

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

IX Italian Stock Market Opportunities

Milan

20 September 2016

 **BIESSEGROUP**

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.

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

2

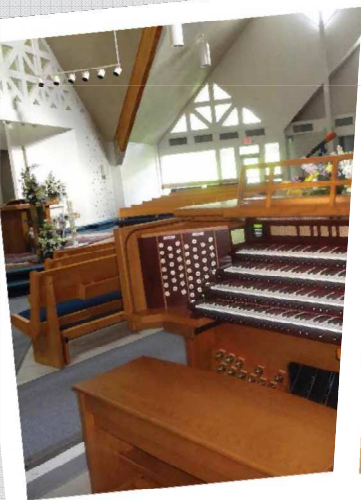
production sites
outside Italy
(India & China)



Biesse Asia
Grand Opening

With

Customers in
120 countries



Allen Organ, U.S.A

Made



Milan Design Week,
Italy

Made **With** Intermac

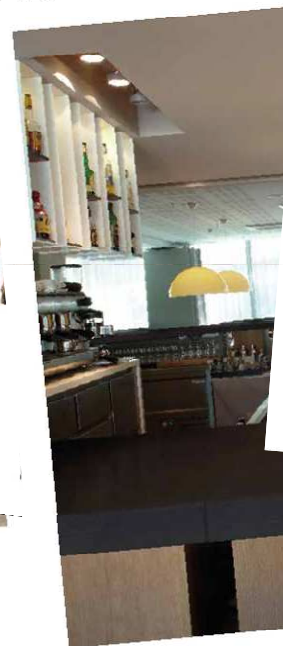


Lago, Italy



Sagrada Familia,
Spain

Made **With** Biesse



Cosentino Group,
Spain

Made **With** Diamut



Bigelli Marmi, Italy



Fiam, Italy

Made

We

Our Human capital.

more than
3,450
employees
throughout the world

25 YEARS 1989 2014
BIESSE AMERICA



“Strength lies in differences,
not in similarities”.

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.



