

Our customers define  
the shape of the world,  
**we make it  
possible.**

**STAR Conference**

Milan

March 15<sup>th</sup>-16<sup>th</sup>, 2016

 **BIESSEGROUP**

2016-2018

3-Years Business Plan



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# 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 Italian Stock Exchange (*STAR*) since June 2001.

Starting from October 2015 Biesse is included in the Mid-Cap segment.





# Our **Beliefs**

**We believe** in challenging standards, in thinking forward and in acting differently.  
Creating **advanced technologies** and **beautifully-designed solutions** is the key to transforming our beliefs into **real value**.

We shape  
our customer dreams.





# Our Purpose

Since 1969,  
we have tirelessly  
dedicated ourselves to  
**creating value for our  
customers** first and  
foremost.



"...back when we were simply producing machines, I was talking with a dear friend, and realised that the rough, imprecise way he was working was ineffective, and above all, dangerous to his personal safety. At that moment, I recognised a need for change, and immediately understood that **we could do something** - we could introduce innovative new ways of working, automate processes, and above all, create safer working conditions. **A new kind of machine was about to be born**".

A handwritten signature in dark gray ink, reading "Giancarlo Sella".

Founder and CEO



# Think4ward

becoming a **4.0 factory**.

- 01 Implementing **lean production** in order to fully satisfy customer requirements, increasing quality and reducing waste.
- 02 Understanding **sector trends** and deciding when and how to invest in order to grow.
- 03 Finding the **best solutions** ahead of competitors.
- 04 **Anticipating** customers' needs.





# Think4ward

creating **4.0 factories** for our customers.

**Forward-thinking automation and software solutions to help our customers leverage the fourth industrial revolution.**

- ✓ Orders processed on the same day.
- ✓ Custom-designed, integrated machines.
- ✓ Streamlined, intelligent warehousing.
- ✓ Impeccable quality and simplified processes without unnecessary costs.

**Meeting tomorrow's demands today.**



# The **map**

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# Who we are

- 1.1 Group **description**
- 1.2 Our **Values**
- 1.3 Our **Business Model**





# In

We manufacture machines and components for wood, glass, stone, plastic and metal processing through specialised business units and 8 manufacturing sites in Italy and worldwide.

1

industrial  
group

4

business  
divisions

8

production  
sites



Made in  
Biesse



# How

Growing investments in R&D have enabled us to create software programs that have simplified the management of CNC machines, improving our customers' processes revolutionising market standards.

more than

# 200

patents duly  
registered



*Innovation is  
our driving force*



# Where

We support our colleagues everywhere in the world, using the most advanced management, sales and support system. Our global network enables us to be always close to our customers.

34

branches and  
representative  
offices

300

agents &  
certified  
dealers

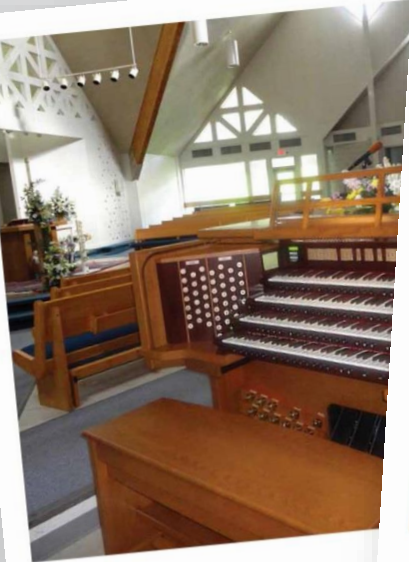


*Biesse Asia  
Grand Opening*



# With

Customers in  
120 countries



Allen Organ, U.S.A



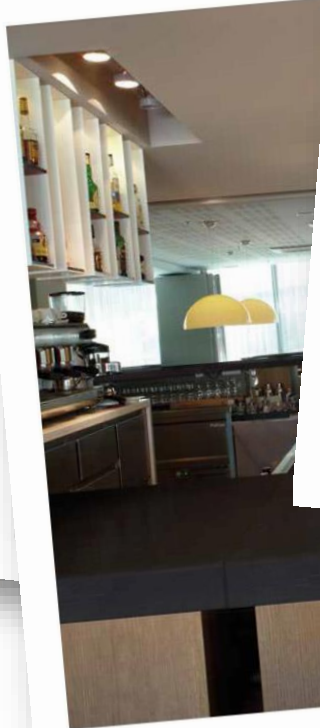
Milan Design Week,  
Italy



Lago, Italy



Sagrada Familia,  
Spain



Cosentino Group,  
Spain



Bigelli Marmi, Italy



Fiam, Italy

Made **With** Intermac

Made **With** Biesse

Made **With** Diamut

Made



# We

Our Human capital.

more than  
**3,150**  
employees  
throughout the world  
(temporary workers included)

25 YEARS 1990-2015  
BIESSE AMERICA



*“Strength lies in differences,  
not in similarities”.*



## 1.2 Our Values

Innovation  
Reliability  
Sustainability  
Excellence

Our **values** /

# Innovation

meets **creativity**.

**Our pillars** to mastering  
innovation:

- ✓ Customer focus
- ✓ Internet of Things
- ✓ Digital Manufacturing
- ✓ Industry 4.0 / Think4ward

Biesse, the perfect combination  
of **innovation** and  
**italian creativity**.



Our **values** /

# Innovation

generates **value**.

Some of our leading  
technology solutions:

- ✓ Automatic blade change on beamsaws
- ✓ 5-axis operating unit
- ✓ Air Force System
- ✓ Twin Pusher
- ✓ bSuite software

 **BIESSEGROUP**

2016-2018 3-Years Business Plan



Our **values** /

# Reliability

to enhance **trust** and **compliance**.

Satisfied

**Customers**

Trusted & Loyal

**Partners**

Winning & Committed

**Employees**

Growing & Qualified

**Investors**

## OUR MAIN PRINCIPLES

- ✓ Fairness to all stakeholders
- ✓ Mutual trust and transparency
- ✓ Unrestricted and clear communications
- ✓ Sharing of knowledge and experience



# Sustainability

to get **widespread goodwill** and **strong reputation**.

Society

Environment

People

Regulation

Financial

Only the culture of strictly adherence to **good compliance** can keep our Group ahead on **sustainable** basis.

Our values /

# Excellence

More  
Revenue

01

More  
Profit

02

More  
Cash

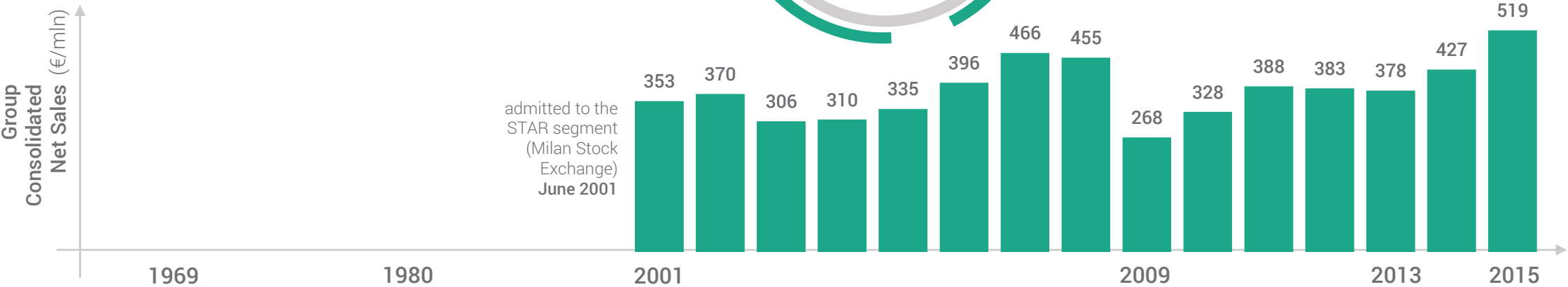
03

for a consistent  
growth.

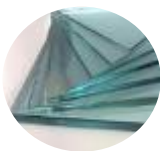
# More Revenue



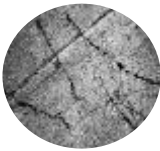
■ Biesse Group  
Consolidates Net Sales (€/mln)



Wood



Glass



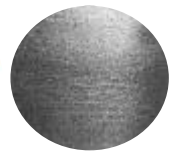
Stone



Mechatronics



bSoft  
(software)



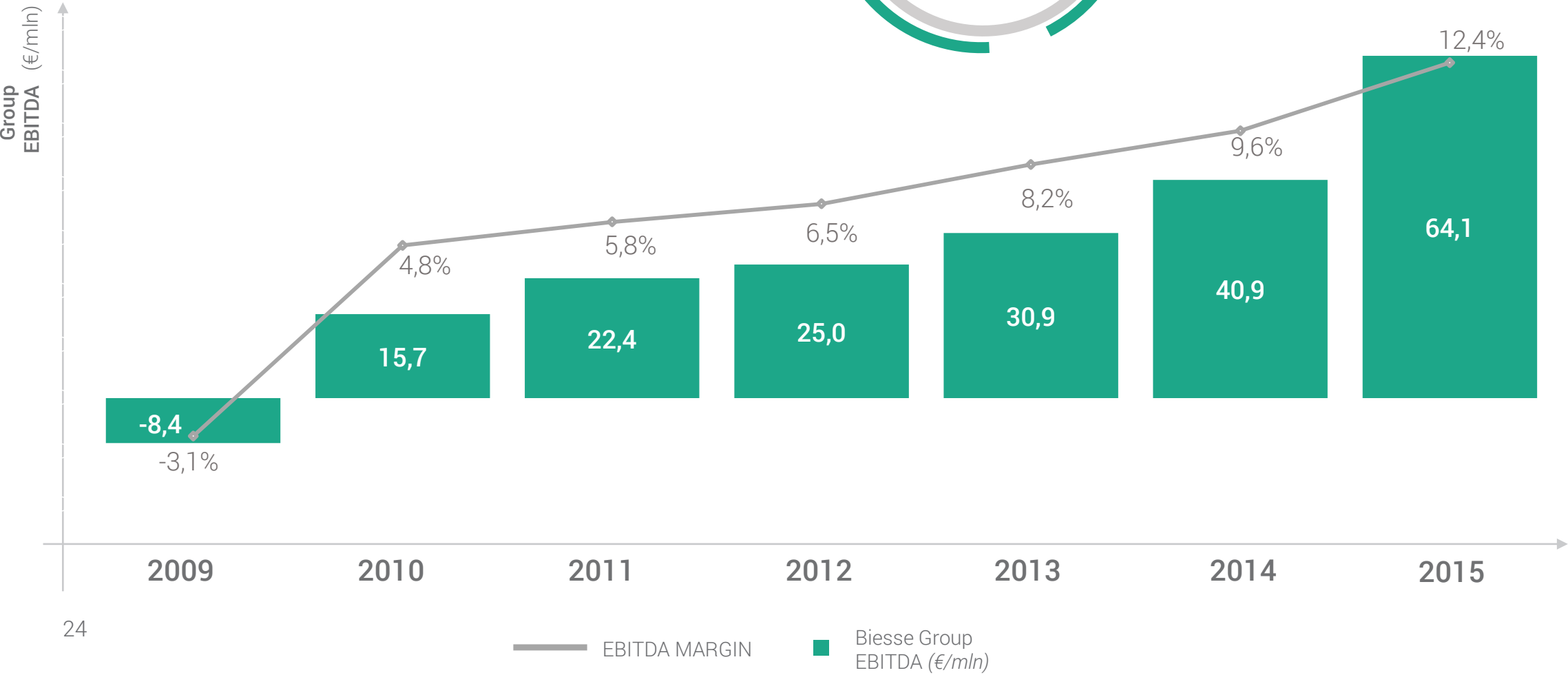
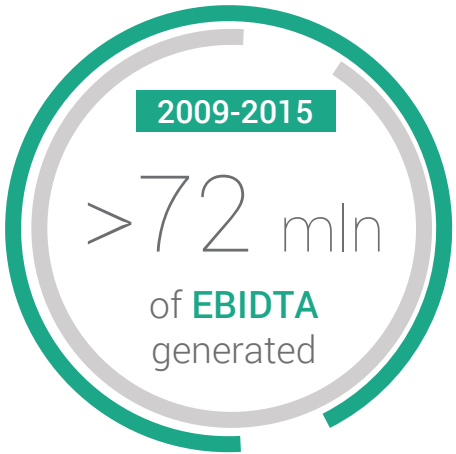
Metal



Plastic &  
Advanced  
Materials

# More Profit

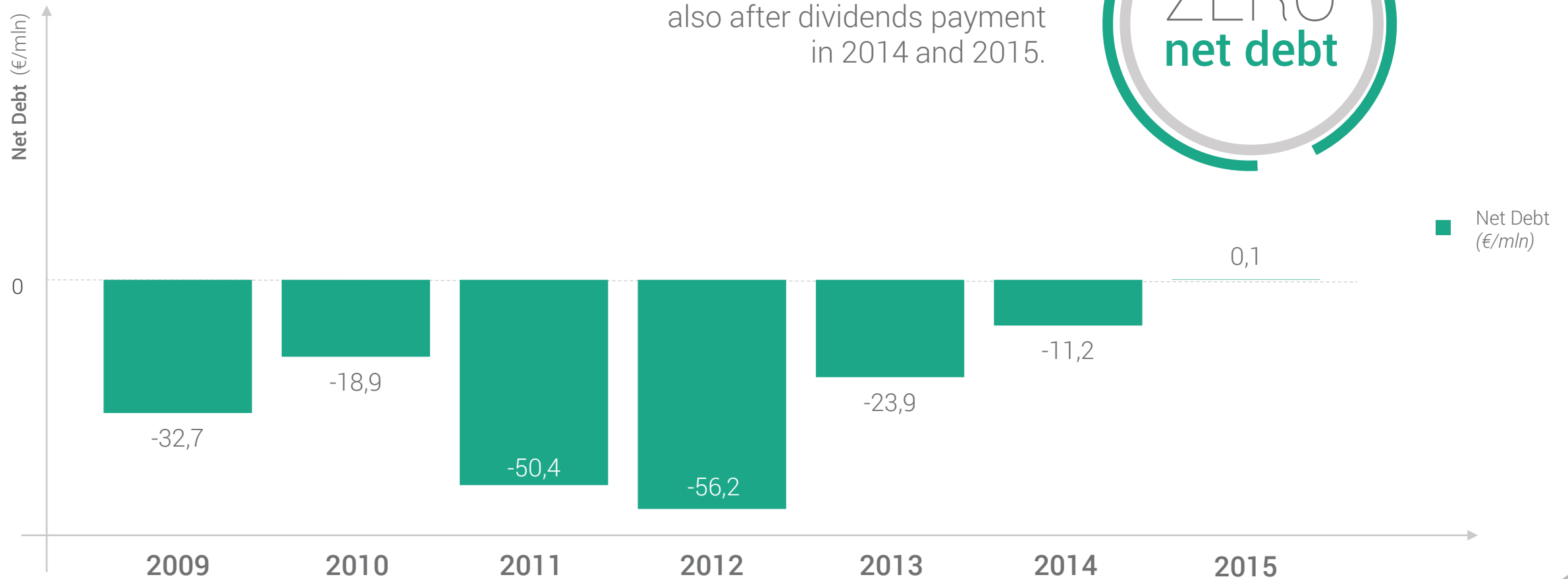
## EBITDA



# More Cash

## Net debt

Our **Net Cash Flow** is positive  
also after dividends payment  
in 2014 and 2015.





# 1.3 Our Business Model



We **make** top-quality Italian **products**



We **deliver** top-quality, dedicated **solutions** worldwide

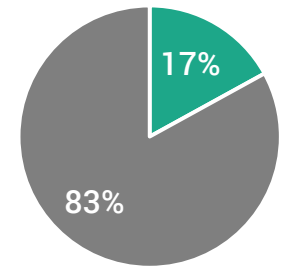
key points

Knowledge  
Delivery  
Products  
Customers

# Knowledge

On consolidated Net Sales

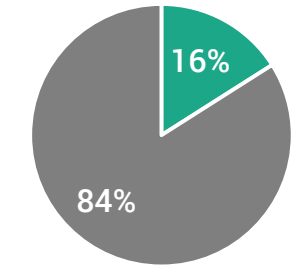
Sales breakdown  
by offering



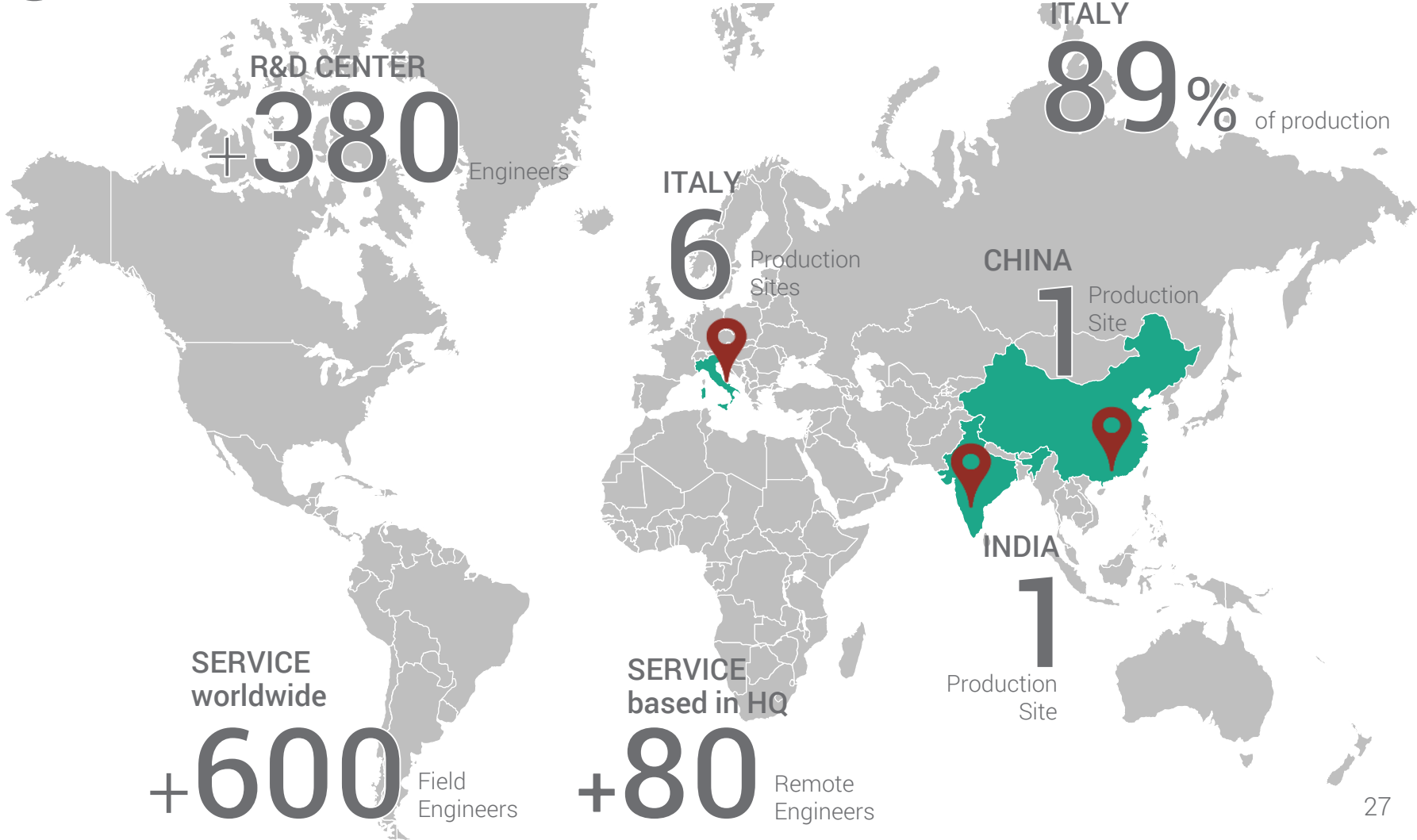
■ Service ■ Machinery

On Machines sold

Sales breakdown  
by type

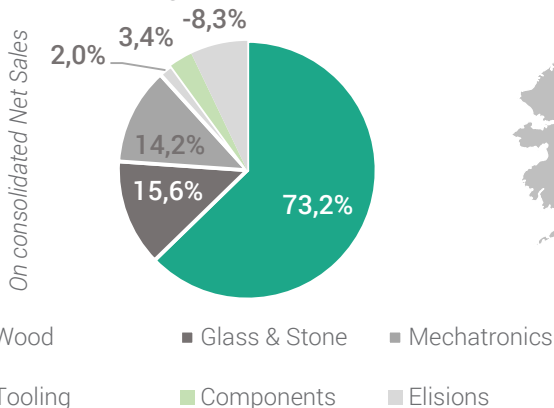


■ System ■ Stand Alone

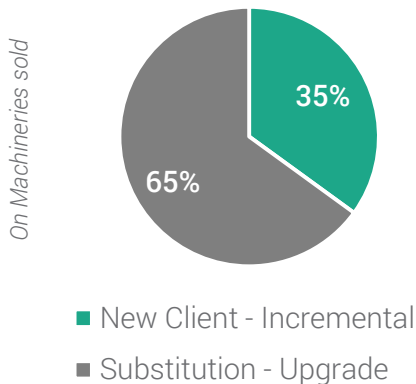


# Delivery

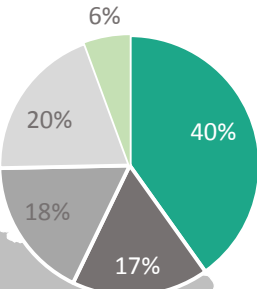
Sales breakdown  
by division



Sales breakdown  
by Client Type



EXPORT  
around  
**87%**  
of Sales



- Western Europe (Italy included)
- Eastern Europe
- North America
- Asia
- Rest of the World

- Traders
- 📍 Subsidiary
- 📍 Headquarters

SUBSIDIARIES  
**34** around  
the World  
Each Subsidiary has  
its own Service  
Department

TRADERS &  
DISTRIBUTORS  
**+300**  
around the world

We deliver  
our solutions in  
**120**  
COUNTRIES



Our **Business Model** / Wide offering for a wide customer base

**BIESSEGROUP**  
2016-2018 3-Years Business Plan

# Our Products



WOOD



GLASS



STONE



PLASTIC



METAL

02

## Systems

We create engineered solutions, from plant design to production, implementation, installation and maintenance

01

## Machines

We design, manufacture and distribute a comprehensive range of machinery and technologies for processing wood, glass, stone and, in recent years, plastics.

