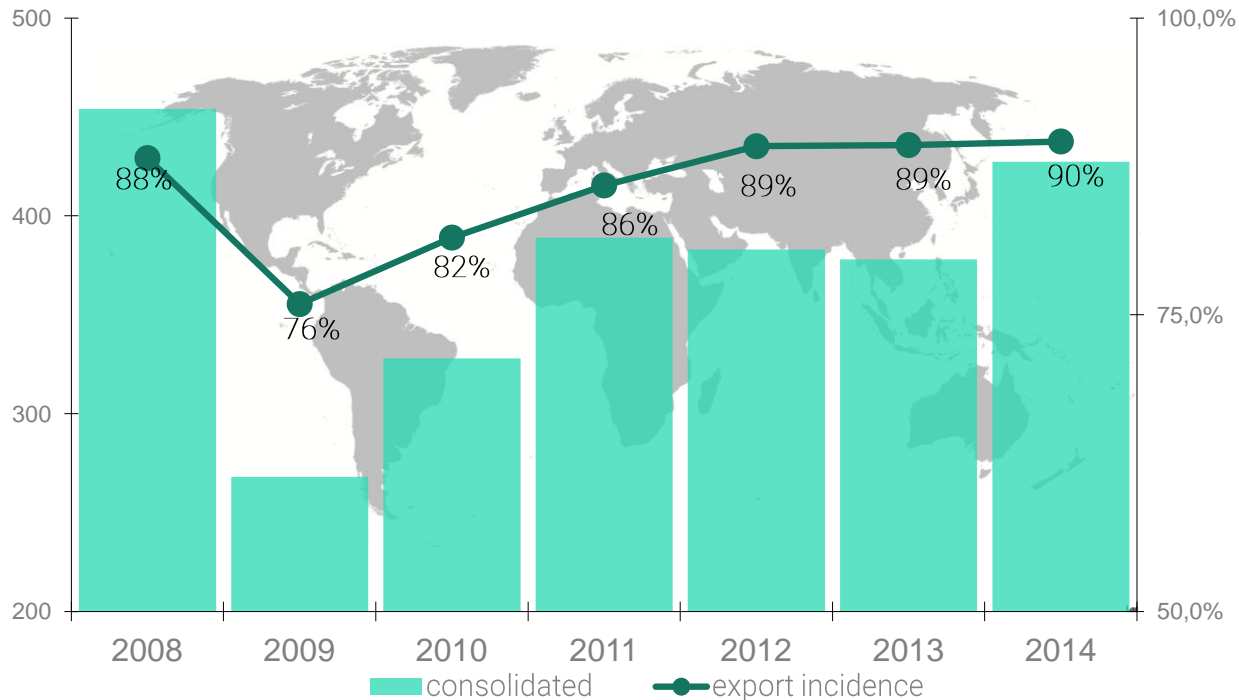


- control non-strategic structural costs
- pay-off for software upgrades (*financial incentive to upgrade*)
- tight control of operating net working capital
- product reliability/quality as a key factor for the reduction of collection days (*DSO ratio*)
- increase organic cashflow, reduce net debt and pay regular dividends

financials
orders
market shares

subsidiaries – trade channel

export share of consolidated revenues



subsidiaries: guidelines

- 
- A faint, grayscale world map is visible in the background of the slide, centered behind the list of guidelines.
- **invest** in human resources and capabilities as growth drivers
(*network & technology*)
 - **transform** the management approach from EBIT-driven to EBIT-conscious >>> **focus on market share and growth**
 - **improve** after-sales service quality to gain customers' trust
 - **enhance** sales and marketing integration

trade channel: guidelines

- 
- A faint, light gray world map is visible in the background of the slide, centered behind the list of guidelines.
- **consolidate** market share for cutting, edgebanding and drilling for the top of the market range
 - **hire** specialised staff and dedicated (*resident*) key account managers to develop line and cell sales in particular
 - **focus** on “growth” customers target group in the medium-high range segment, with a focus on “production upgrade”
 - **strengthen** the dealer network for the “stand-alone machine range” (*salespeople, engineers, service engineers*) to increase the integration with “made in Biesse” products manufactured in China and India
 - **monitor** discount policies to safeguard sales margin, increasing the perception of the “business offer system” and preventing price conflicts

2015 ongoing highlights

10.