BIESSEGROUP

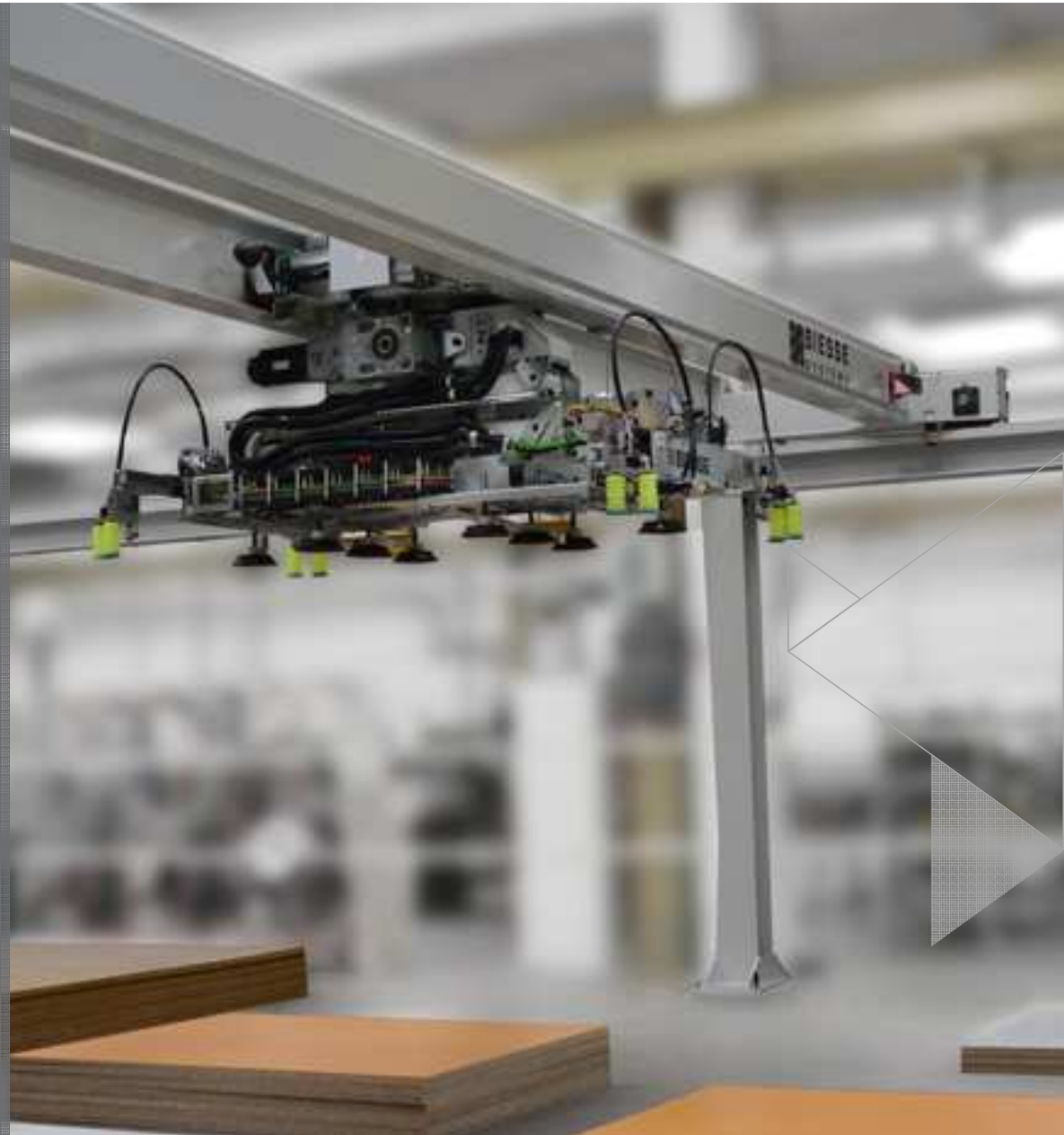
Think4ward

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.





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**



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

Our values /

 **BIESSEGROUP**

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 goals

More
Revenue

01

More
Profit

02

More
Cash

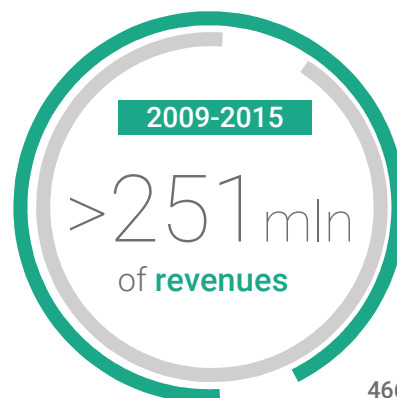
03

for a consistent
growth.

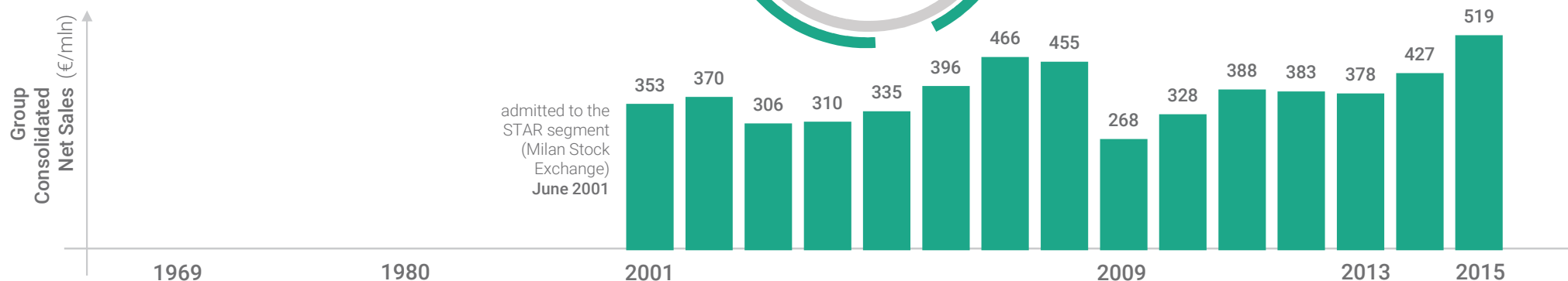
Our values / **Excellence** /

More Revenue

BIESSEGROUP



■ Biesse Group
Consolidates Net Sales (€/mln)