03

## Mechatronics

We design, manufacture and deliver high-tech mechanical and electronic components for machinery.

04

## Tooling

We create customized diamond and binder mixes for stone and glass processing machinery.



Our **Business Model**

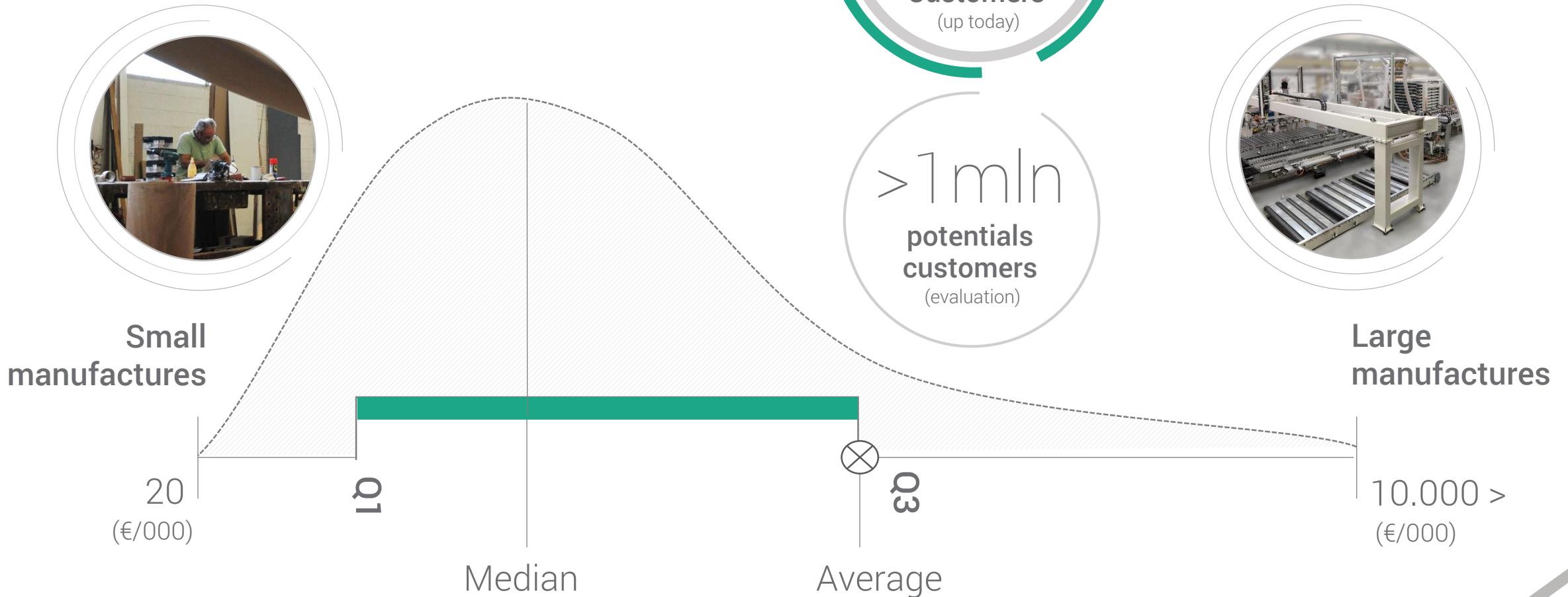
Our **main customers**

- |                 |             |              |
|-----------------|-------------|--------------|
| Ikea            | Lube Cucine | Saint Gobain |
| Howdens         | Lago        | Pilkington   |
| Masonite        | Fiam        | Fidia        |
| Colombini Group | Onsrud      | Glaströsch   |
| Veneta Cucine   | Heian       | Cosentino    |
| Roland Gerling  |             | Sauder       |

TYPE OF CUSTOMERS		
✓ Joiners	✓ Glass workers	✓ Wood machinery producers
✓ Makers of large furniture items	✓ Marble workers	✓ Aluminum machinery producers
✓ Windows and doors	✓ Furniture	✓ Plastic machinery producers
✓ Wood building companies and manufacturers	✓ Kitchen companies and manufacturers	✓ Metal machinery producers

# Wide **customer base**

**Customer Sales Distribution 2015e**







# Evolution Journey

2.1 + **Products**

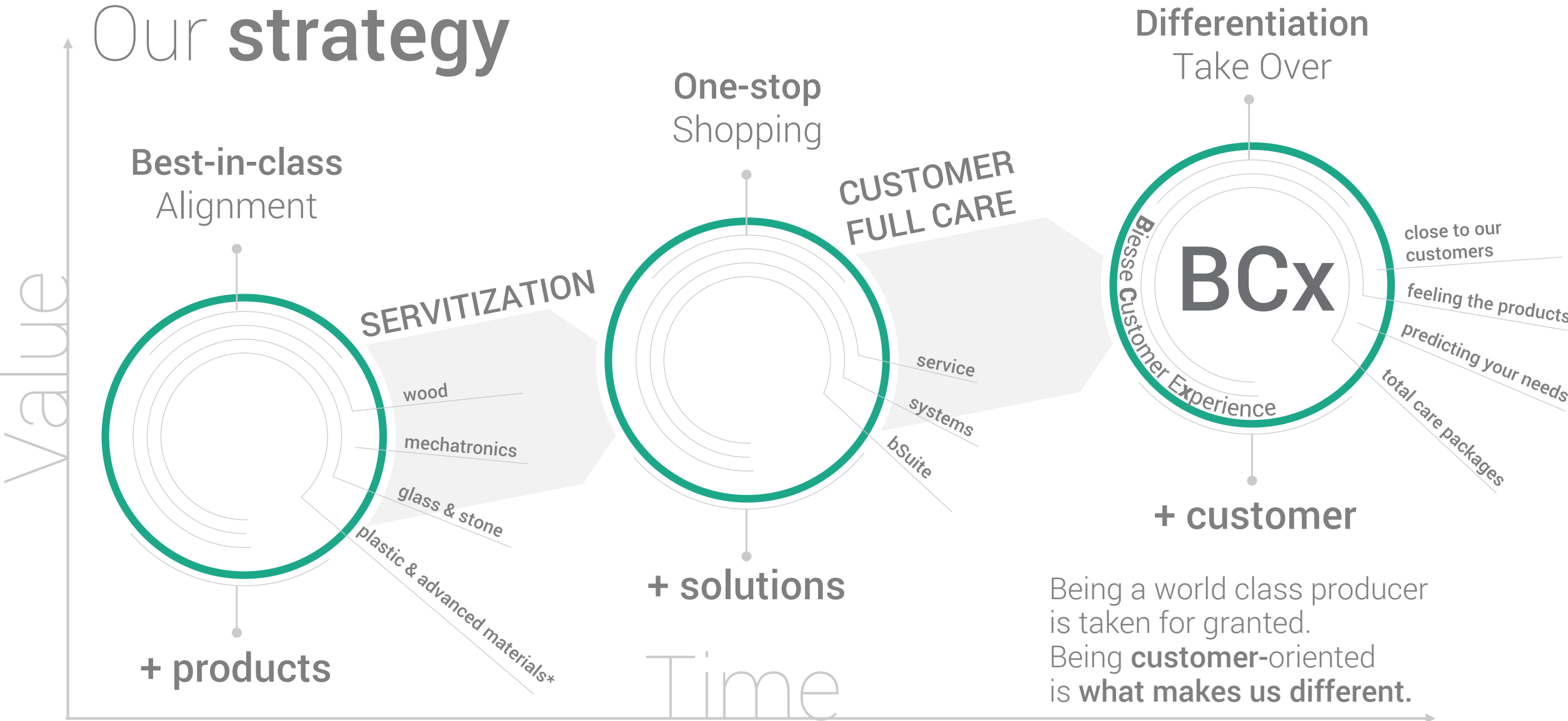
2.2 + **Solutions**

2.3 + **Customers**

2.

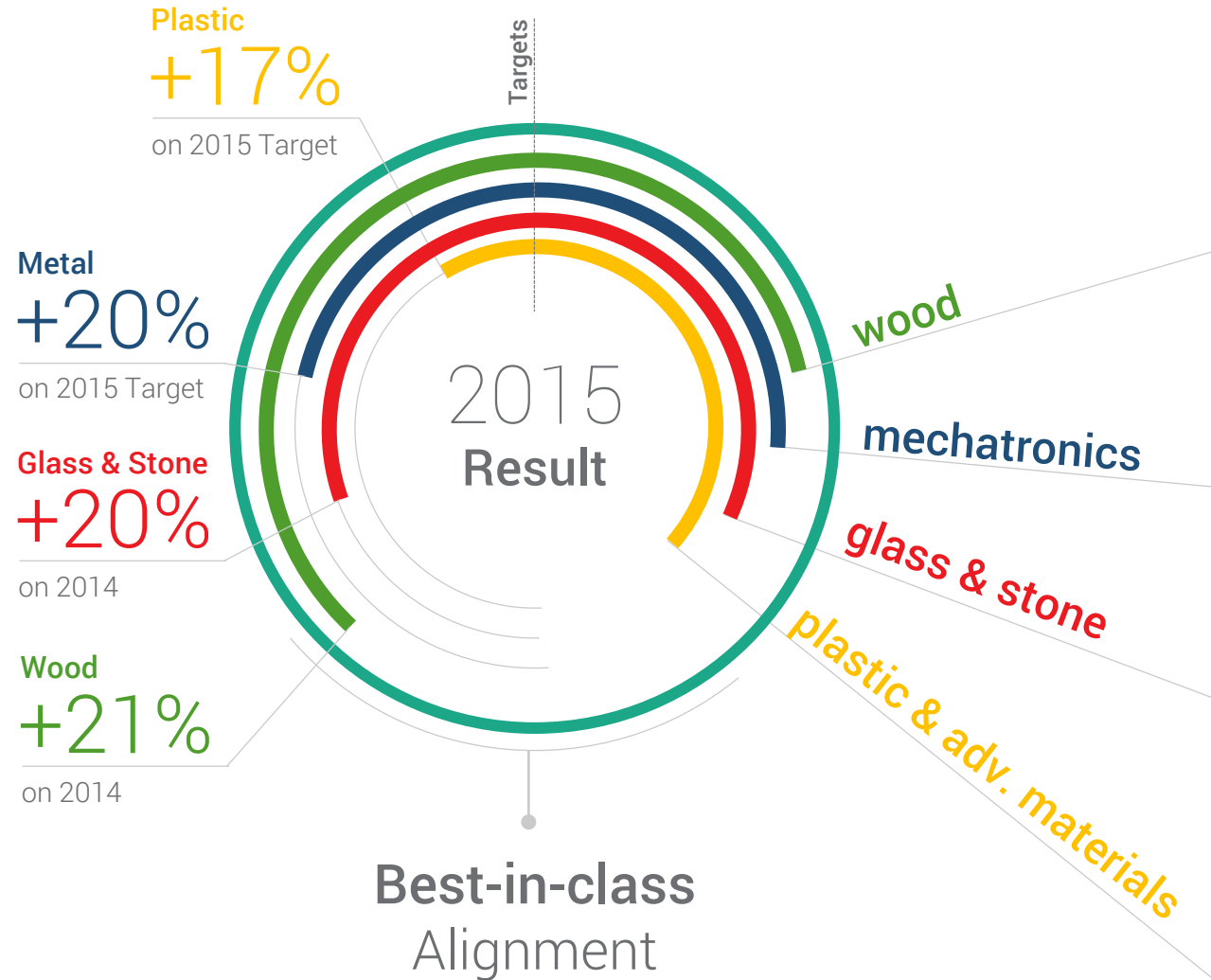
Evolution journey

# Our strategy



## 2.1 + Products

Our strategy in action



We reinforced our industry-leading position, increasing our market share in the actual products segment.

We successfully introduced electrospindles and electroheads for machine tools for metals.

We enhanced our product offering and became more competitive on the market.

We successfully transferred our product knowledge to the new business unit and achieved great results.

# + Products

Our new targets



9%

Wood Division Estimated  
CAGR 2015-2018

4%

Market Estimated  
CAGR 2015-2018

10%

Mechatronics Unit Estimated  
CAGR 2015-2018

5%

Market Estimated  
CAGR 2015-2018

12%

G&S Division Estimated  
CAGR 2015-2018

7%

Market Estimated  
CAGR 2015-2018

78%

Plastic & A.M. Division Estimated  
CAGR 2015-2018



+ Products

# Wood



**BIESSEGROUP**

2016-2018 3-Years Business Plan

01

**Enhance R&D** for innovative solutions (technologies and new materials)

02

**Expand the product range:** renovation and completion of the range of machines

03

**Improve** product reliability, **renew** existing product range

9%

Wood Division Estimated  
CAGR 2015-2018

4%

Market Estimated  
CAGR 2015-2018

+ Products

# Wood



38

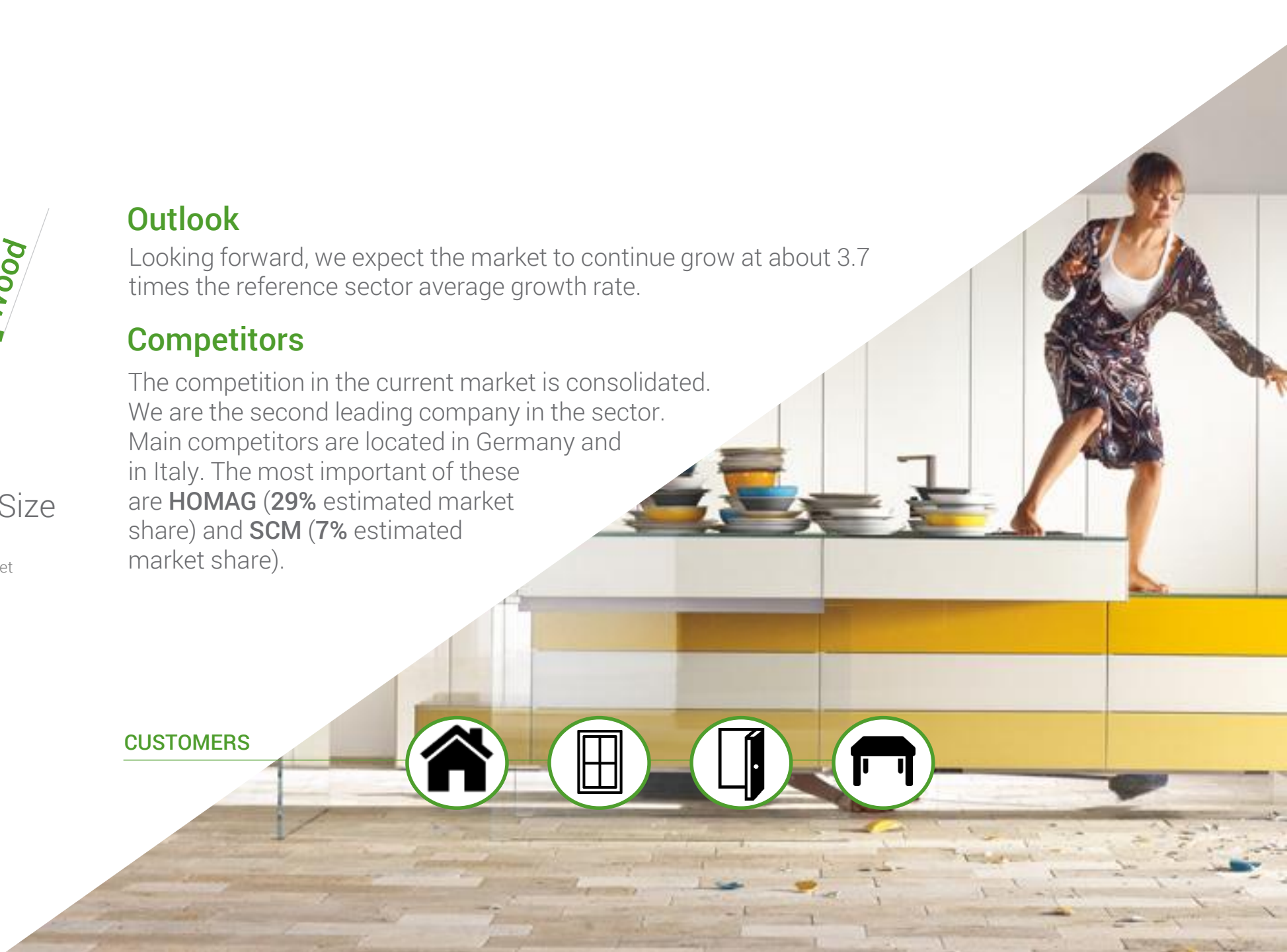
## Outlook

Looking forward, we expect the market to continue grow at about 3.7 times the reference sector average growth rate.

## Competitors

The competition in the current market is consolidated. We are the second leading company in the sector. Main competitors are located in Germany and in Italy. The most important of these are **HOMAG** (29% estimated market share) and **SCM** (7% estimated market share).