2015 ongoing highlights

orders intake & backlog

- **orders intake** : **worldwide growth** driven by technological and reliable products despite markets difficulties
- **backlog** (machines to be invoiced): constantly exceeding € 100 mln. with a turnover visibility (average) of 4-5 months
- **market shares** : perception of an **increase** in all the business divisions

from Hannover through Las Vegas to...Pesaro

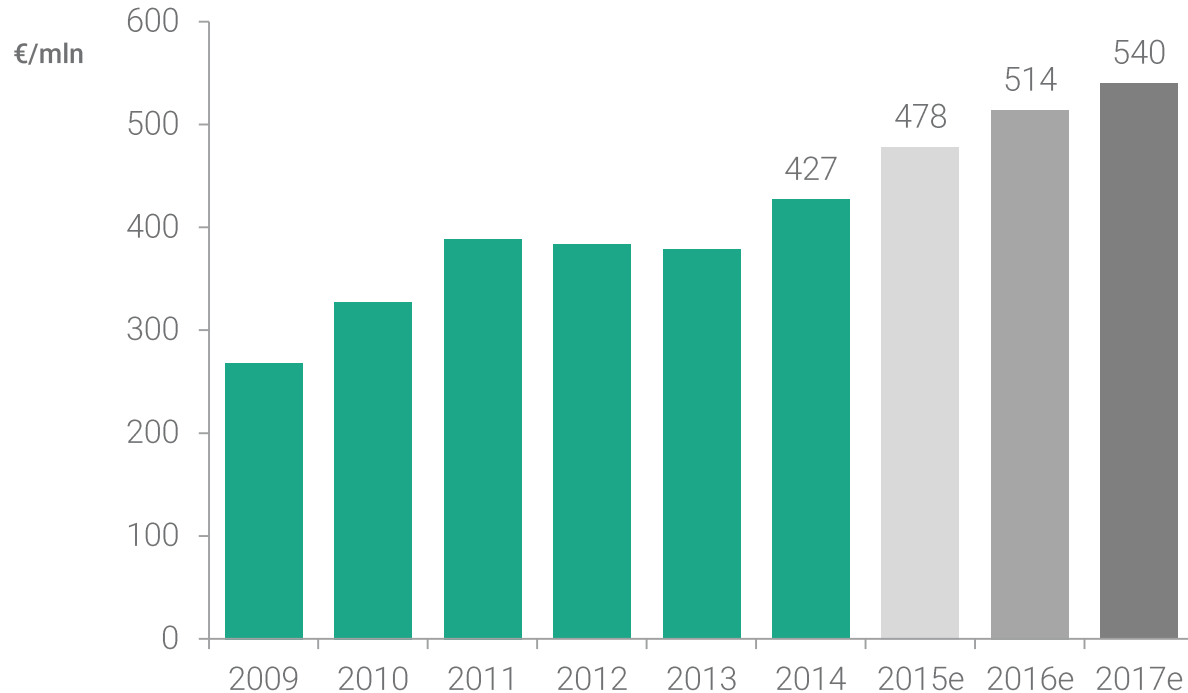
- **LIGNA** – Hannover May 11-15 :Biesse exhibition area had 96,000. participants with a record increase (+63%) for orders intake (vs 2013 edition)
- **AWFS** – Las Vegas:July 22-25 : record orders intake with more than 1,000. participants
- **InsideBiesse**– Pesaro October 15-17 : in-house event (5,000 sm. Wood showroom) to demonstrate software & automation evolutions

cashflow generation

- **higher operative cashflow**: allowed an increase in investments and dividends paid
- **net debt reduction**: enlarged the capability to use the exceeding cash-facilities

three years business plan figures to remind (February 2015)

consolidated group turnover



CAGR 2015 -2017: 8.1%

consolidated P&L: main items

€/mln	2013	2014	2015e	2016e	2017e
Net sales	378,4	427,1	478,2	514,1	540,1
Cost of goods sold	156,5	171,2	187,1	201,5	210,5
Labour cost	112,7	128,2	142,0	151,0	158,6
overhead	81,4	89,7	97,8	99,4	101,9
EBITDA	30,9	40,9*	52,8	63,7	70,7
EBIT	15,1	26,5**	36,0	47,0	54,0

*before non-recurring items for 1.3 euro mln.