Wood



Glass



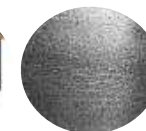
Stone



Mechatronics



bSoft
(software)



Metal

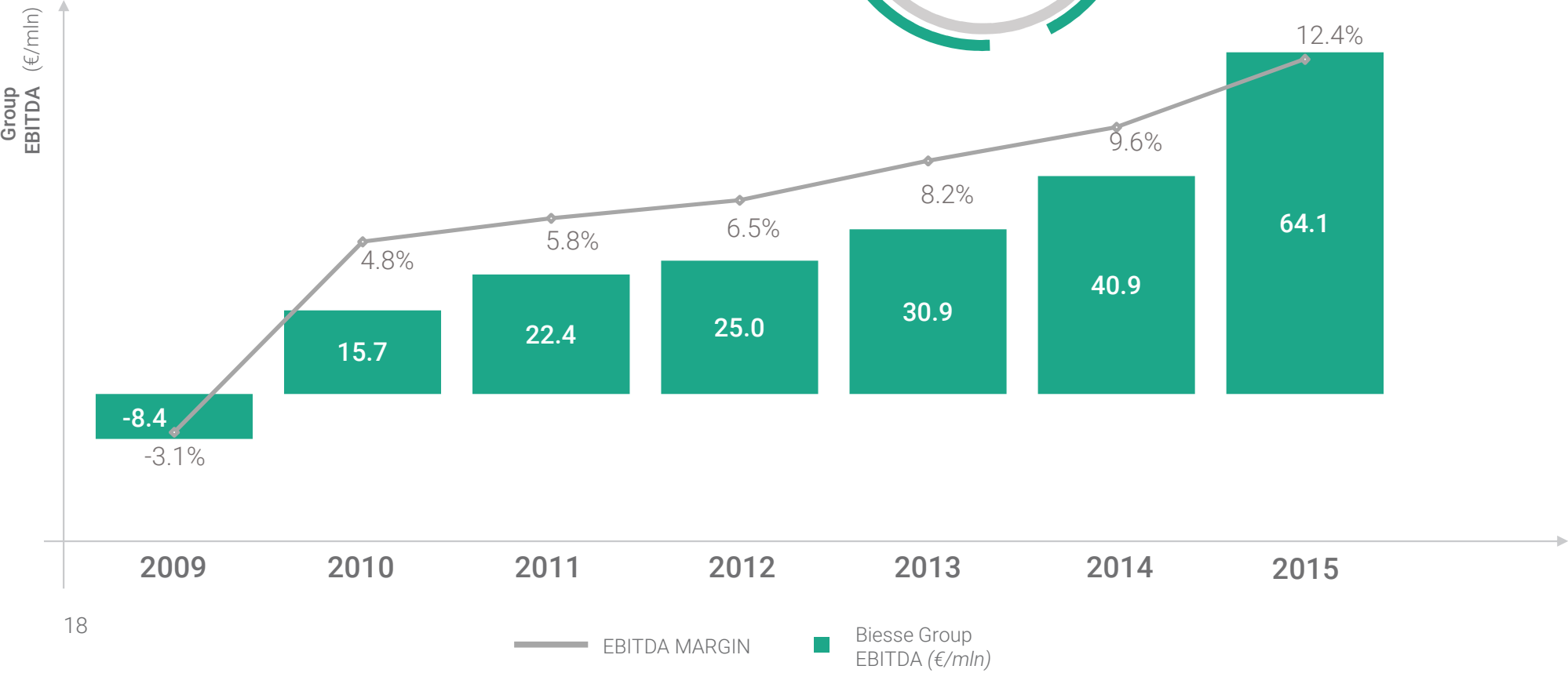
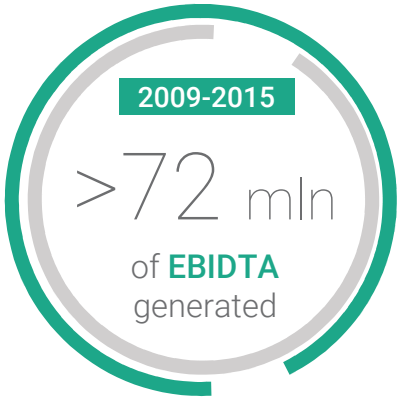