## CUSTOMERS



+ Products

# Glass & Stone

Targets



**BIESSEGROUP**

2016-2018 3-Years Business Plan

01

Maintain and reinforce our **leading position** in the glass sector

02

**Expand** our offering in **new product segments**

03

**Increase our market share in the stone segment**, reinforcing our leadership in this area

12%

**G&S Division** Estimated CAGR 2015-2018

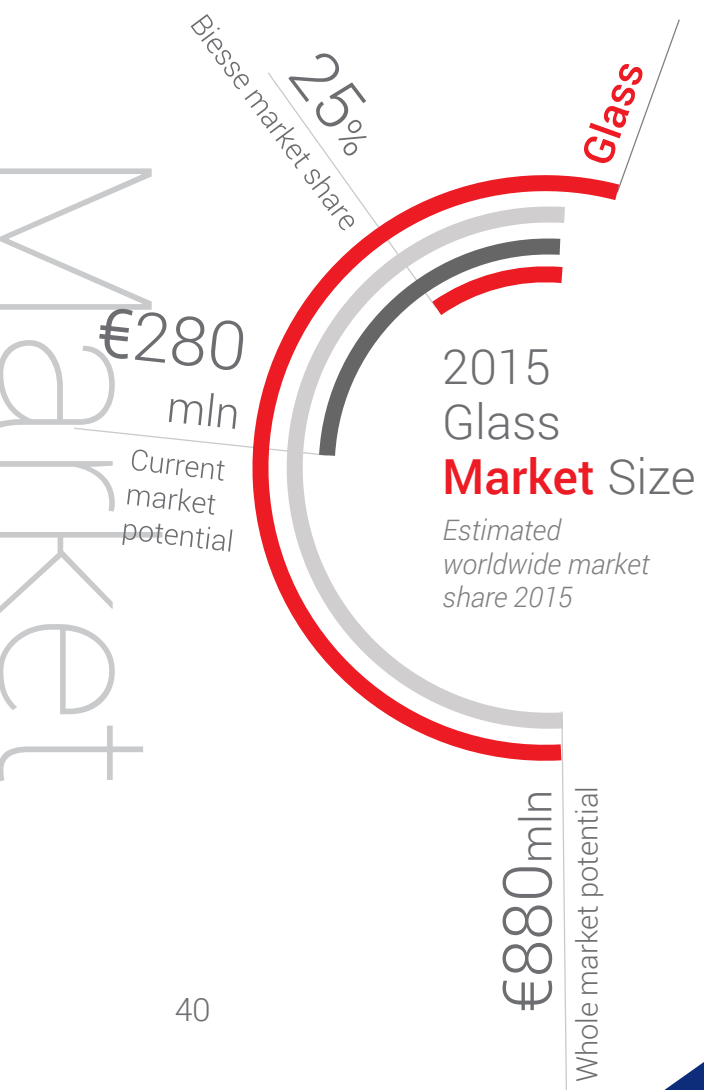
7%

**Market** Estimated CAGR 2015-2018



+ Products

# Glass



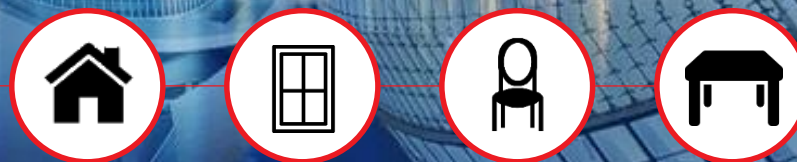
## Outlook

In the near future, we anticipate that the glass processing market will grow at about 3.7 times the reference sector average growth rate.

## Competitors

We are currently the industry leader in the glass processing market in which we operate. Main competitors are located in Italy and they are **CMS**, **Bottero**, and **Hegla**.

## CUSTOMERS



Ciudad de las  
Artes y las  
Ciencias  
(Valencia)



## Outlook

Looking to the future, as the in the wood sector, we expect the market to continue to grow at about 3.7 times the reference sector average growth rate.

## Competitors

The competition in the current market is consolidated. We are among the leading companies in the sector and we intend to reinforce our positioning. Main competitors are located in France and in Italy and they are **CMS**, **Breton** and **Thibaut**.

## CUSTOMERS



"Bicefalo"  
marble  
sculpture  
**Marmi  
Fontanelli**

+ Products

# Mechatronics



01

Maintain and reinforce our **leading positioning** in the Wood- Aluminum- Plastic (WAP) sector

02

**Reinforce our partnership** with our current customers

03

**Diversify** into other sectors, continuing to **expand our presence in the metal sector** and replicating our WAP standards of excellence in new sectors

10%

**Mechatronics Unit** Estimated  
CAGR 2015-2018

5%

**Market** Estimated  
CAGR 2015-2018



+ Products

# Mechatronics



**BIESSEGROUP**

2016-2018 3-Years Business Plan

5,6 mln/€  
2015 target

6,7 mln/€  
2015e Result

15 mln/€  
2018 target in  
metal sector

+19,7%  
on target

Our expansion in the metal segment has shown that we have the **capabilities to successfully extend** our areas of competence and **compete in new sectors**.

**We will continue to invest in R&D in order to identity new product expansion opportunities in other sectors.**

+ Products

# Mechatronics

## Outlook

In the near future, we anticipate that the spindles market will grow in line with the reference markets of WAP and metal working machines.

## Competitors

Our mechatronics division is currently the leader in the WAP (Wood Advanced Materials\*, Plastic) spindles sector. We recently entered the metal spindles sector. Our main competitors are from Germany. They are **KESSLER**, **IBAG**, **GMN**, **WEISS** (Siemens), **FISHER PRECISE** and **STEP TEC**.

## CUSTOMERS



### \*Advanced materials

- ✓ Carbon Fiber
- ✓ Foam
- ✓ Composite
- ✓ Aluminium
- ✓ Titanium

# Mechatronics



Biesse Group directly designs and manufactures all **high-tech components** for its machines. Through our Mechatronics Unit, we guarantee our **technological independence**.

The vocation of our Mechatronics Unit is **continuous innovation**. Until a few years ago, our business activity was focused on creating and selling mechanical components.

Now, we create and sell **smart devices** and **smart mechanical components**

Our devices interact with the machinery to support **predictive logics** with regard to functionality, performance and preventive maintenance of the machines, and of the factory as a whole.

Our **product reliability**,  
our **technologically-advanced** offering,  
our ability to **introduce innovation** into the market.  
These are our **Competitive Advantages**.





+ Products

# Mechatronics



**\*Advanced materials**

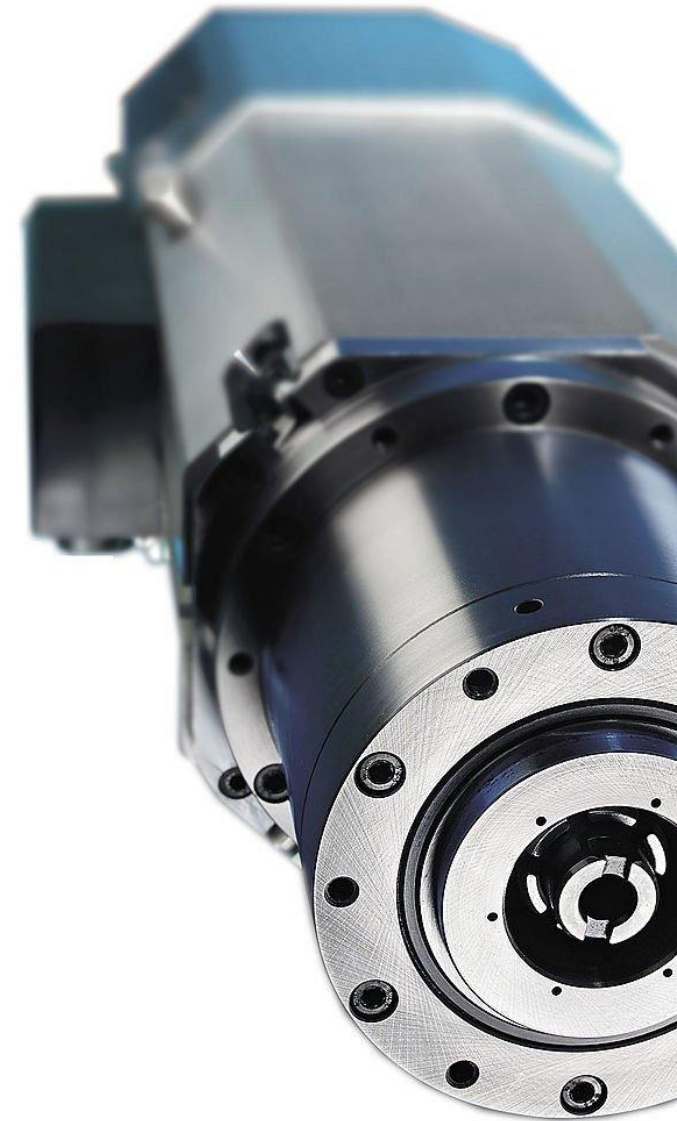
- ✓ Carbon Fiber
- ✓ Foam
- ✓ Composite
- ✓ Alluminium
- ✓ Titanium

Our Mechatronics Division is the **trailblazer for expansion** into new sectors.

We **successfully entered the advanced materials\* & plastic processing machinery sector**, thanks to our dedication to constant innovation.

Through our capability to create top-quality solutions, we also **successfully entered the metal** electro-spindles sector.

Our **Mechatronics Division** is the key to **breaking into new sectors** and **diversifying our business**.





# Mechatronics

Offering



01

We combined **2 Axis Heads** and **Direct Drive Technology**

- ✓ improved **working precision** due to the absence of mechanical stress
- ✓ improved **positioning speed**
- ✓ extended **reliability**.

02

We will introduce new **electro-spindles models** to enhance our offering in the metal sector

- ✓ Medium size spindles
- ✓ Large size spindles



+ Products

# Advanced Materials\*



**\*Advanced materials**

- ✓ Carbon Fiber
- ✓ Foam
- ✓ Composite
- ✓ Aluminium
- ✓ Titanium

3 mln/€  
2015 target

3,5 mln/€  
2015e result

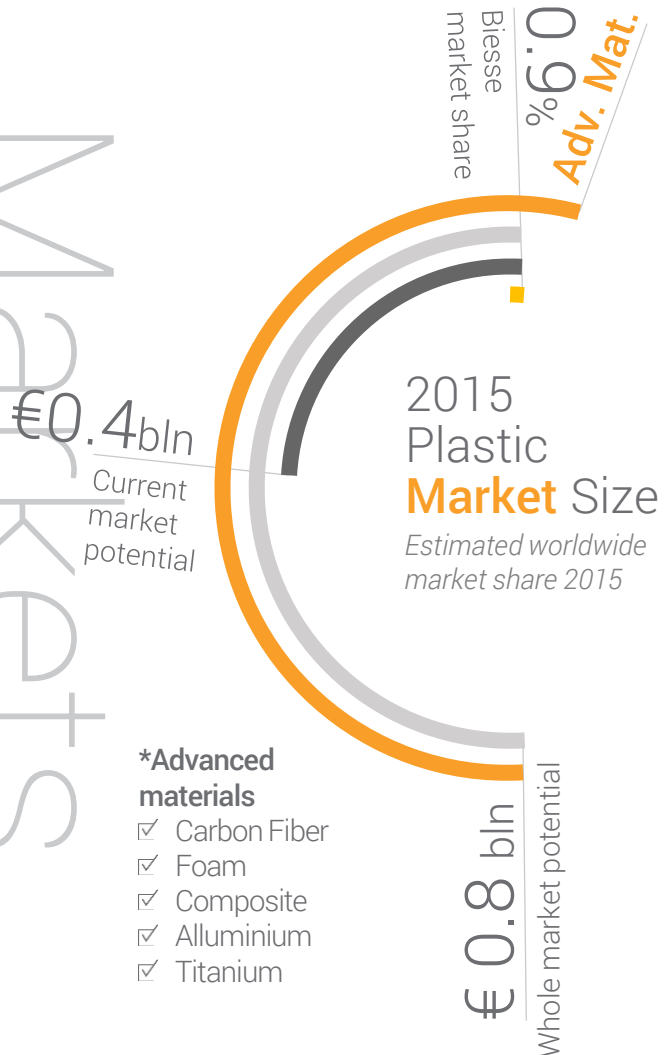
+16,7%  
On target

Our successful entry into the plastic & advanced materials sector confirms our **capability to diversify** into new sectors through our innovative **Mechatronics Division** and our **consolidated expertise**.

20 mln/€  
2018e target

In the future, we will expand our product offering in order to meet the needs of the entire market.

# Advanced Materials\*



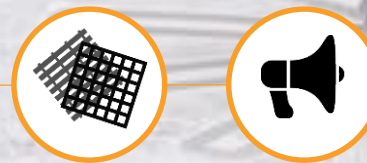
## Outlook

In the near future, we expect that the market of Advanced Materials\* processing where we insist will double around the GDP grow rate.

## Competitors

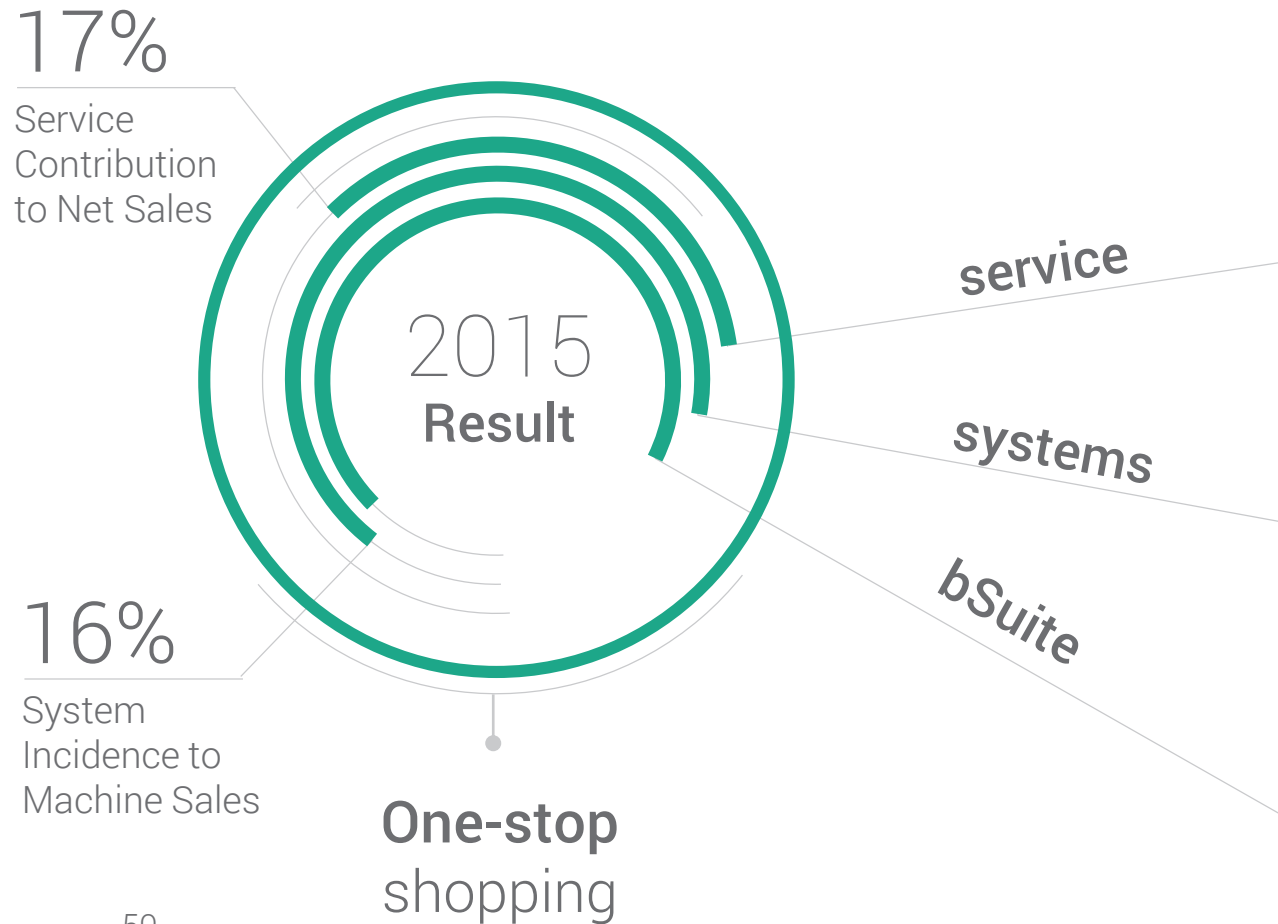
The plastic processing machinery market is highly fragmented worldwide and there are not the same number of companies as in the woodworking machines sector (CMS Industrie - Multicam - Flow Corporation).

## CUSTOMERS



## 2.2 + Solutions

Our strategy in action



We are continually strengthening our services worldwide. We continue to invest in the training of our engineers, in order improve the level of service we deliver

We have successfully adopted a Lean Production approach, and have implemented an order management system which covers each stage, from sales to installation.

We have successfully developed new tools to satisfy the majority of our customers' software requirements with a single, integrated solution.



# + Solutions

Our new targets

18,5%

Service  
Target  
Contribution  
to Net Sales

20%

System  
Target  
Contribution  
to Machine  
Sales

0,5%

Software  
Target  
Contribution  
to Net Sales

2015  
Result

**One-stop  
shopping**

**service**

**systems**

**bSuite**

To evolve to Service 2.0: from a "break and fix" approach to a predictive service

To increase our market share in the system solutions market.

To begin to profit from software fees on a yearly basis.

+ Solutions

# Service



Our network supports **our customers worldwide**.  
Through Biesse service and Biesse parts, we offer **technical services and machine/component spares to businesses** anywhere in the world on-site, as well as on-line - 24/7.

## Our Service will evolve to **Service 2.0**

- ✓ **Proactivity:** leave "break-and -fix" service logics in the past and move onto **predictive services**
- ✓ **Spare Parts:** encourage a 24/7 assistance / no **down-time approach** with maintenance contracts
- ✓ Maintain **excellence** in terms of service levels

18,5%

**2018 Target**  
incidence on Net Sales

+ Solutions

# Systems



**BIESSEGROUP**

2016-2018 3-Years Business Plan

We want to reinforce our positioning and **increase our market share, becoming a leading company** in the engineering solutions sector.

65 mln/€

2015e results

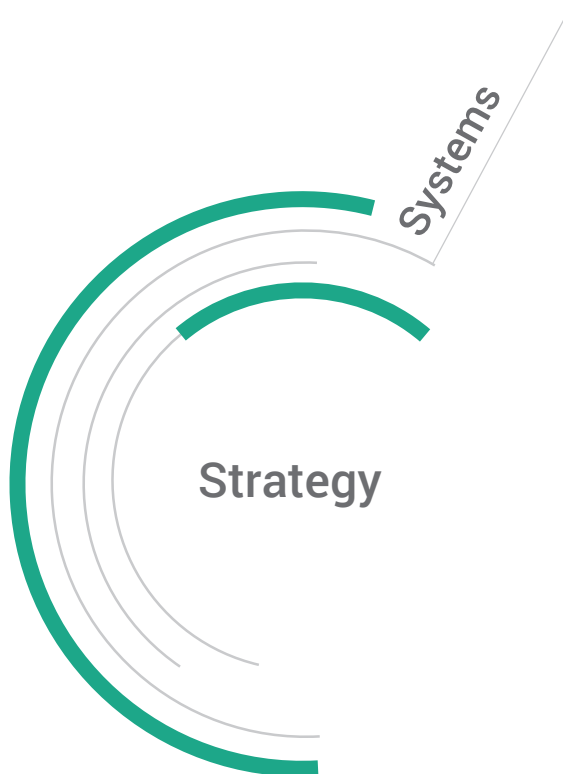
20%

2018 Target  
incidence on  
Machine Sales



+ Solutions

# Systems



**Biesse Systems** is a team of sector experts, capable of understanding and anticipating business needs, who work with the customer from inception through to system installation and testing.

From **engineering to the manufacturing**, from the installation to the after-sales support, we are able to realize complete solutions for our Clients.

- 01 **Boost our sales** and after-sales approach
- 02 **Ensure dedicated** and highly-specialized **services** with key accounts for 360-degree customer management
- 03 **Enhancing** our offering of **flexible systems**

+ Solutions

# bSuite



**BIESSEGROUP**

2016-2018 3-Years Business Plan

01

**Consolidation, reliability and rationalization.**

Superior technology for creating synergies in machine automation.

02

**Technological superiority and sustainability.**

Ensuring advanced, sustainable know-how in order to develop intelligent machines.

03

**Simple, smart software.**

Meeting growing technological needs through application software and smart apps.

04

**Business software.**

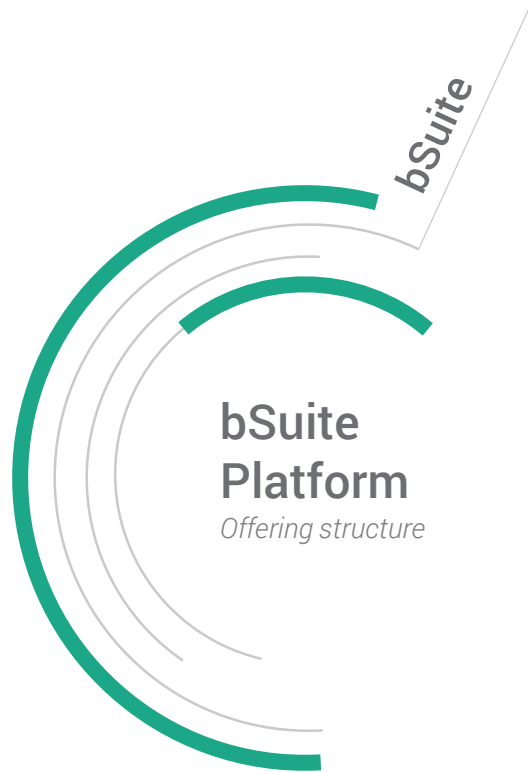
Business-oriented software to enhance collaboration with our customers' businesses.