** before non-recurring items for 1.7 euro mln.

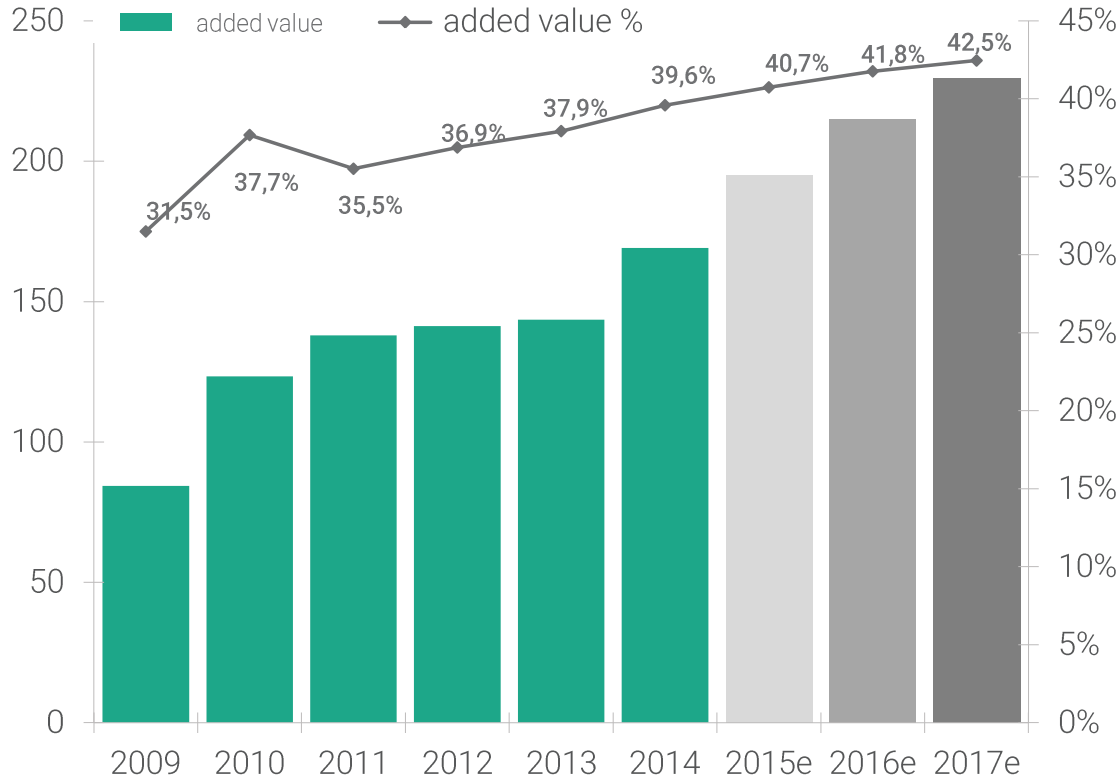
operating net working capital

€/m	2013	2014	2015°	2016°	2017e
inventory % over net sales	86.3 22.8%	98.1 23.0%	107.5 22.5%	113.6 22.1%	117.7 21.8%
trade receivables % over net sales	76.2 20.1%	80,7 18.9%	90.0 18.8%	95.0 18.5%	100.0 18.5%
trade payables % over net sales	111.1 29.4%	123.2 28.8%	135.0 28.2%	140.0 27.2%	145.0 26.8%
operating net working capital % over net sales	51.4 13.6%	55.6 13.0%	62.5 13.1%	68.6 13.3%	72.7 13.5%