Plastic &
Advanced
Materials

Our values / Excellence /

More Profit

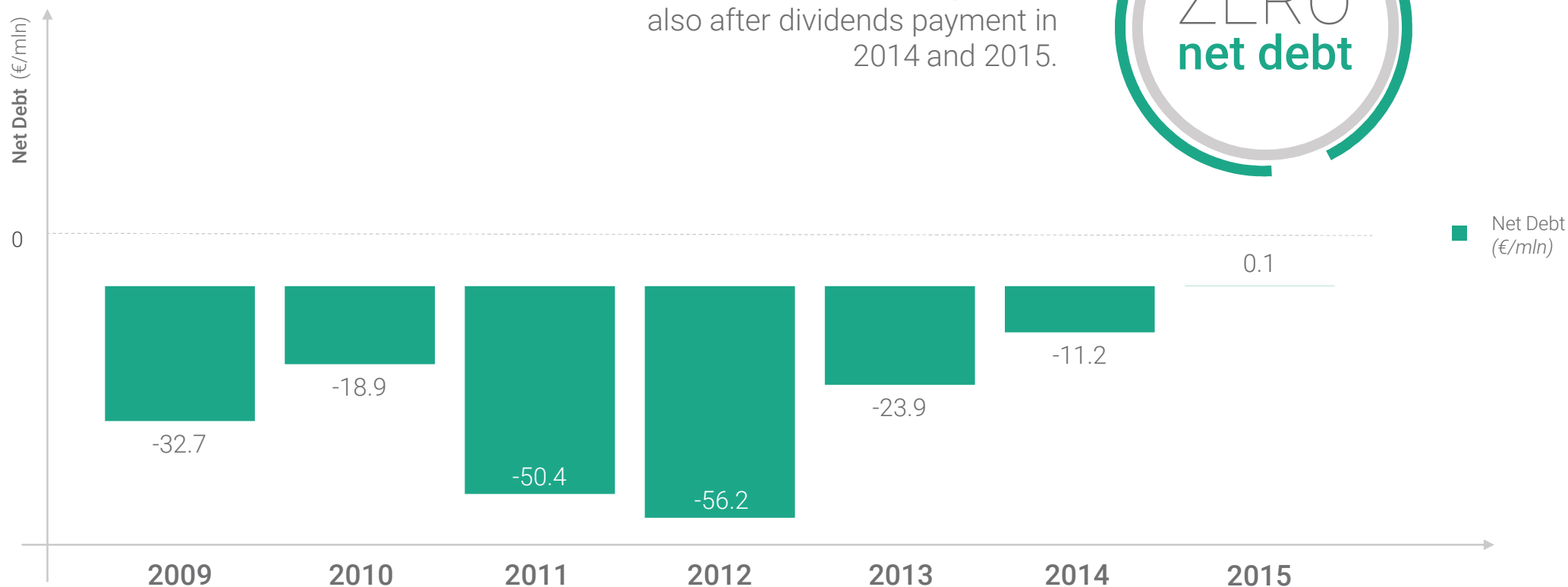
EBITDA



More Cash

Net debt

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



Our Business Model



We **make**
Top-quality Italian **products**



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

key points

Knowledge
Delivery
Products
Customers

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

BIESSEGROUP

Our Products



WOOD



GLASS



STONE



PLASTIC



METAL

01

Machines

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

02

Systems

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

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.