0,5%

**Potential Software Fees**  
contribution to Net Sales

+ Solutions

# bSuite



## bPlatform

Challenging market standards.



**bSolid** is a 3D cad cam software application



**bEdge** is a bSuite plug-in, seamlessly integrated for edgebanding planning.



**bWindows** is a seamlessly integrated plug-in for the planning of windows/door frames.



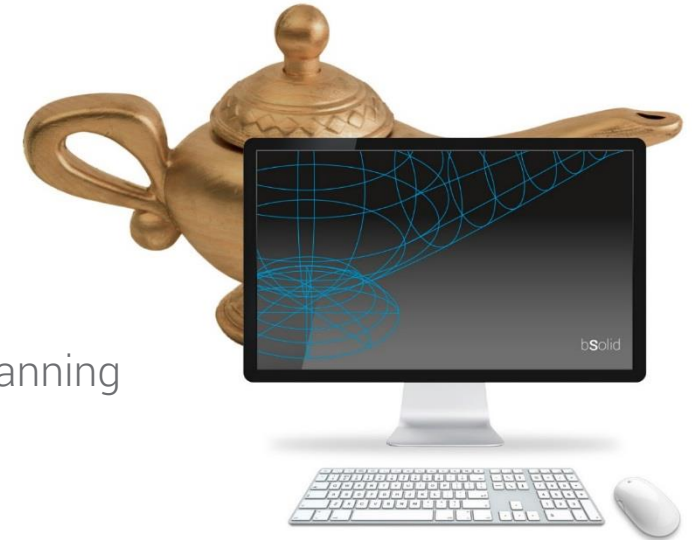
**bNest** is the bSuite plugin specifically for nesting operations.



**bProcess** is the tool that allows in a simple and intuitive way to organize production for a cell of machines.



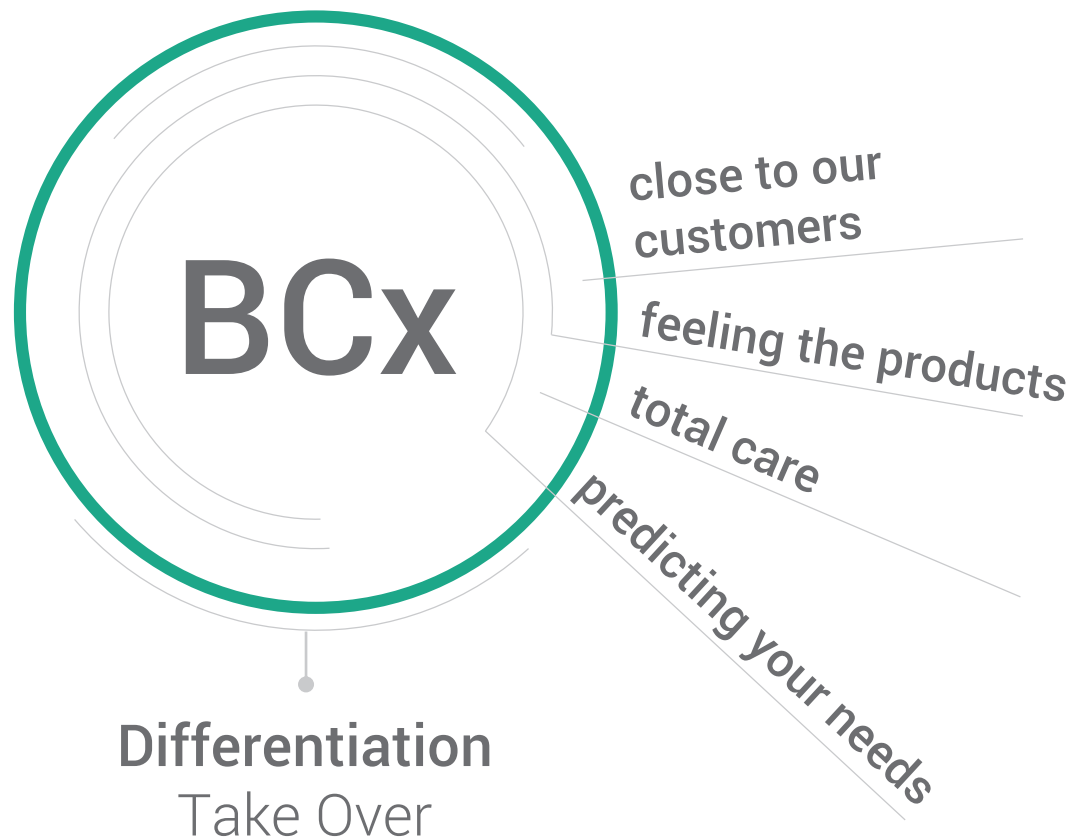
**bCabinet** is the bSuite plugin for furniture design.





## 2.3 Biesse Customer Experience

Our strategy in action



Our clients are  
**makers:**

companies that build houses,  
companies that build furniture,  
companies that build windows,

**companies that build  
the shape of the world.**

+ BCX

# Close to our customers



We want to strengthen our **dealer network** - this is crucial in helping us to engage our clients.

Continue the Trade Markets Investments towards the "Roadmap to success".

01

**Increase** market share

02

**Hire** dedicated resident **key account managers** & **skilled sales force**

03

**Focus** on growing customers through a production upgrade

04

**Strengthen** the dealer network and increase the integration

+ BCX

# Close to our customers



We will continue to **expand our global presence** - we want to be close to our customers.

**BIESSEGROUP**

2016-2018 3-Years Business Plan

01

Continue to promote the “**Roadmap to success**” for our subsidiaries: moving from reactive to **proactive**, fostering entrepreneurship at all levels, defining market and customer-oriented strategies

02

Create **3 new Clusters** of business:

- ✓ DACH (Germany-Austria-Switzerland)
- ✓ Turkey/ Middle East
- ✓ China/Far East Asia

03

New more “aggressive” **Sales Matrix**

04

Invest in **human resources** and capabilities as growth drivers



+ BCX

# Close to our customers



The production abroad is constantly growing in **India & China**.

01

We want to continue increase our production in the Chinese and Indian facilities.

02

**Local4Global:** we want to increase the percentage of production exported worldwide from Asian production sites.

20%

**2018 Target**  
production abroad quote

+ BCX

# Feeling the products



In order to create a **360-degree experience** for our **customers worldwide**, we have designed a roadmap that will help us to increase **brand awareness**, engage our customers and improve the **Biesse customer experience**.

**BIESSEGROUP**

2016-2018 3-Years Business Plan

- ✓ **Biesse Headquarter Showroom 2.0**  
Continue to improve our Showroom, increase the number of events, demos and "Insider"-dedicated events held.
- ✓ **Worldwide Showroom plan**  
Improve and strengthen existing showroom events and measure their impact on the local market.

6.600 m<sup>2</sup>

**Headquarters Showrooms**  
(wood + glass & stone)

18.000 m<sup>2</sup>

**Showrooms worldwide**



+ BCX

# Feeling the products



We want our customers to **see** how our products work. We want our customers to touch our products, to understand how they can satisfy their needs. We want our customers to live the **Biesse Experience**.

## ✓ Main fairs and events worldwide

We must be forever present in our sector, and ensure that we are the best.

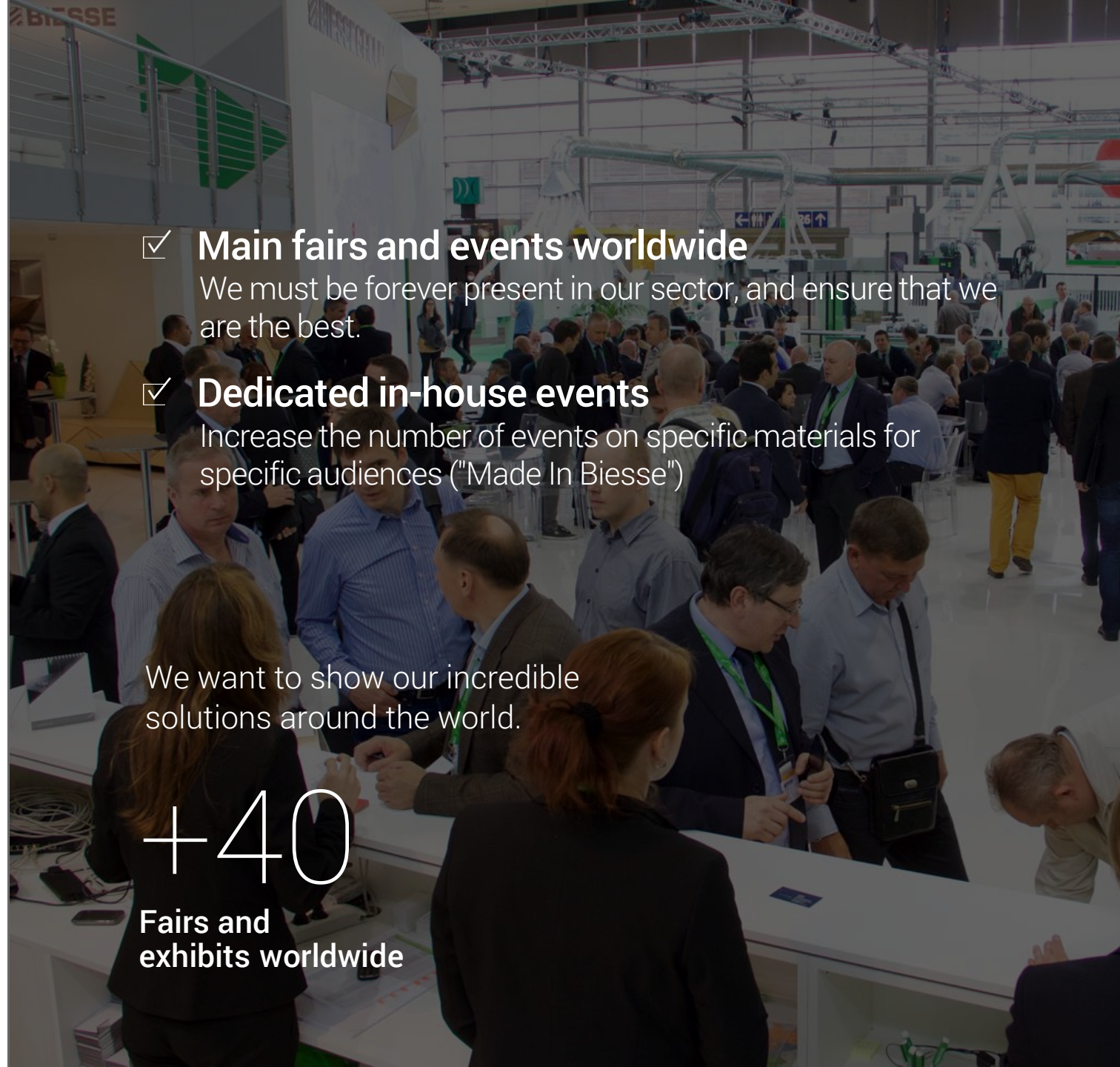
## ✓ Dedicated in-house events

Increase the number of events on specific materials for specific audiences ("Made In Biesse")

We want to show our incredible solutions around the world.

# +40

**Fairs and exhibits worldwide**





+ BCX

# Feeling the products



By demonstrating the perfect functionality of our products and engaging our customers through **training** and **events**, we will spread the **Biesse Experience** worldwide.

**BIESSEGROUP**

2016-2018 3-Years Business Plan

## ✓ Regional Marketing

Nominating “Best Dealers” and “Best Customers” is another way to engage our entire customer base and show how our products work locally through trade shows, dealer open-house events and Tech Tour plan.

## ✓ Academy Days

Customers and dealers taking part in training on Biesse Products, and how they can exploit the full potential of these.

We want to engage our customers with dedicated events on specific materials.

+7.000

Demos per Year

+ BCX

# Total Care



Our Total Care package not only contributes to building **long-term relationships** with our customers - it also exceeds the standards of the packages offered within the **industries** in which we operate.

Total Care is a multi-year Warranty and Financial Plan currently **testing in UK and Canada**.

01

## Customer Experience

Total Care is definitely not a 'marketing tactic' – it is a long-term strategy designed to make dealing with Biesse an easy, enjoyable and rewarding experience.

02

## Peace of Mind

Total Care enables customers to run their business. Cover for preventive maintenance, breakdowns and even damage due to operator error are all included.

03

## Confidence

Our multi-years warranty is based on our excellent machine reliability statistics.

04

## Investment

The cost of ownership and the risks normally associated with purchasing and operating capital plants are minimized.

05

## Protection

At the end of the 5-year plan, customers can decide to upgrade to a new machine, and the original machine is placed on the second user market, with the benefits of a full service history and increased value.

+ BCX

# Predicting your needs



We make  
Smart Factory  
of our Customers.

**BIESSEGROUP**

2016-2018 3-Years Business Plan

We offer **innovative solutions** with high levels of flexibility, not only thanks to our production logic, but also the ability of our machines to adapt to **customer requirements in accordance with** the increased availability of information (IoT).

**The Internet of Things**, transformed from a simple resource to a central element of the Customer Value Chain.

In 2013 we were the **first to introduce smart devices** to the Wood- Aluminum- Plastic (WAP) sector.

Our working approach evolved from a break-and-fix logic to a more advanced, **predictive logic**.

Now we want to  
**drive our Customer into the Future.**





# Our **future** in figures

3.1 More **Revenue**

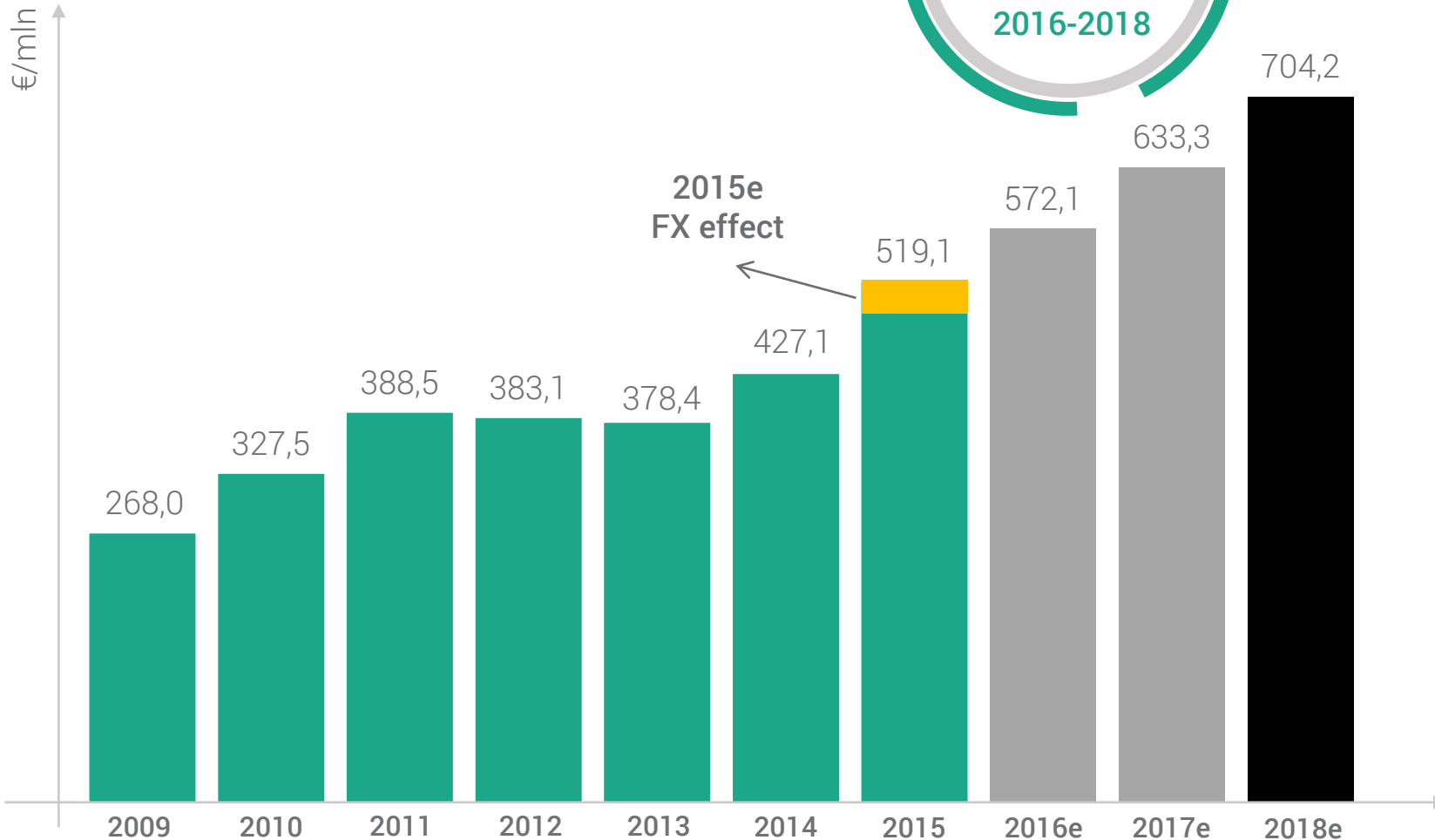
3.2 More **Profit**

3.3 More **Cash**



More Revenue

# Net Sales

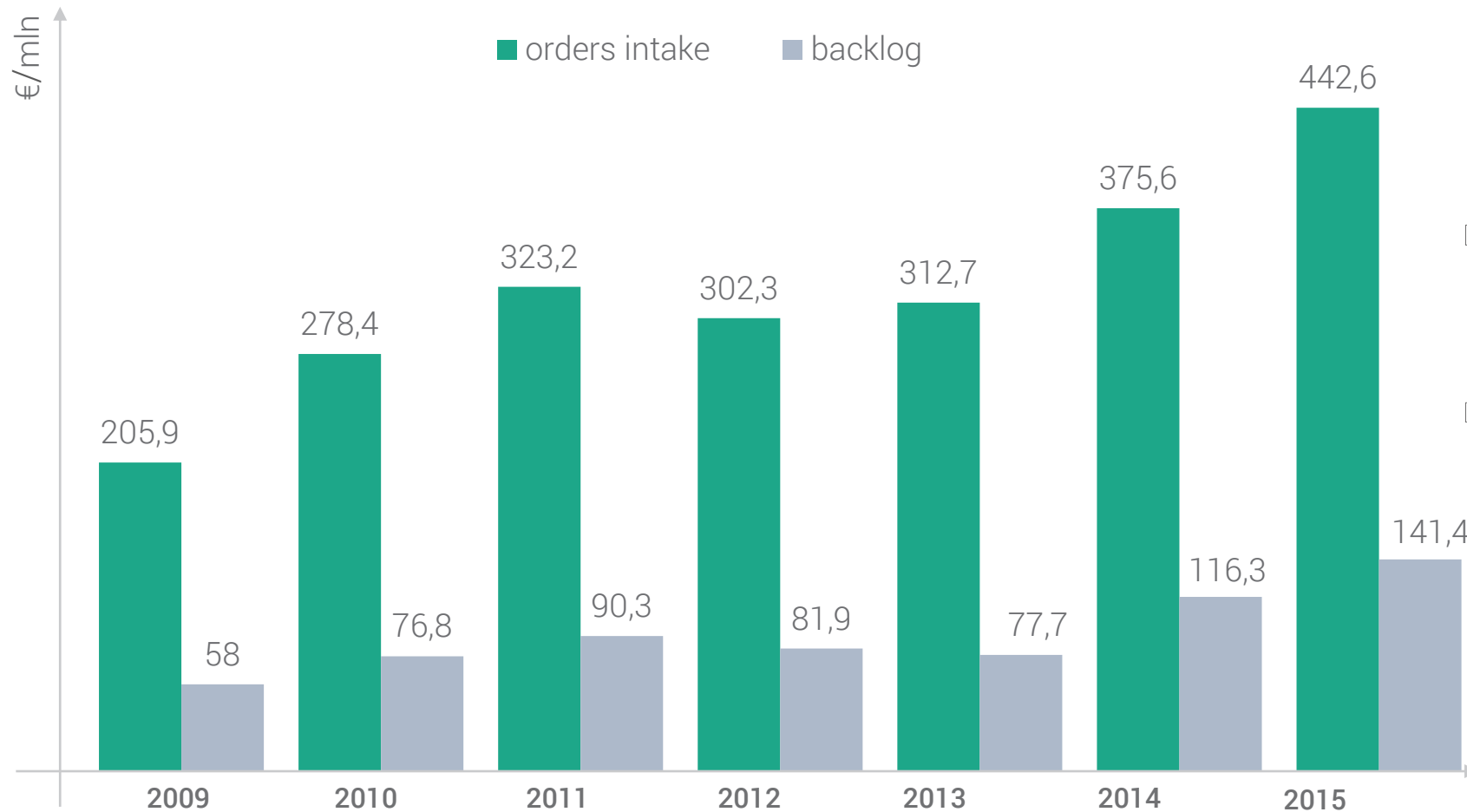


Continuing to pursue **organic growth**.