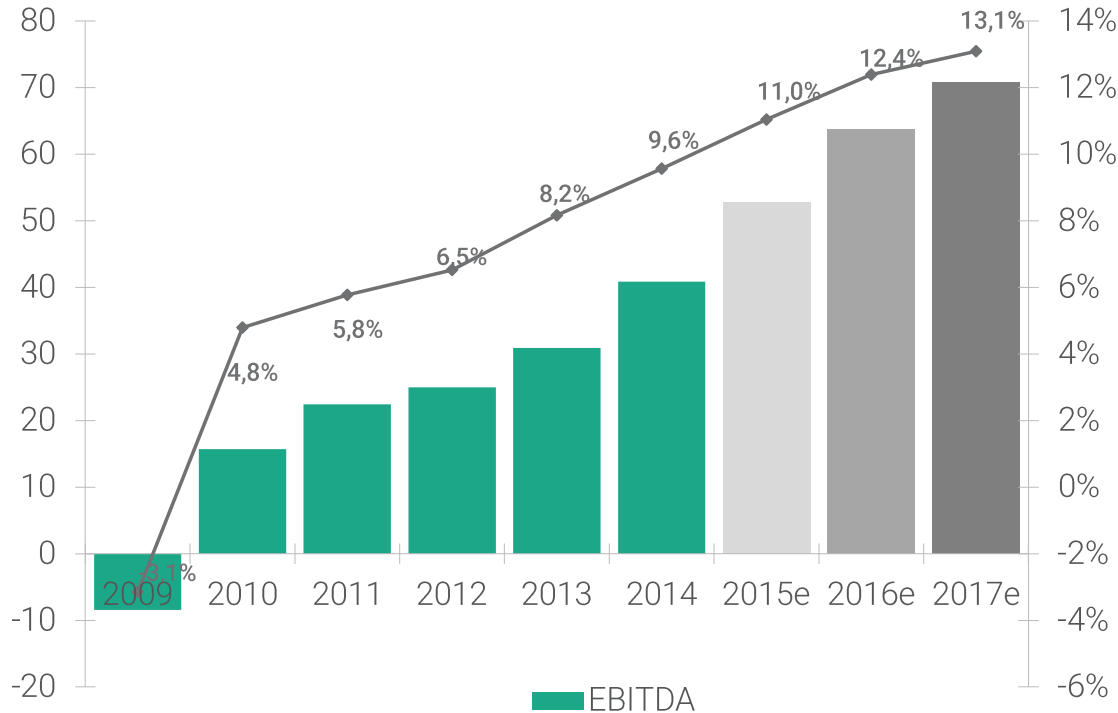
cashflow – net debt

€/mln	2013	2014	2015e	2016e	2017e
gross cashflow % over net sales	52.1 13.8%	38.3 9.0%	32.3 6.8%	41.4 8.1%	48.5 9.0%
investments % over net sales	-19.9 5.2%	-20.8 4.9%	-22.7 4.7%	-15.4 3.0%	-15.4 2.9%
free cashflow % over net sales	32.3 8.5%	17.5 4.1%	9.6 2.0%	26.0 5.1%	33.1 6.1%
<u>dividends</u>		-4.8	-9.8 0.36 per share	-9.8 0.36 per share	-9.8 0.36 per share
delta net debt		12.7	-0.2	16.2	23.3
net debt (net financial position)	-23.9	-11.2	-11.4	+4.9	+28.2