Made With Biesse Group
technologies

Our **Business Model** /

Our **main customers**

Ikea
Howdens
Masonite
Colombini Group
Veneta Cucine
Roland Gerling
Lube Cucine
Lago
Fiam

Legal & General Insurance
Onsrud
Heian
Saint Gobain
Pilkington
Fidia
Glaströsch
Cosentino
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 |

Our **Business Model** /

BIESSEGROUP

Wide **customer base**

Customer Sales Distribution 2015



**Small
manufactures**

**Large
manufactures**

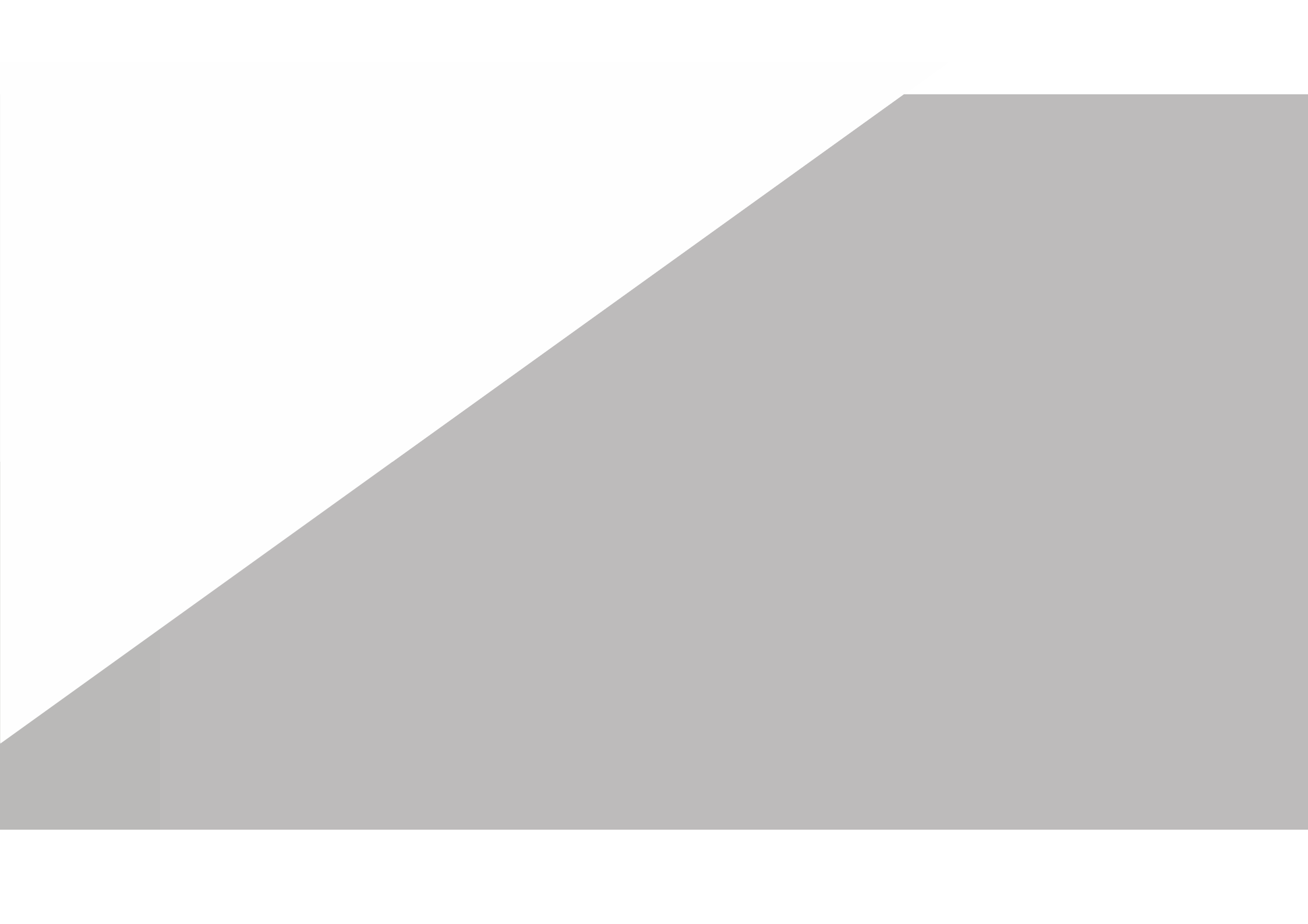
20
(€/000)

10.000 >
(€/000)