- ✓ Same perimeter
- ✓ Increasing our sales force, agents and distributors worldwide
- ✓ Growing in all the outstanding business division: **not only in the woodworking machine sector**, but also in the areas of glass, stone and mechatronics
- ✓ Continuing to **diversify into new sectors**: advanced materials\* and metal working



# Group order intake & backlog

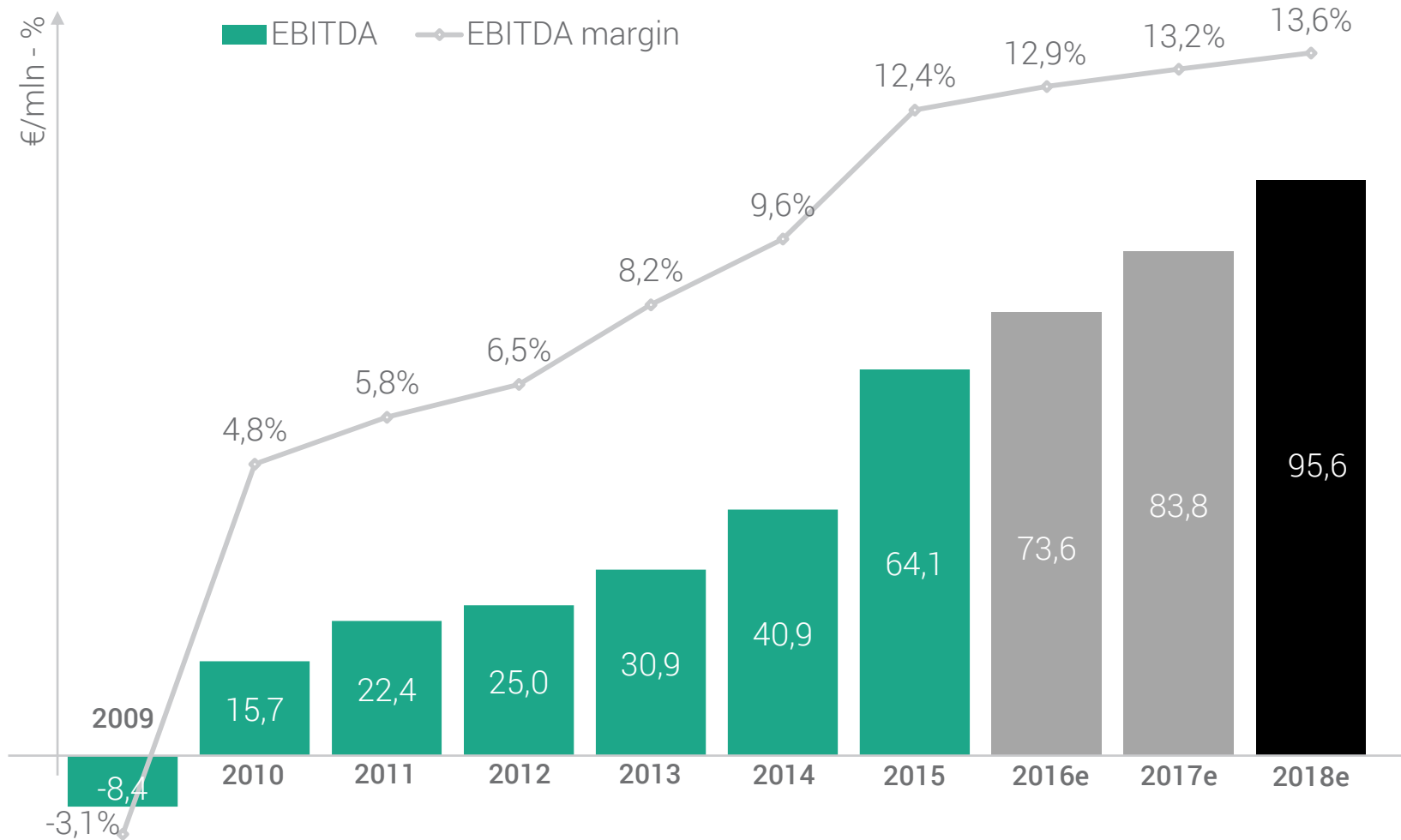


Continue to  
increase **our**  
**sales.**

- ✓ 2015: Group orders intake **+17,8% (vs. the same period 2014)**
- ✓ 2015: Group backlog December 2015 **+21,5% (vs. the same period 2014)**

More Profit

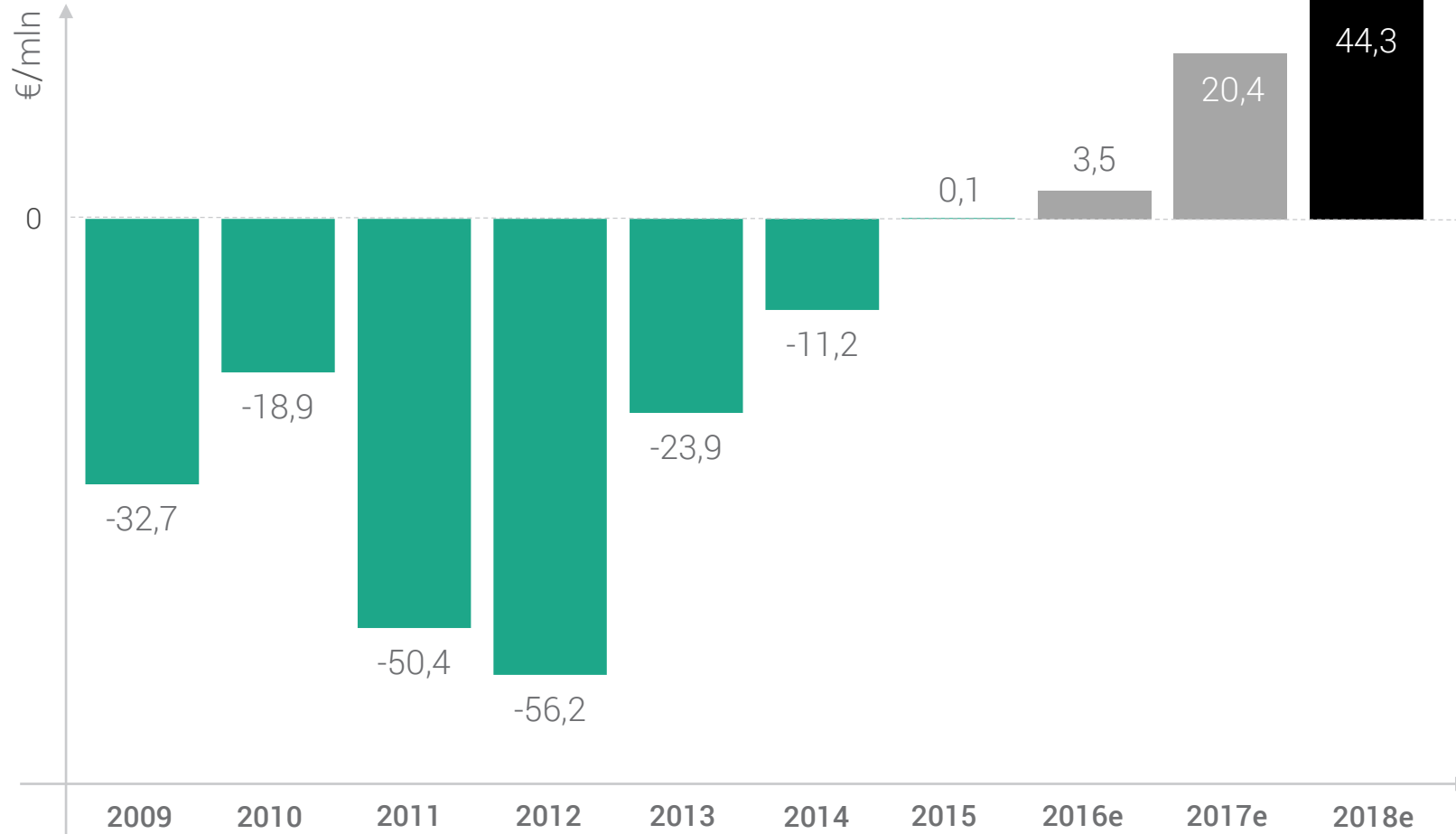
# Ebitda



Continue to  
increase  
**generation of  
value.**

- ✓ Decreasing incidence of **COGS** on Net Sales through footprint optimization and efficiency
- ✓ Maintaining **Labour Cost** incidence on Net Sales **below 29%**
- ✓ Maintaining **Overhead** incidence on Net Sales **below 20%**

# Net Debt



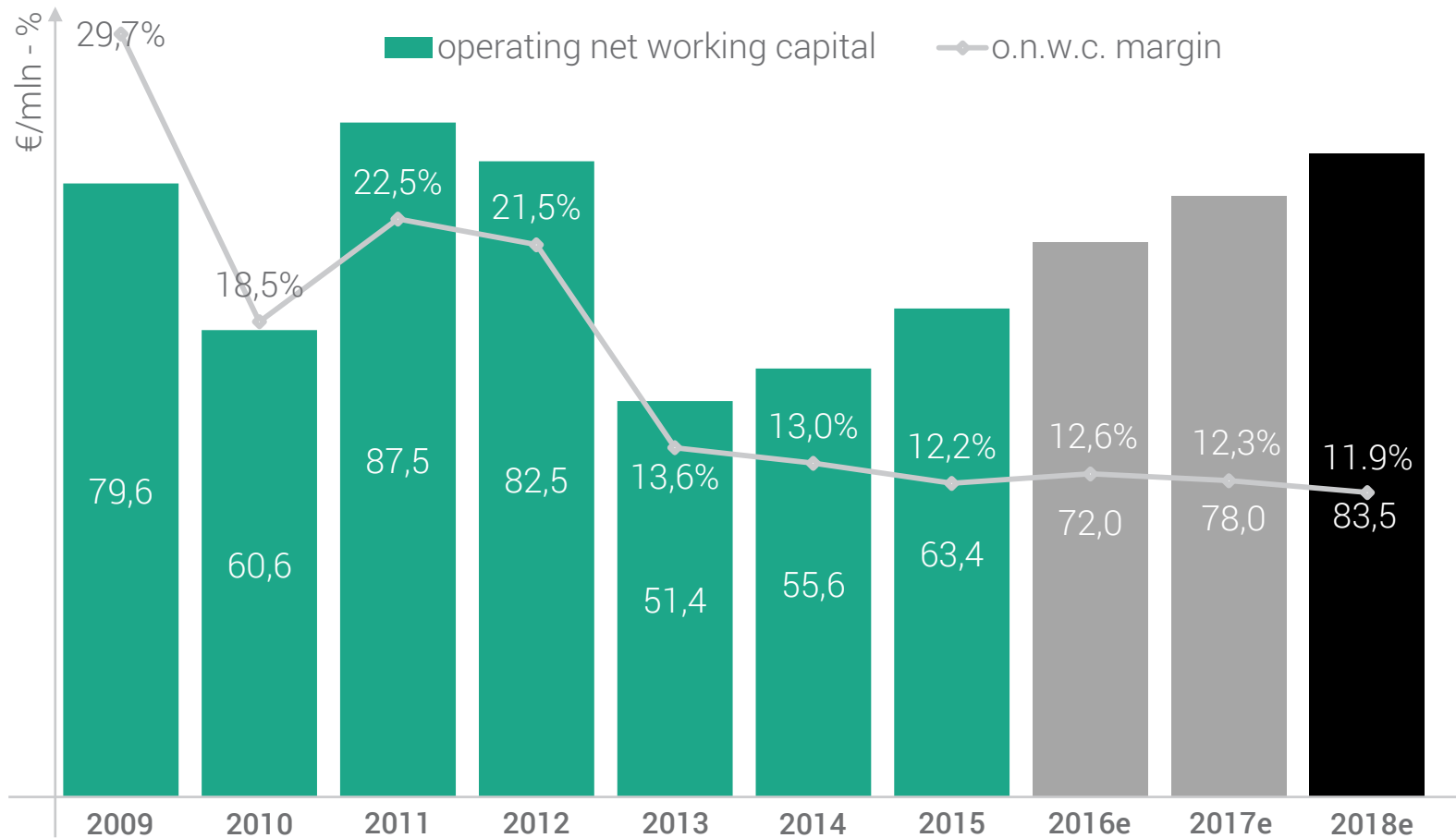
Continue to  
generate a  
**positive cash  
flow.**

- ✓ Starting from **Zero Net Debt in 2015**
- ✓ Continuing to invest in **R&D around 5% of Net Sales**
- ✓ 2016 **investing Cash Flow** in an “extraordinary” CAPEX to support our growth forecast



More **Cash**

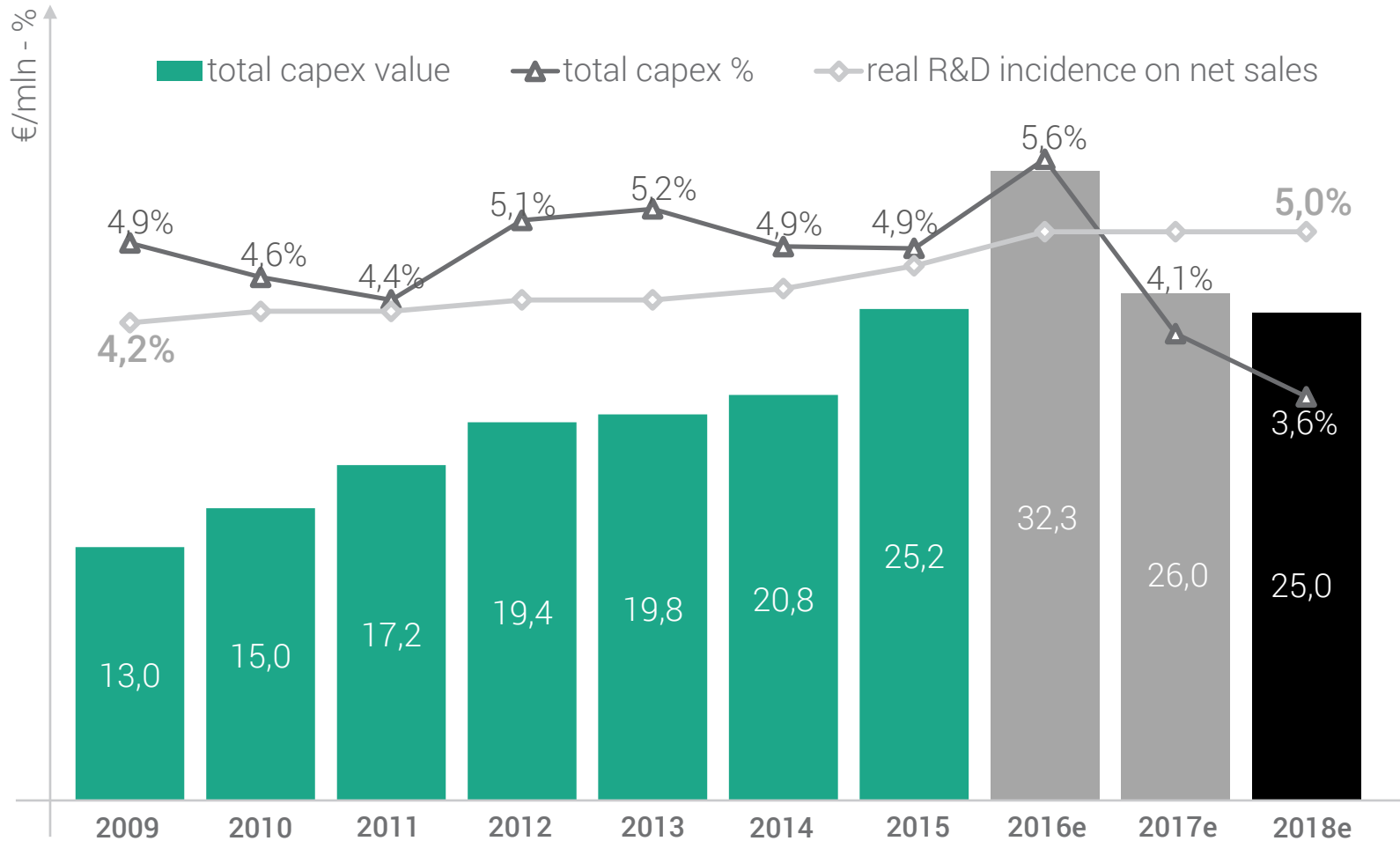
# Operating **Net Working Capital**



Continue to strictly **control** our Operating Net Working Capital.