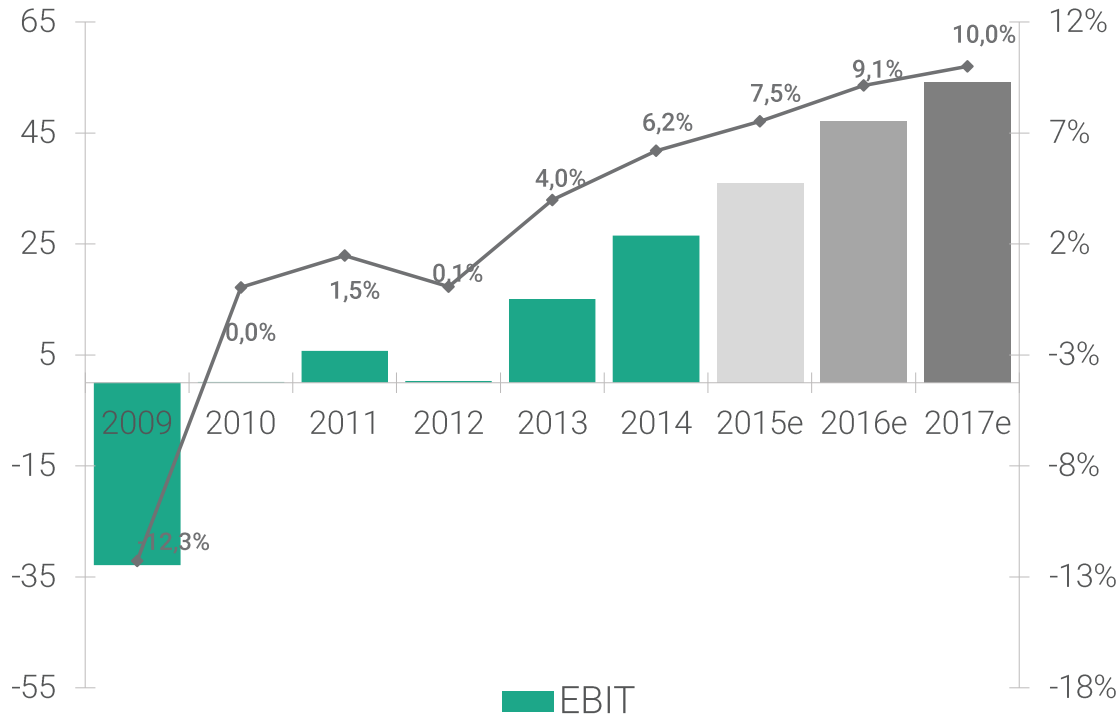
added value



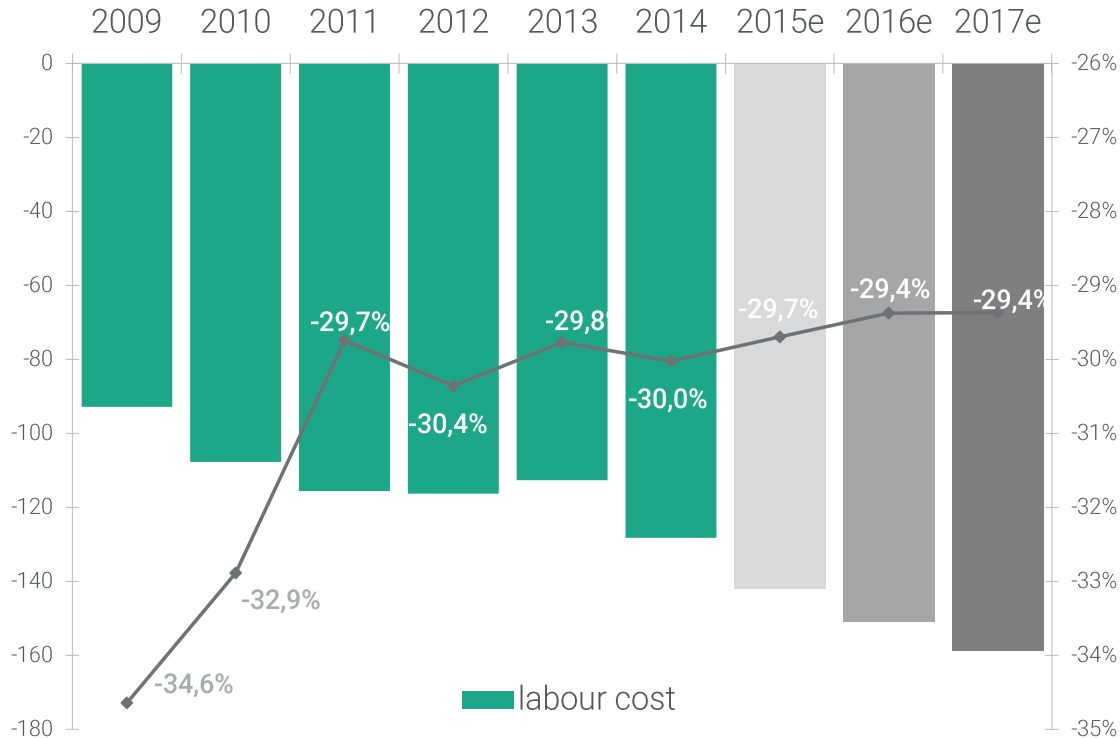