Median

Average





Summary / Guidance / Main Drivers

Summary

- ✓ IH 2016 with strong orders intake and backlog record
- ✓ IH 2016 with strong sales increase re-adjusting the IQ performance
- ✓ IH 2016 with strong cashflow and with a strong decrease of the net debt (close to zero)

Guidance

- ✓ Guidance for an higher labour cost due to investments scheduled for the next two years that have been brought forward (150 new jobs) leading to a slight decrease of profitability (EBITDA & EBIT)
- ✓ Guidance for an orders intake raise even considering the very nice results of the latest world fairs/exhibitions (Melbourne-Atlanta) and the Uniteam S.p.A. potentialities

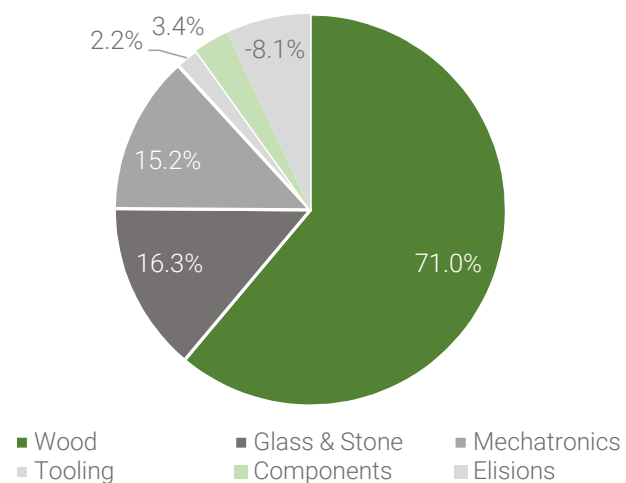
Drivers

- ✓ Urbanization factor
- constructions & restructuring
- ✓ Substitution cycle
- ✓ Energy efficiency – structural wood growing demand

Biesse at a glance

Revenues

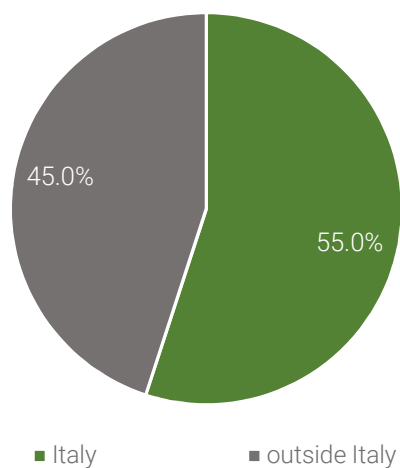
€ 283.4 mln (+15.4%*)



(*vs June 2015)

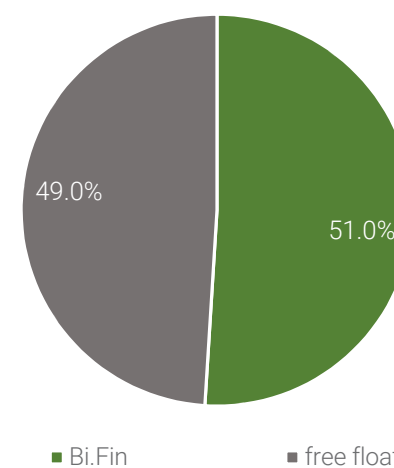
Employees

Group 3459 (+17.4%*)



Market cap/e.p.s.

€ 353 mln - € 0.4344 (+13.3%*)

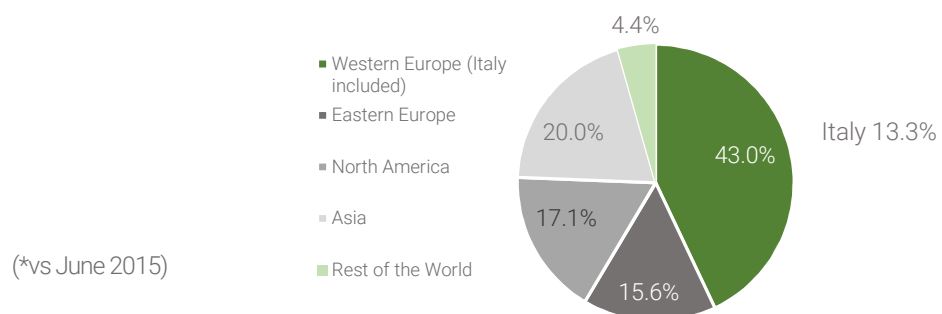


IH Results

Biesse at a glance

Orders intake

€ 256.4 mln (+ 16.1%*)