- ✓ Maintaining **Operating Net Working Capital** incidence on Net Sales well **below 14%**
- ✓ Maintaining our Group **inventories** below **22%** incidence on Net Sales
- ✓ Maintaining our Group **DSO** around **60 days**
- ✓ Maintaining our Group **DPO** around **110 days**

# Capex



Invest to **continue our growth path.**

## 2016

Main Investments drivers

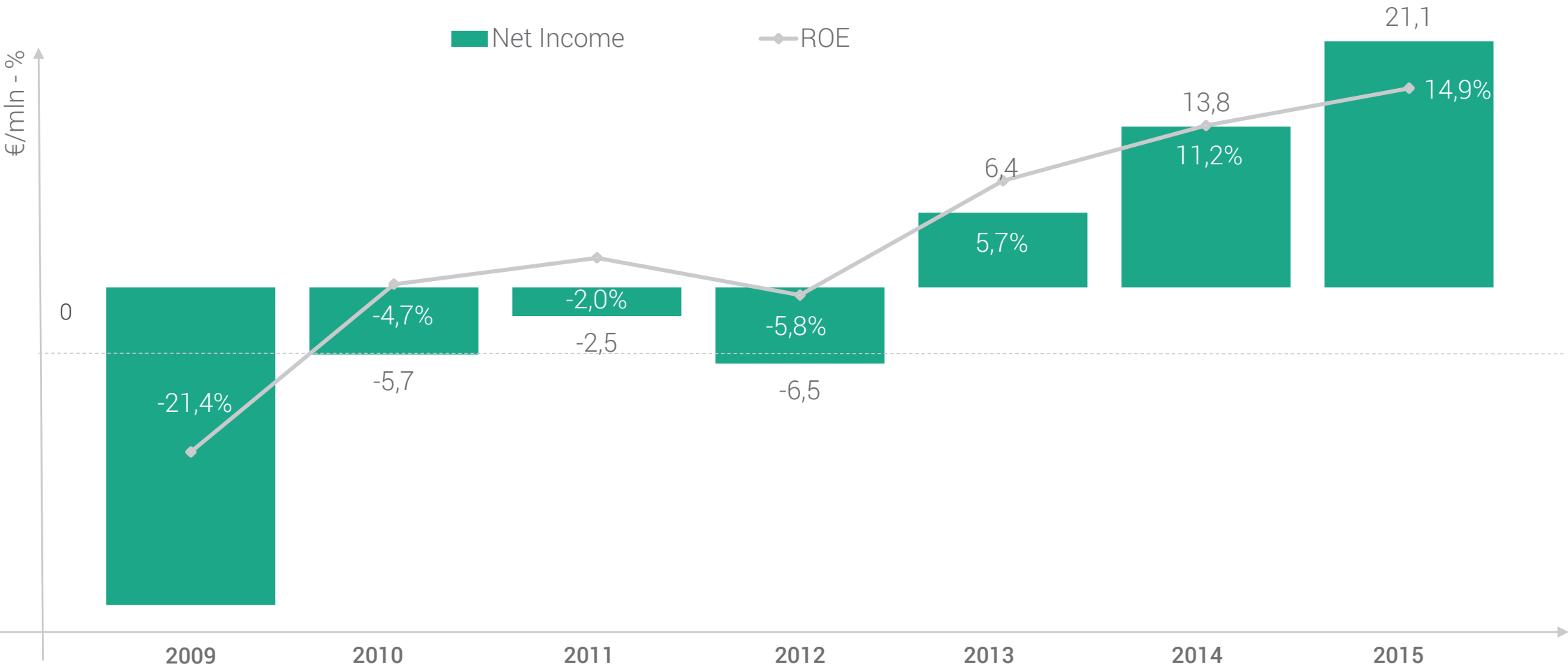
- ✓ **Indian** Manufacturing Site Expansion (+10.000m<sup>2</sup>)
- ✓ **Chinese** Production Site Lean Manufacturing Adoption
- ✓ **Mechatronics** Italian new plant for R&D and production (10.000m<sup>2</sup>)
- ✓ **R&D constant investment**, around 5% on net sales every year
- ✓ **Wood machinery production site** enlargement & maintenance capex





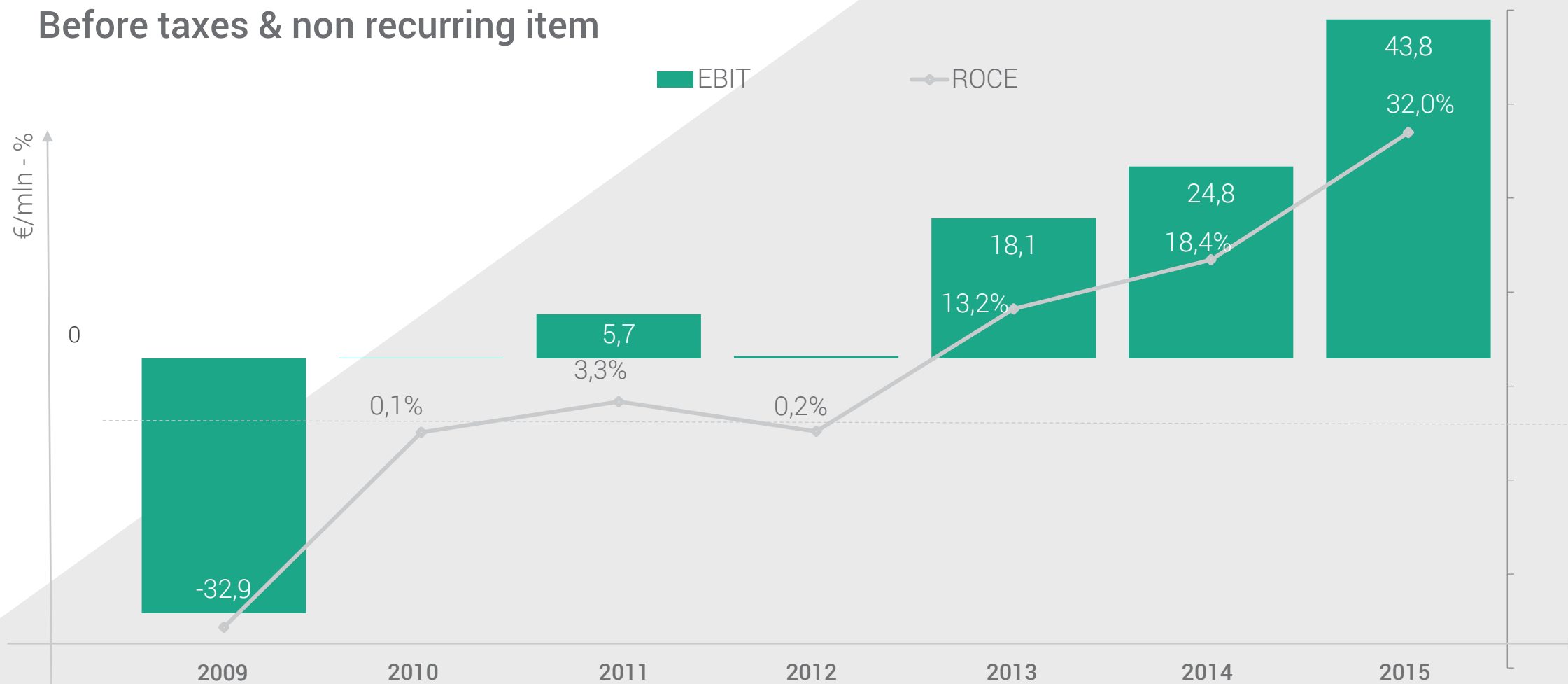
# Annex

# ROE



# ROCE

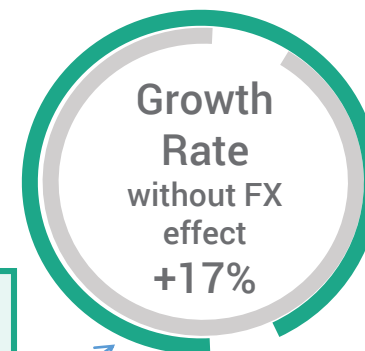
Before taxes & non recurring item





Extract of the **P&L**

€/mln	2013	2014	2015	2018e	Targets
<b>Net sales</b> year -1	378,4 -1,2%	427,1 +12,9%	519,1 +21,5%	704,2 +11,2%	decrease COGS incidence % on Net Sales of 1.2% through footprint optimization and efficiency
Cost of good sold	156,5 41,4%	171,2 40,1%	206,1 39,8%	271,8 38,6%	
<b>Value added</b>	143,5	169,1	212,4	298,6	
%	<b>37,9%</b>	<b>39,6%</b>	<b>40,9%</b>	<b>42,4%</b>	
Labour cost	112,7 29,8%	128,2 30,0%	148,2 28,6%	203,0 28,8%	<b>&lt; 29%</b> incidence
overhead	81,4 21,5%	89,7 21,0%	104,7 20,2%	136,0 19,3%	<b>&lt; 20%</b> incidence
<b>EBITDA</b>	30,9	40,9	64,1	95,6	
%	<b>8,2%</b>	<b>9,6%</b>	<b>12,4%</b>	<b>13,6%</b>	
<b>EBIT*</b>	18,1	26,5	43,8	71,6	
%	<b>4,8%</b>	<b>6,2%</b>	<b>8,4%</b>	<b>10,2%</b>	



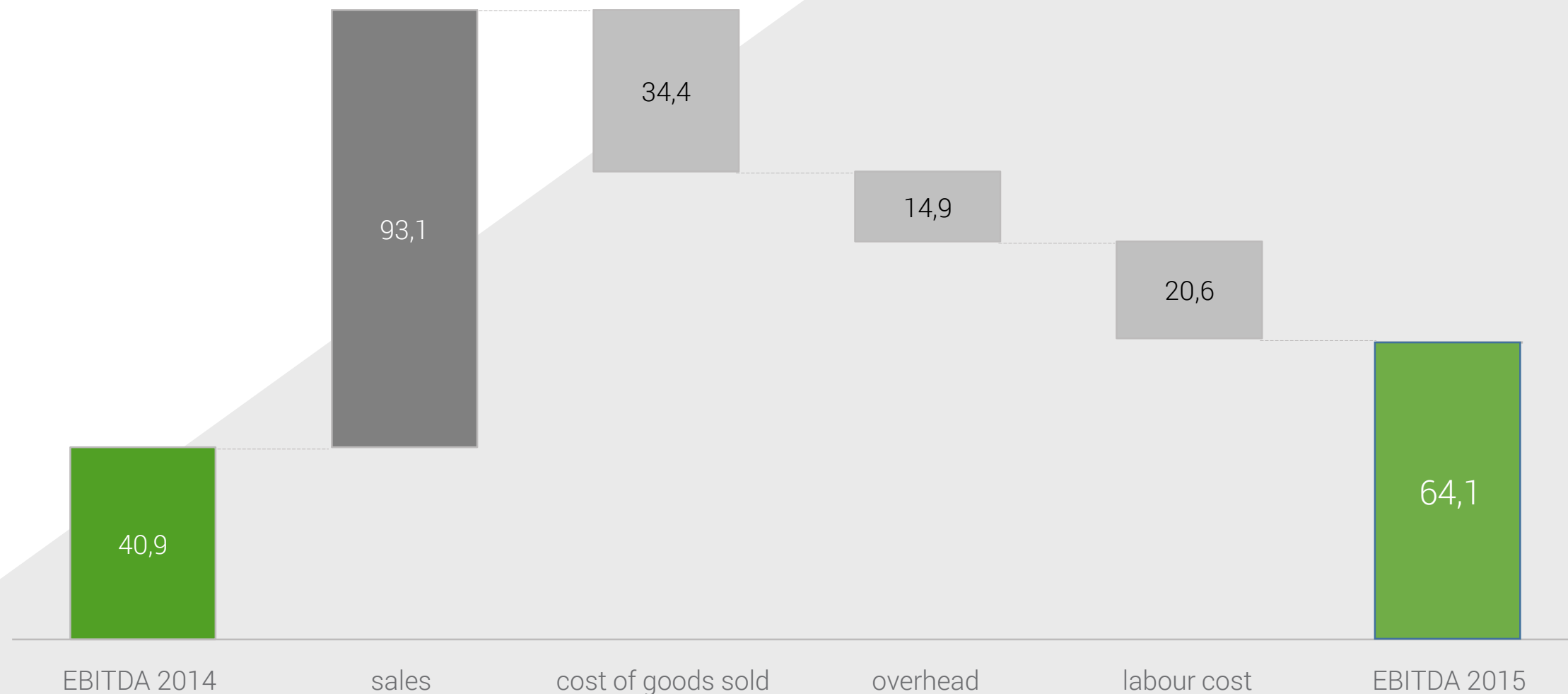
CAGR 10.7

CAGR 12,0%

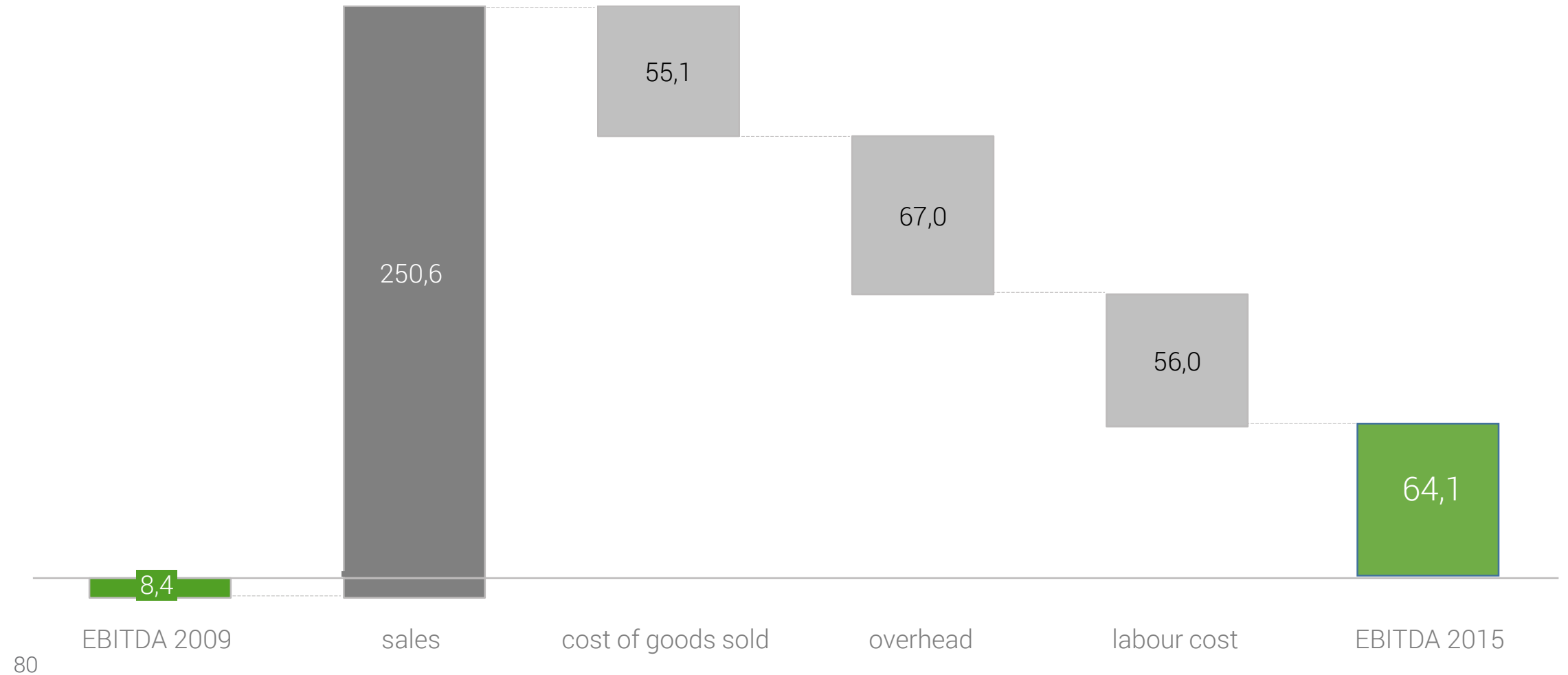
CAGR 14.2

CAGR 17,9%

# EBITDA bridge 2014 vs 2015



# EBITDA bridge 2009 vs 2015





# Operating Net Working Capital

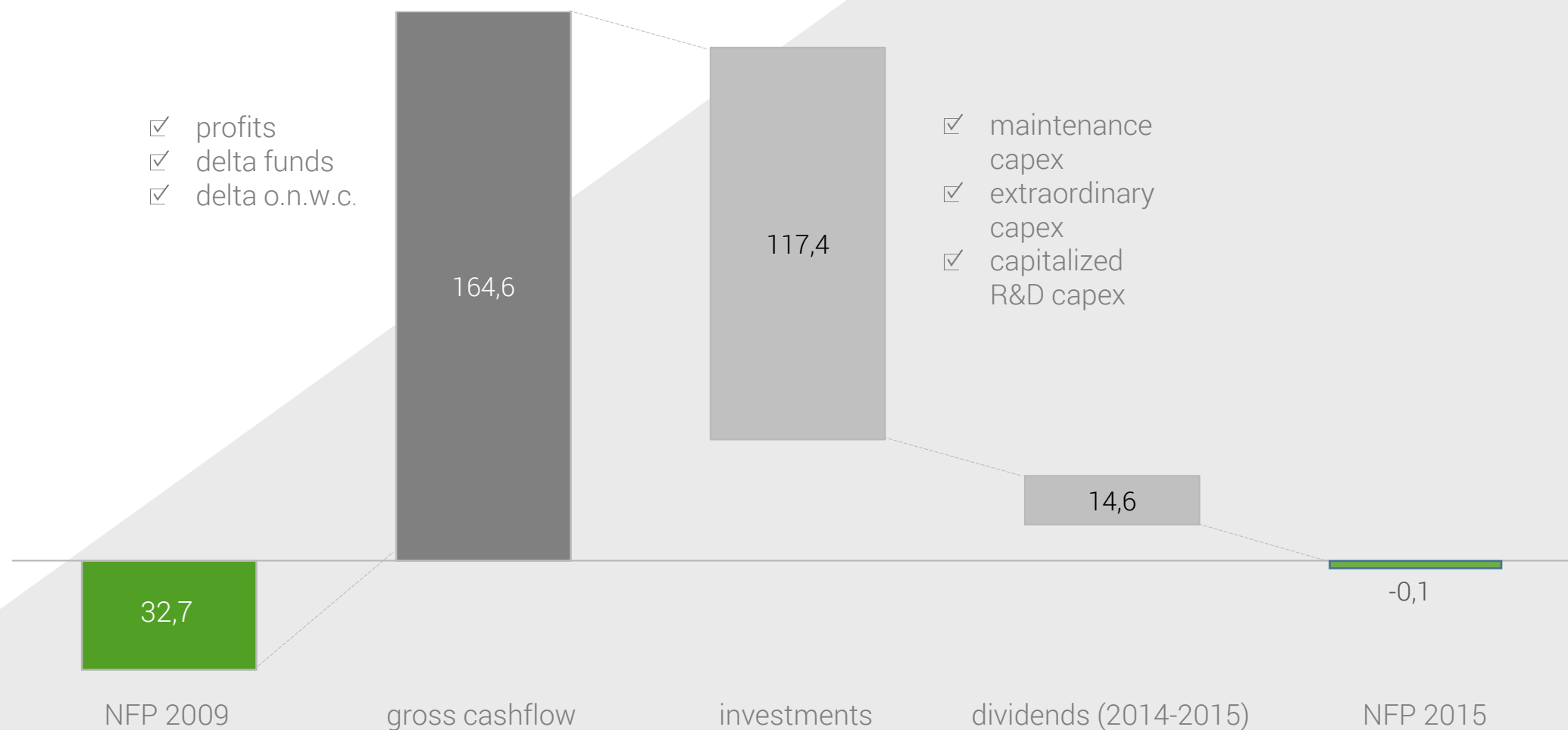
€/mln	2013	2014	2015	2018e	Targets
Inventories % net sales	22,8%	23,0%	21,5%	19,4%	<22%
Receivables % net sales	20,1%	18,9%	20,3%	19,1%	DSO 60 days
Payables % net sales	29,4%	28,8%	29,5%	26,6%	DPO 110 days
Operating Net Working Capital % net sales	51,4 13,6%	55,6 13,0%	63,4 12,2%	83,5 11,9%	

# Cashflow - Net Debt

€/mln	2013	2014	2015	2016e	2017e	2018e
<b>Gross Cashflow</b>	52,1	38,3	46,1			64,1
% net sales	<b>13,8%</b>	<b>9,0%</b>	<b>8,9%</b>			<b>9,1%</b>
Investments	-19,9	-20,8	-25,2			-25,0
% net sales	5,2%	4,9%	4,9%			3,5%
<b>Net Cashflow</b>	32,3	17,5	20,9			39,1
% net sales	<b>8,5%</b>	<b>4,1%</b>	<b>4,0%</b>			<b>5,6%</b>
dividends		-4,8 0.18 per share	-9,8 0.36 per share 71% of 2014 net result			
Δ Net Debt		12,7	11,1			
<b>Net Debt</b>	<b>-23,9</b>	<b>-11,2</b>	<b>0,1</b>			<b>44,3</b>