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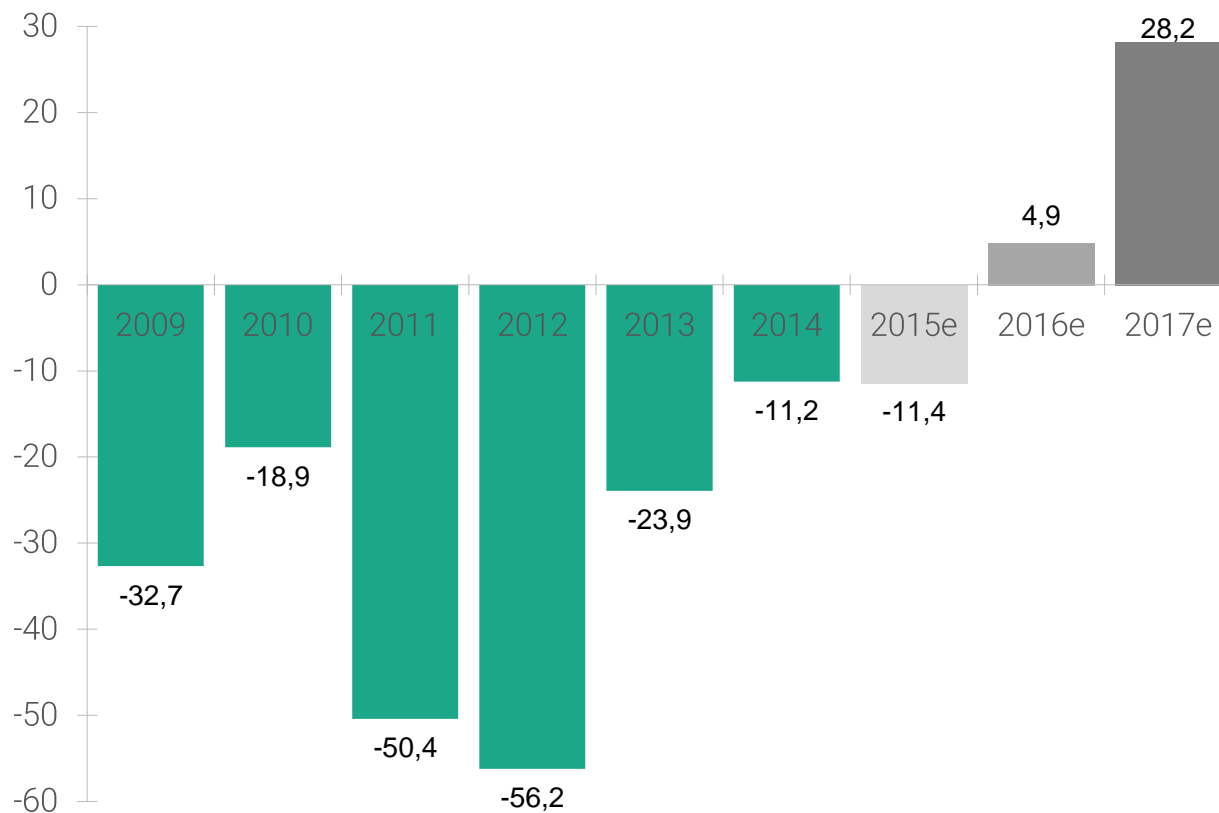