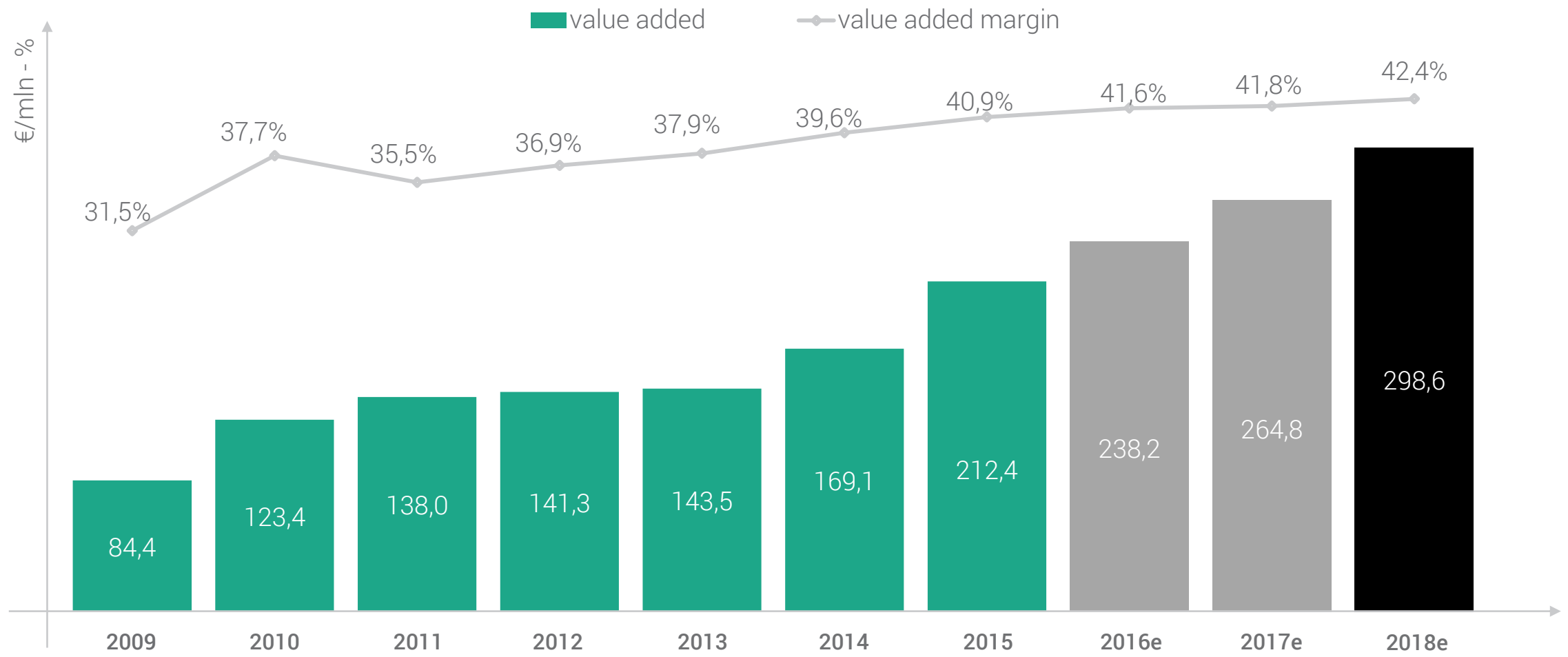


# Cashflow bridge 2009 vs 2015

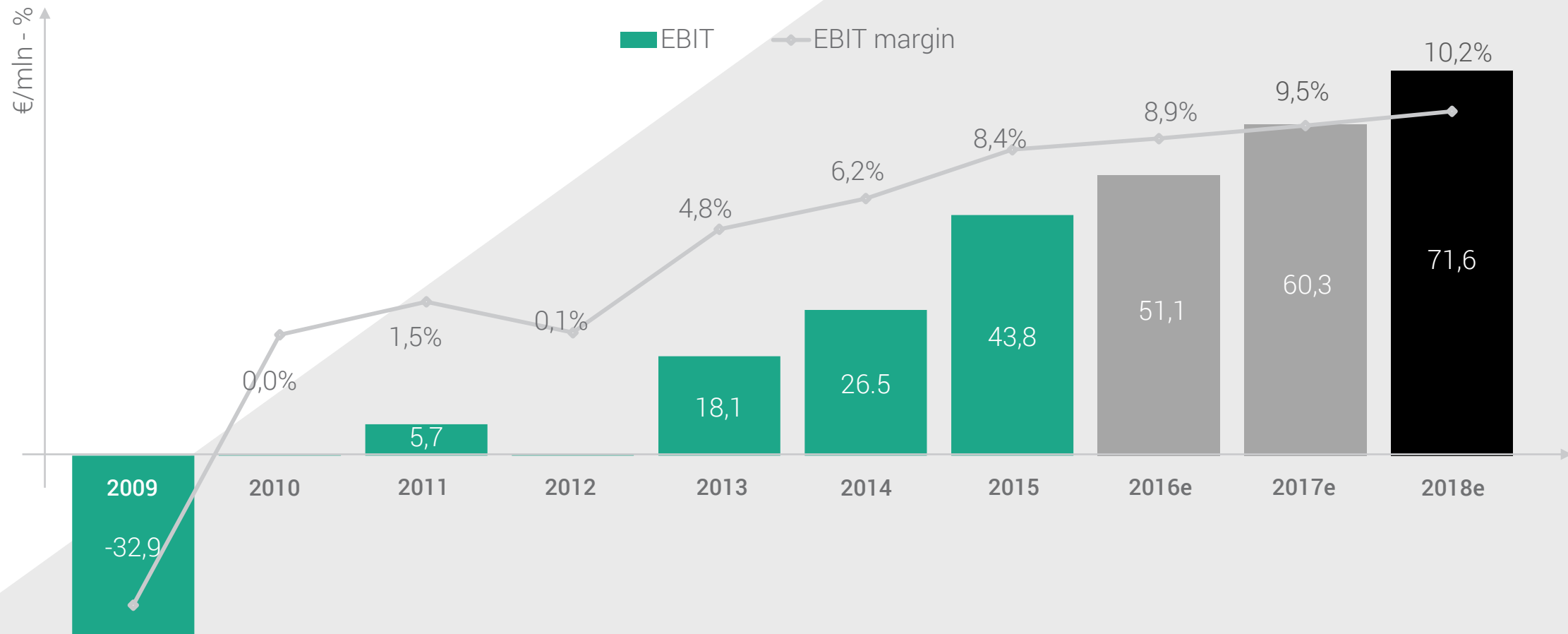




## Value added

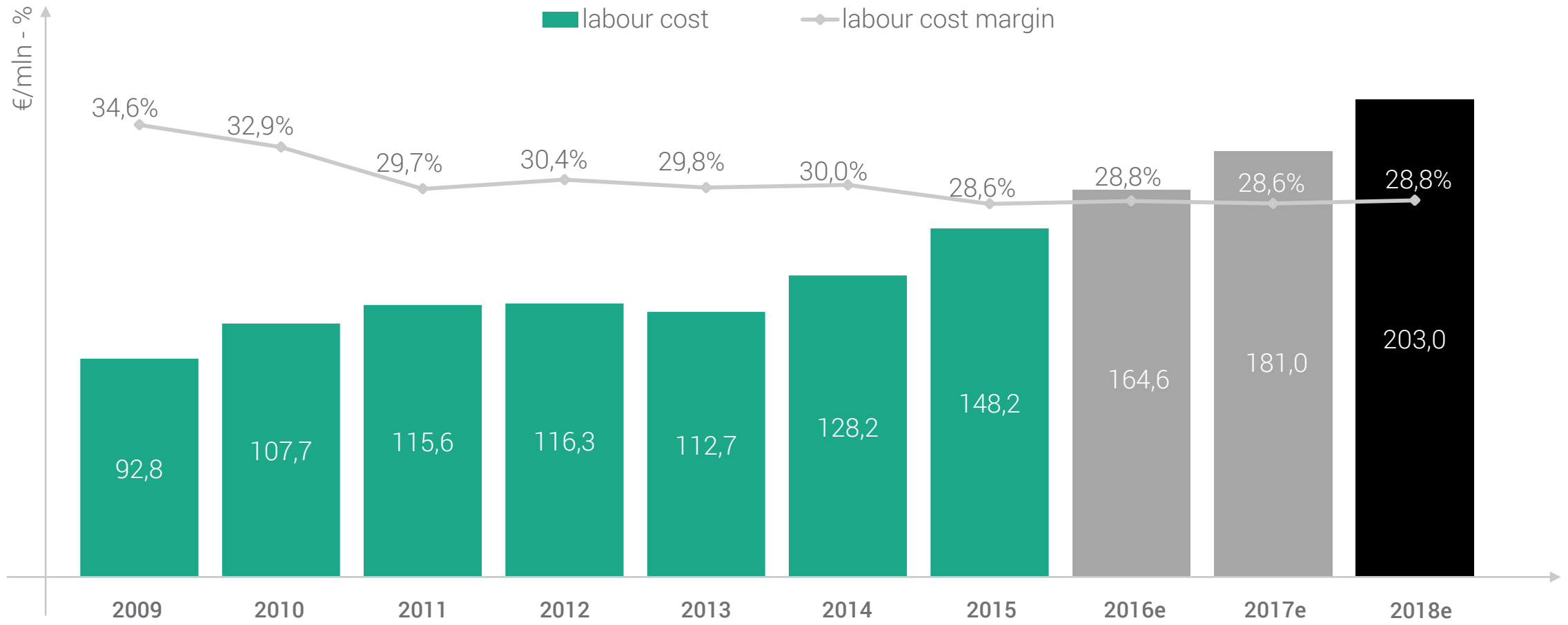


## Ebit



\* before non recurring items

# Labour cost

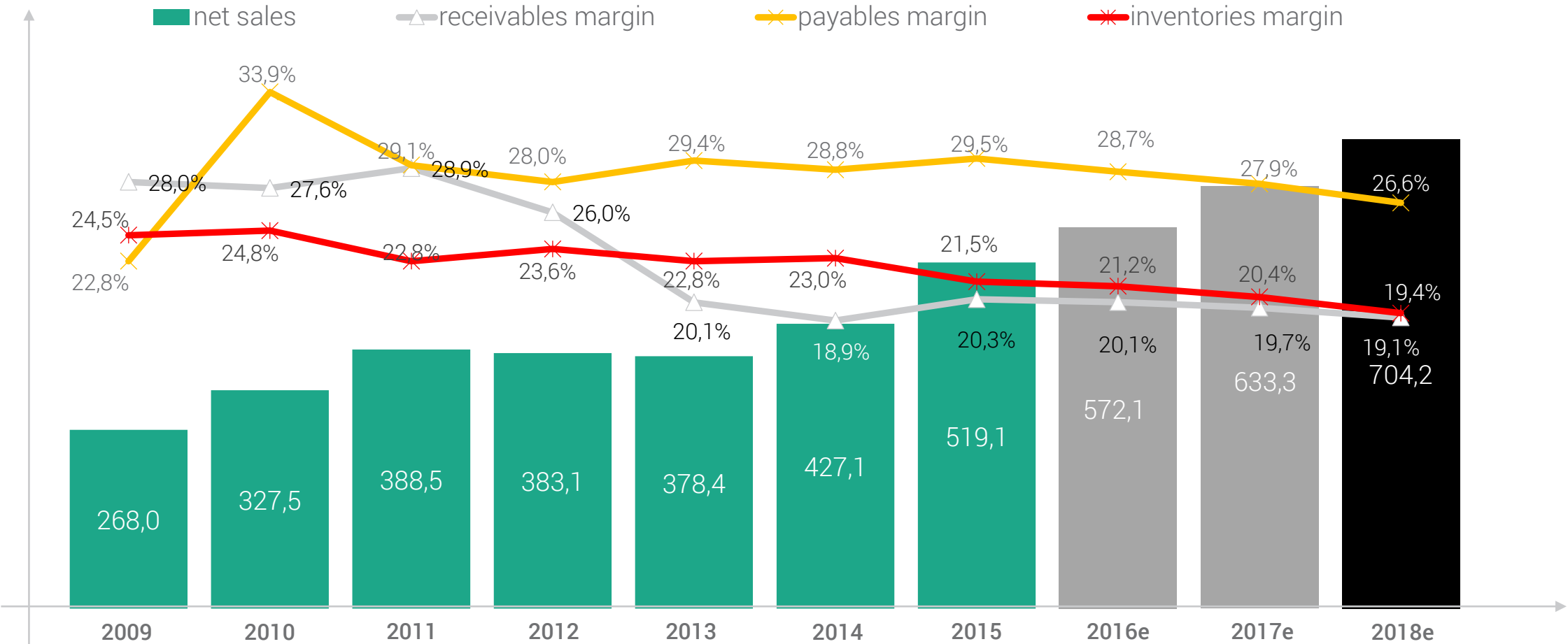


# Group People Distribution

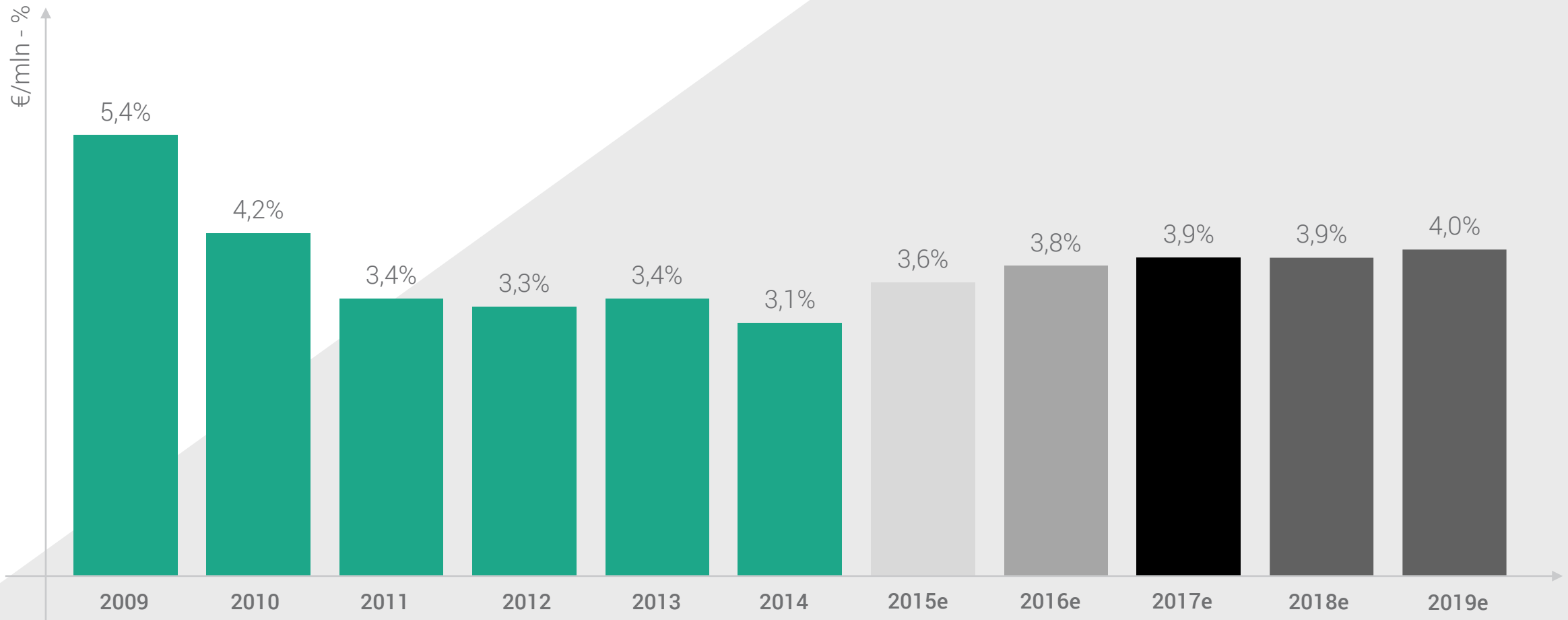
	2010	2011	2012	2013	2014	2015	2018e
<b>Production</b> % of total people	965 41%	1.250 46%	1.265 45%	1.175 44%	1.201 42%	1.335 42%	
<b>Service &amp; After sale</b> % of total people	568 24%	577 21%	574 21%	613 22%	628 22%	690 22%	
<b>R&amp;D</b> % of total people	293 12%	316 12%	338 12%	321 12%	361 13%	383 13%	
<b>Sales &amp; Marketing</b> % of total people	340 13%	361 13%	364 13%	351 13%	439 15%	495 15,6%	
<b>G &amp; A</b> % of total people	202 9%	233 9%	242 9%	235 9%	252 9%	273 9%	
<b>ITALY</b> % of total people	1.660 70%	1.656 61%	1.646 59%	1.547 57%	1.605 56%	1.780 56%	50%
<b>OUTSIDE ITALY</b> % of total people	708 30%	1.081 39%	1.136 41%	1.148 43%	1.276 44%	1.396 44%	50%
<b>TOTAL</b>	2.368	2.737	2.782	2.695	2.881	3.176	



# Receivables - Payables - Inventories



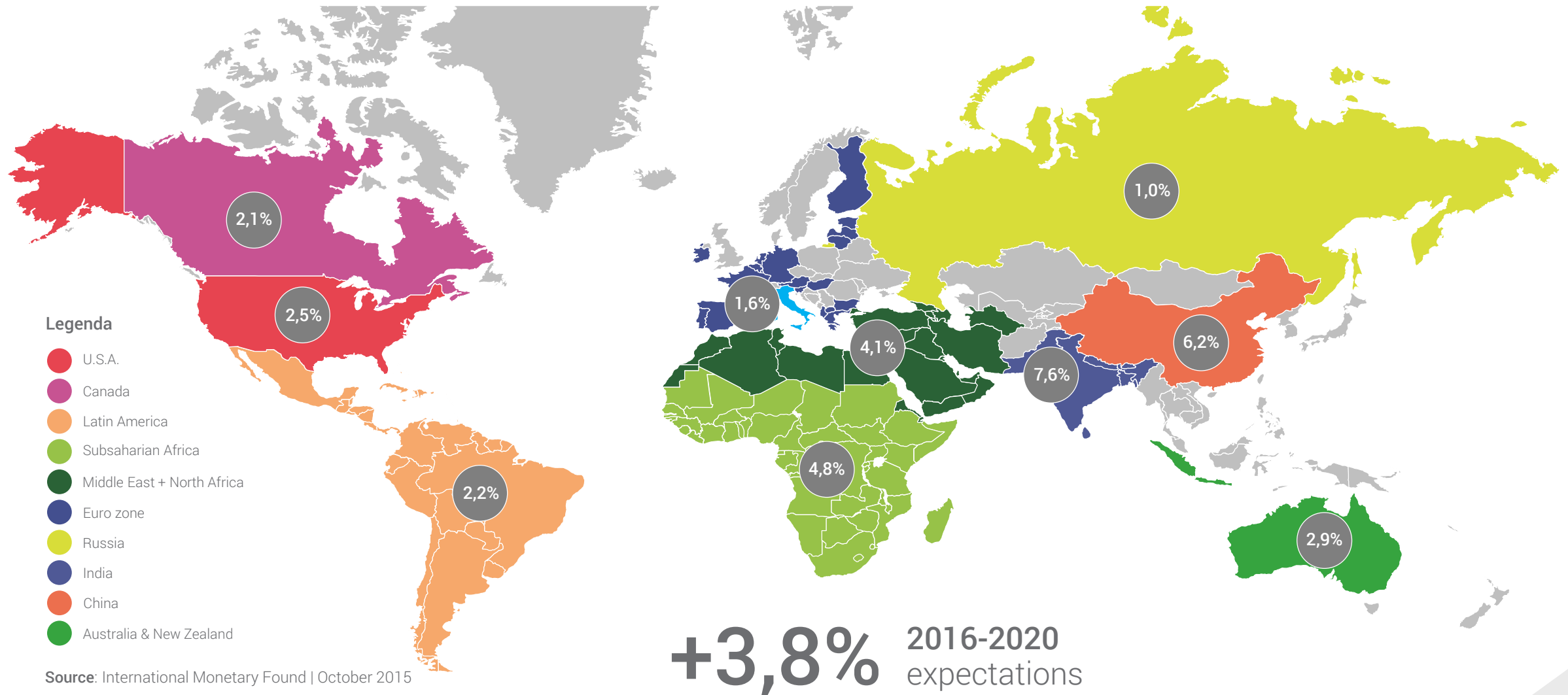
# World GDP



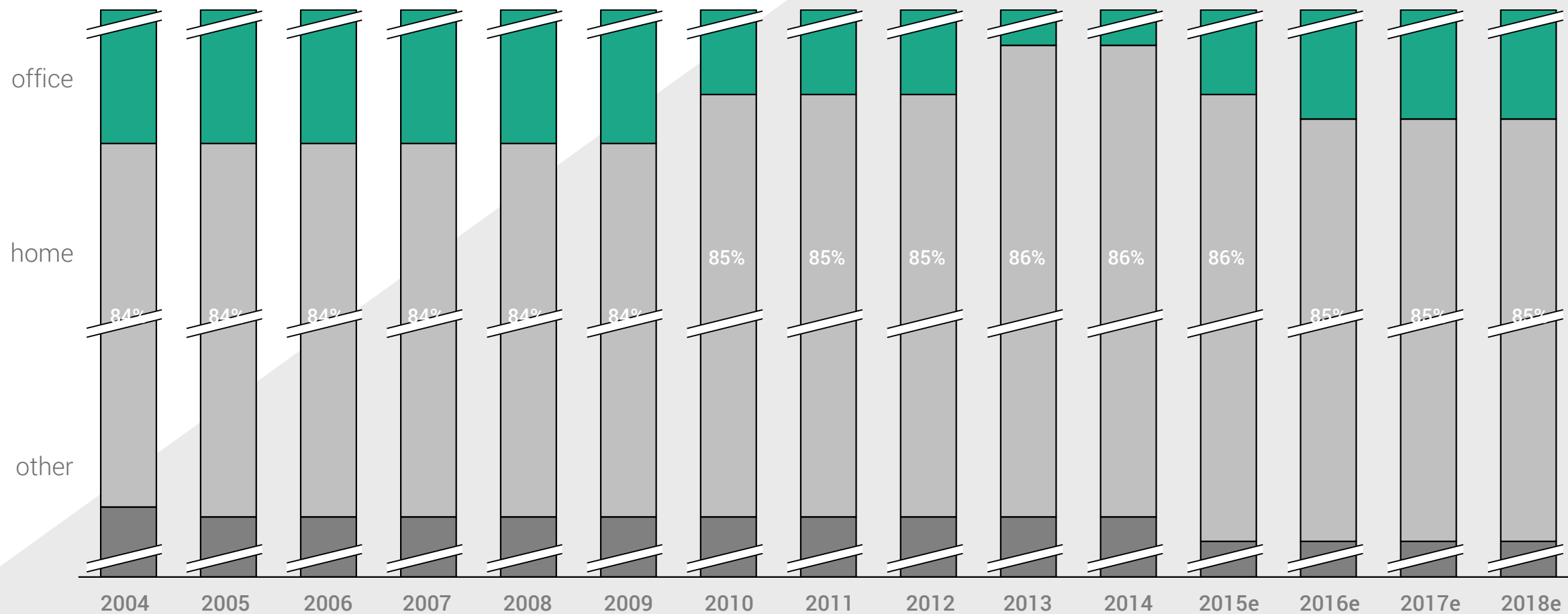
Source: International Monetary Found | October 2015

## Annex

# World GDP

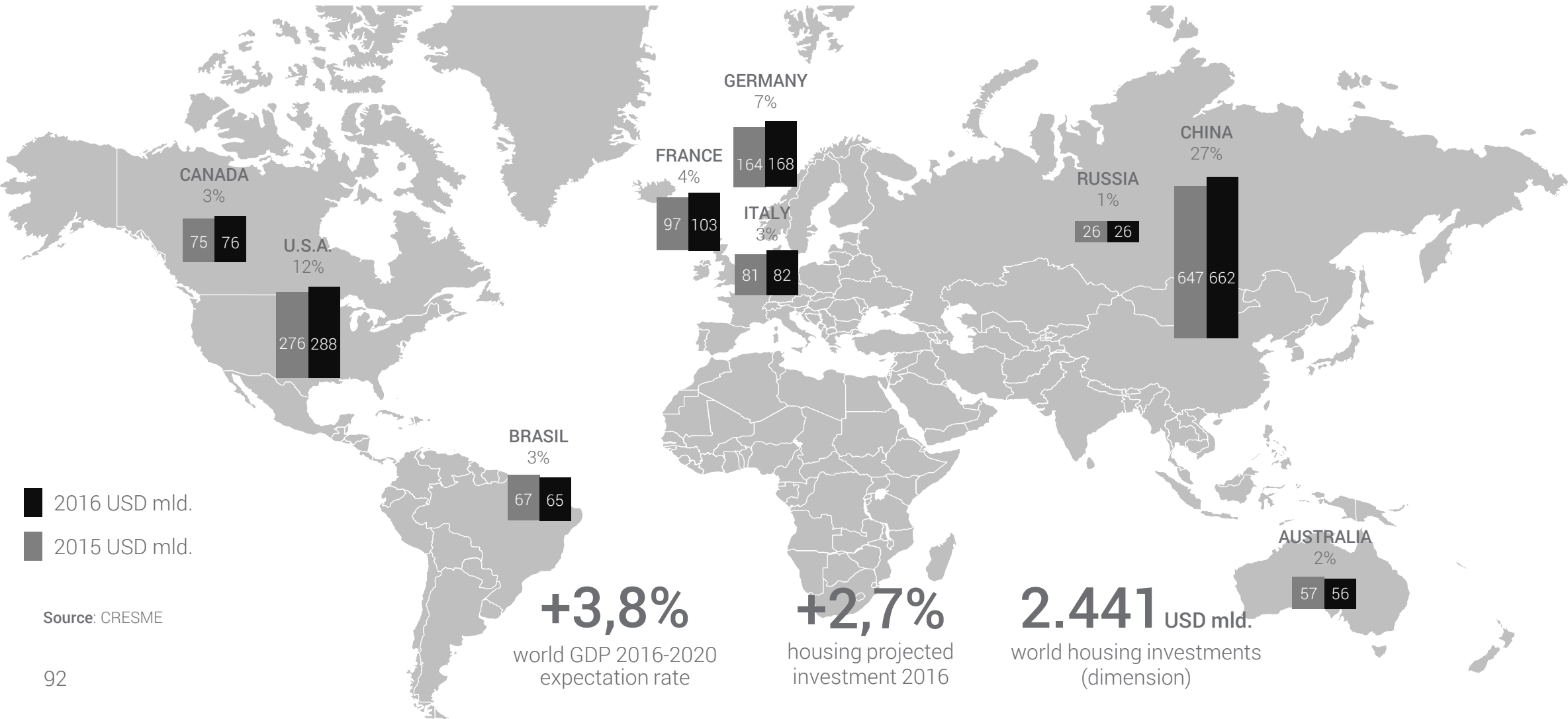


# Furniture breakdown



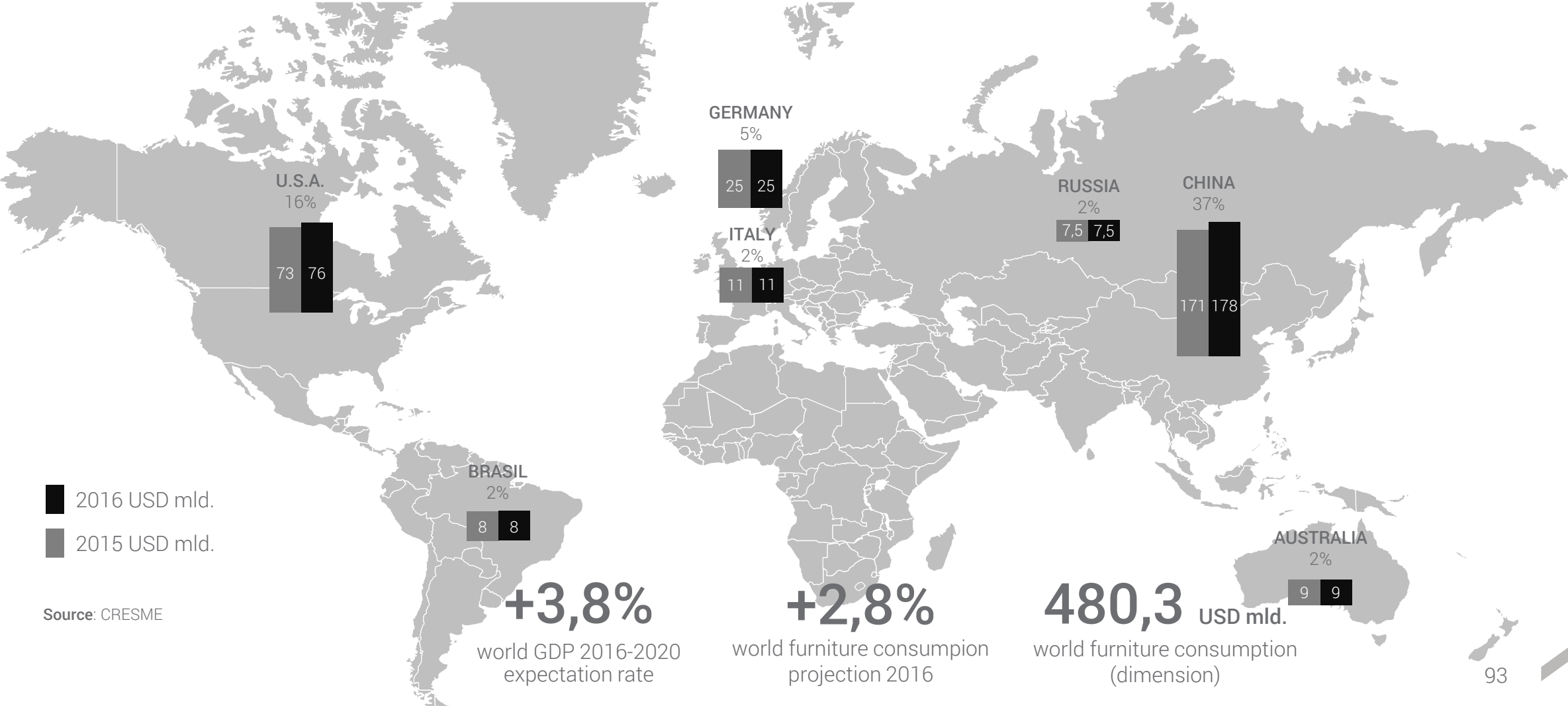


# Reference markets: **Housing**



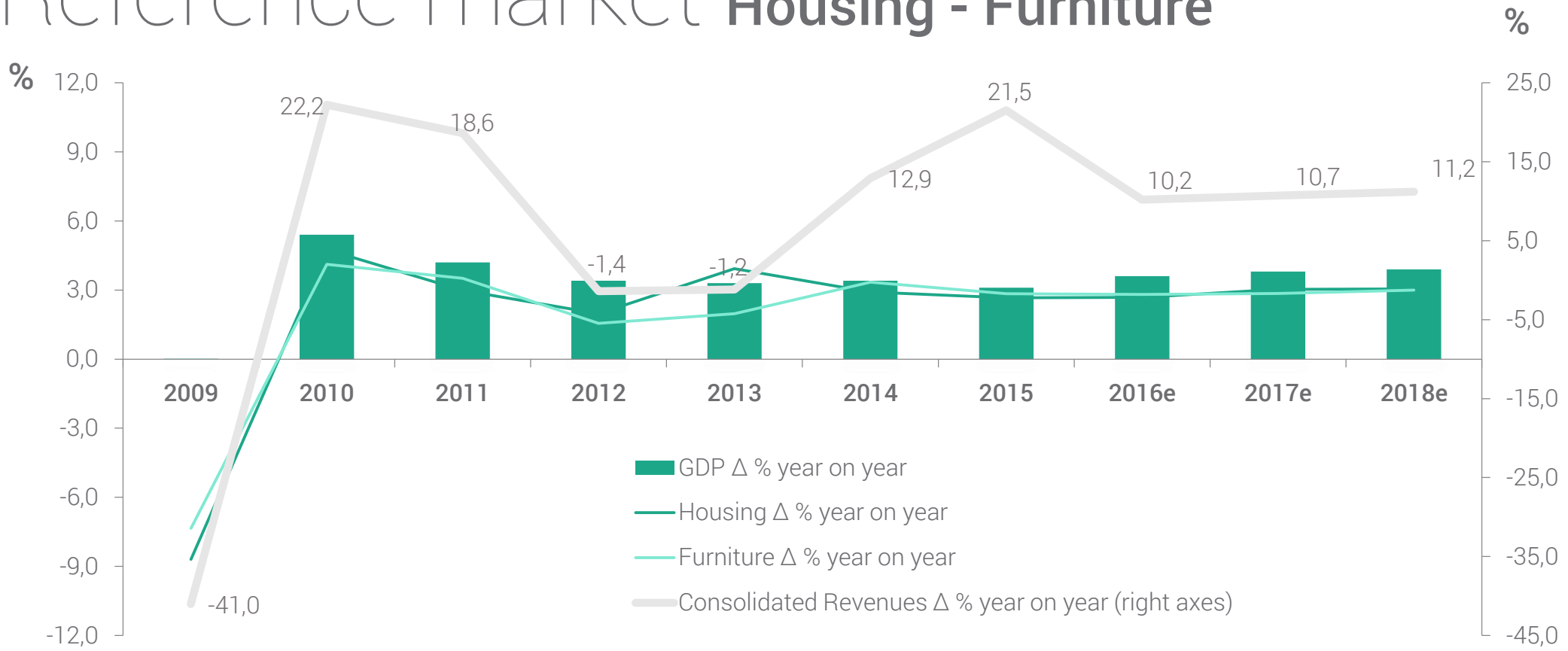
Source: CRESME

# Reference markets: Furniture



Source: CRESME

# Reference market **Housing - Furniture**



Source: CSIL  
furniture demand  
(world) - CRESME /  
SIMCO GDP and new  
housing (world)

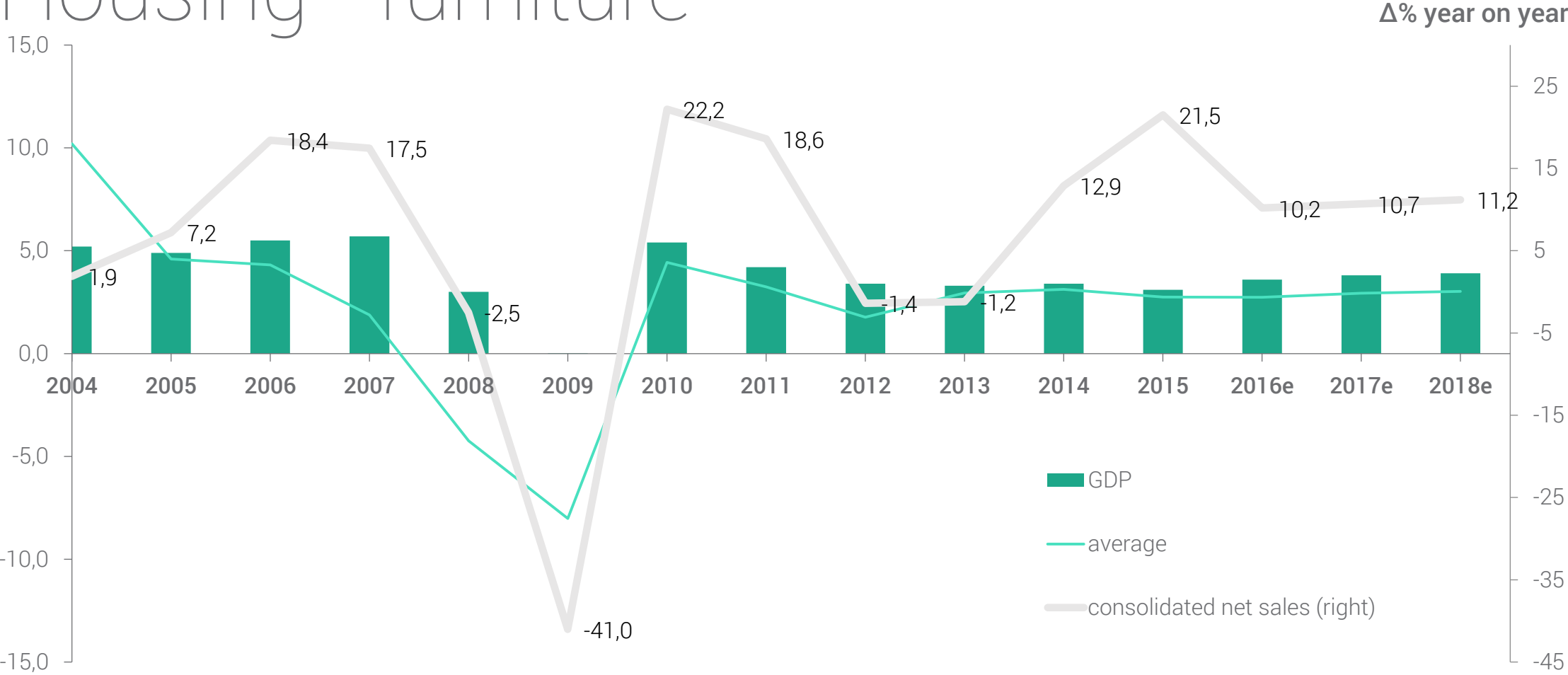
**+3,8%**  
World GDP  
2016-2018

**+10,7%**  
Consolidated net sales  
CAGR 2016-2018

**+2,9%**  
Furniture  
2016-2018

**+2,9%**  
Housing  
2016-2018

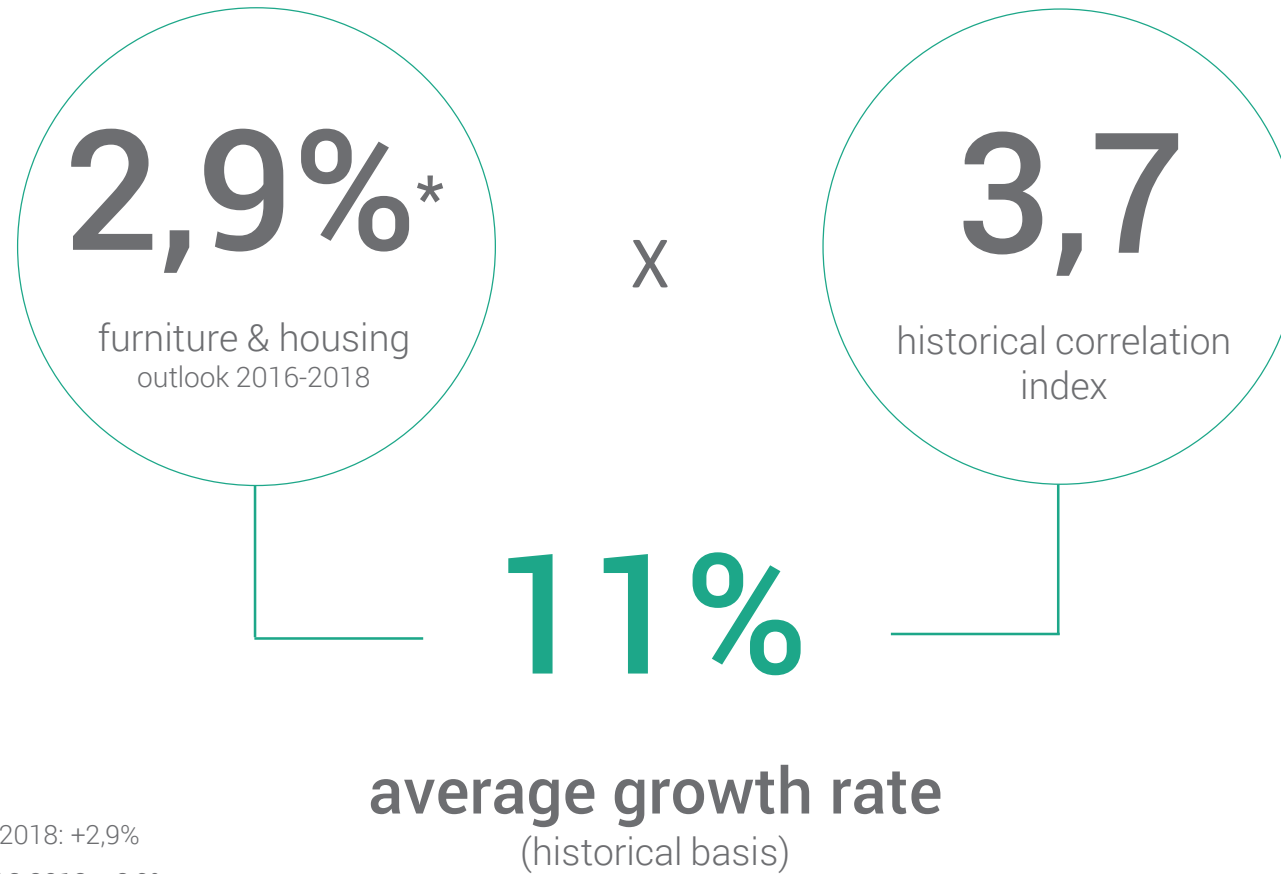
# Housing - furniture



**3,7** historical correlation index



# Housing - furniture



\* world "furniture" 2016-2018: +2,9%  
world "new housing residential" 2016-2018: +2,9%  
world furniture & housing average 2016-2018: +2,9%

# Acimall & Ucimu

## Italian associations



«During the year that has just ended, we saw an increase in production of 7.2%, once again characterized by a growth of the export sector to the tune of 6.8%. A positive result was also achieved by the domestic sector, which is clearly recovering from the recent challenges suffered. With regard to expectations for 2016, Acimall anticipates a growth of between 5-10%, conditioned, as ever, by the results of the planned policies of incentivization».



**Italian woodworking machineries & tools  
manufacturers association**

Press release dated December 16th, 2015 - Extract



«Excellent results were seen for the year 2015, with an increase in production of 12.2%, while consumption of machine tools increased by 31.3% compared to 2014. This was driven in particular by domestic demand, which increased by 45.4% (again compared to the results achieved in 2014). For 2016, welcomed by many as a good year for the Italian manufacturing industry, an increase in production of 7.2% is anticipated, with particular emphasis on the export sector, which is up by 6.6%. As with other production segments, the contribution expected in the wake of the proposed tax relief legislation (tax incentives) is a decisive factor».



**Italian machines tools, robots and  
automation manufactures association**

Press release dated December 15th, 2015 - Extract

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