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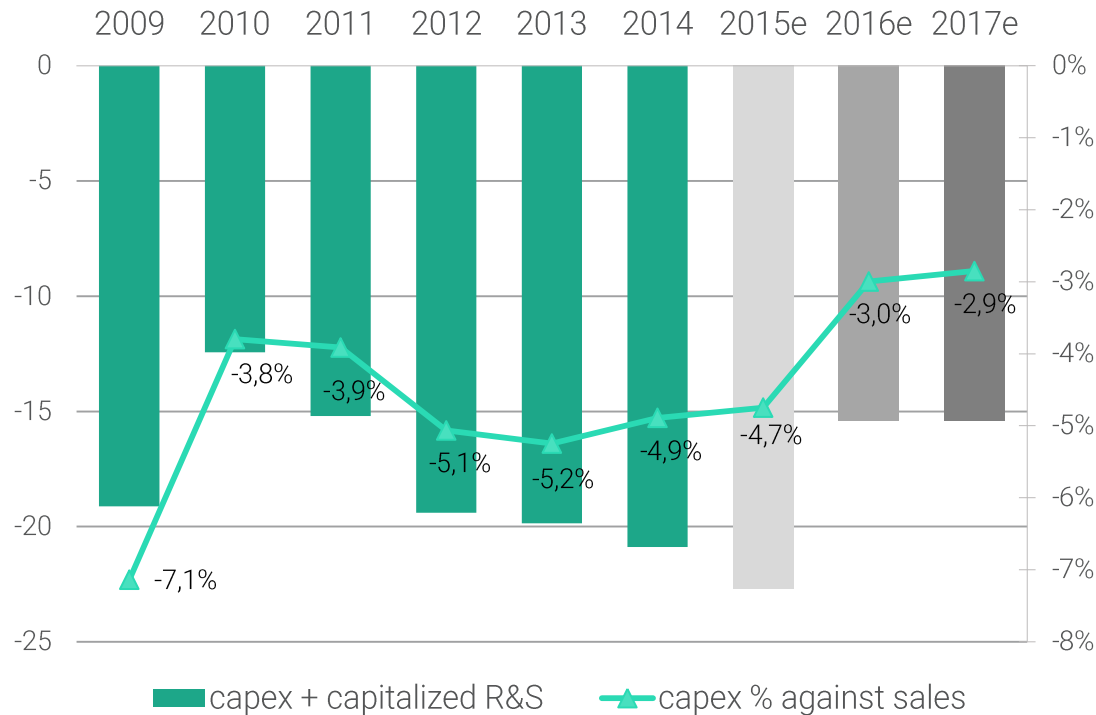
labour cost



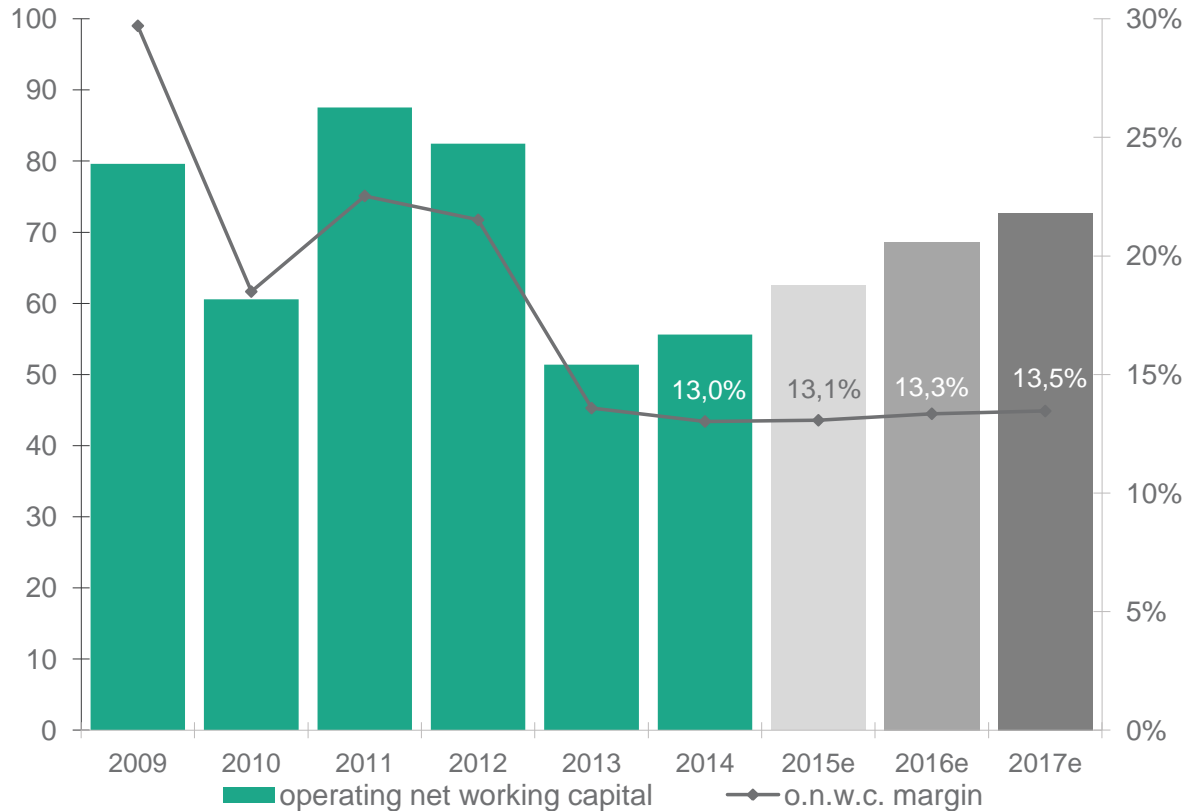
net debt



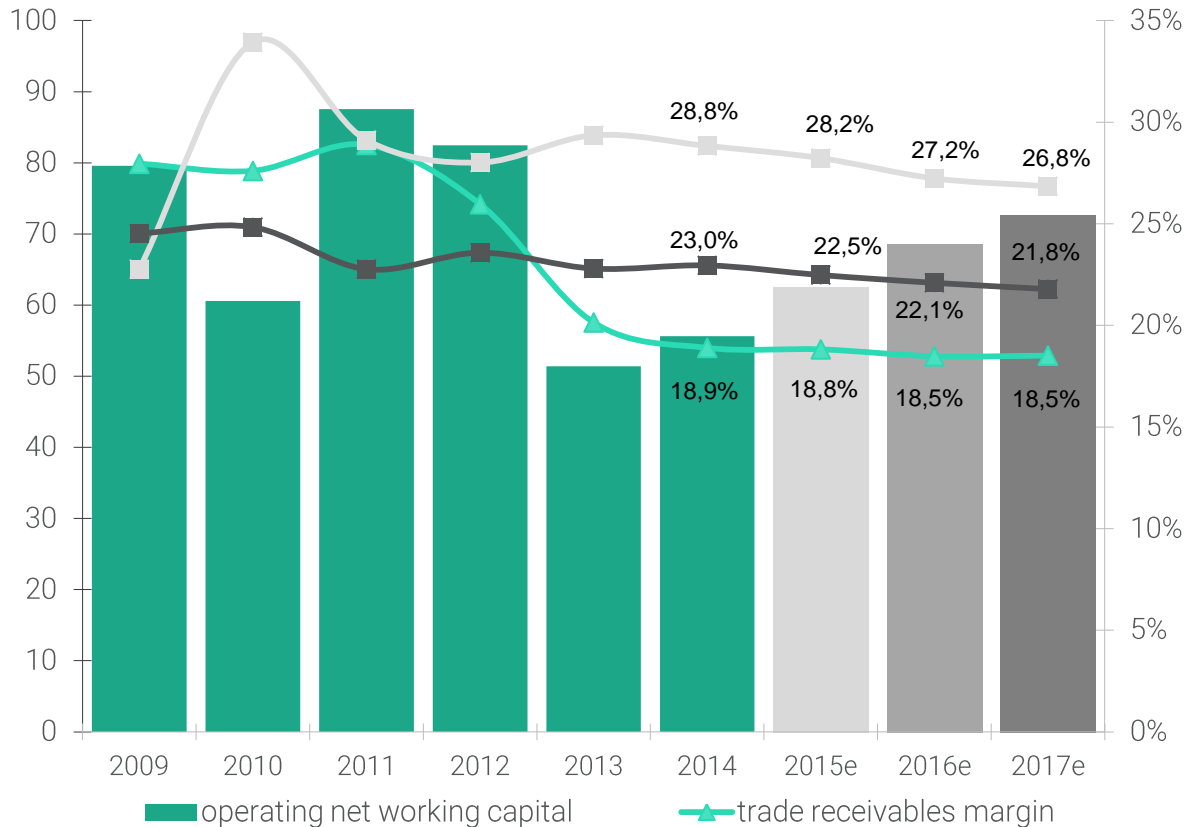
capex + capitalized R&S



operating net working capital



receivables – payables - inventories



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