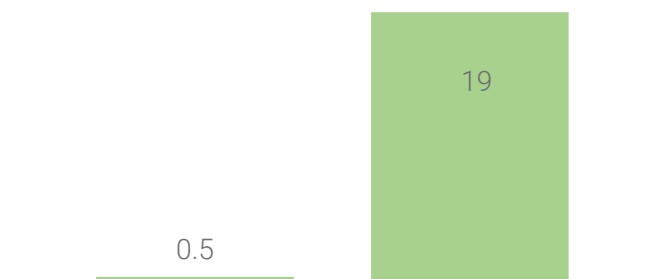


Backlog

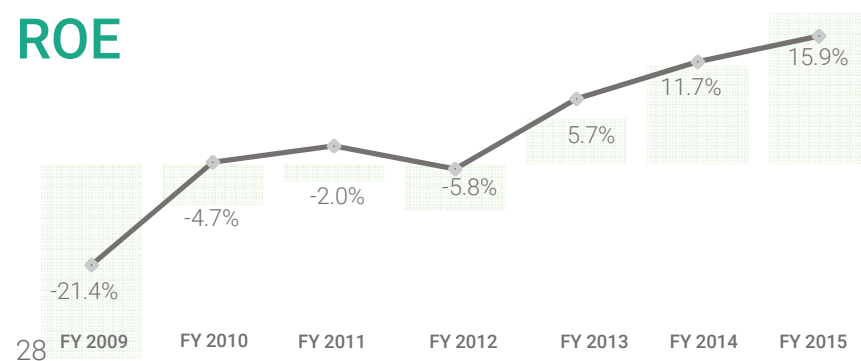
€ 178.5 mln (+ 27.8%*)

Net debt

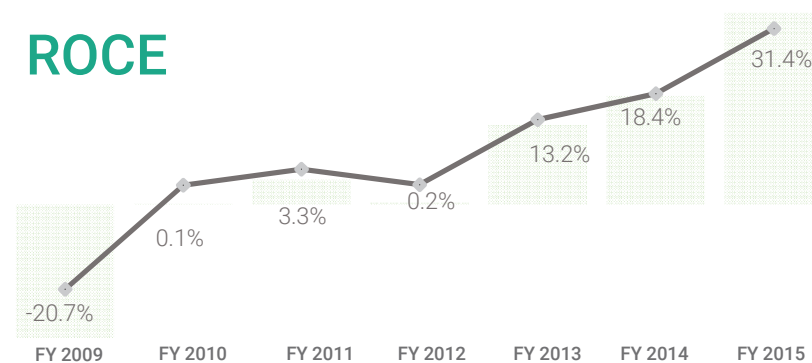
€ 0.5 mln (-97.4%*)



ROE



ROCE



Biesse at a glance

Wood

(world) market share

14,5%

(latest estimation 2015)



Glass & Stone

(world) market shares

25,0% 21,0%

Glass

(latest estimation 2015)

Stone

(latest estimation 2015)

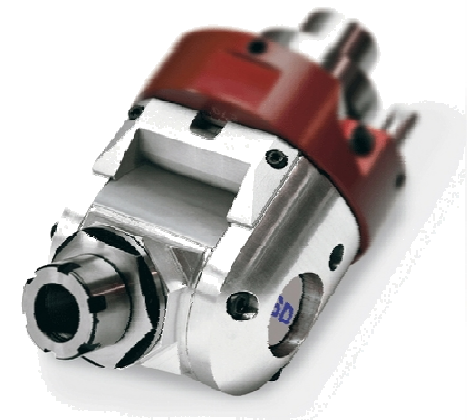


Mechatronic

(world) market share

36,0%

(latest estimation 2015)

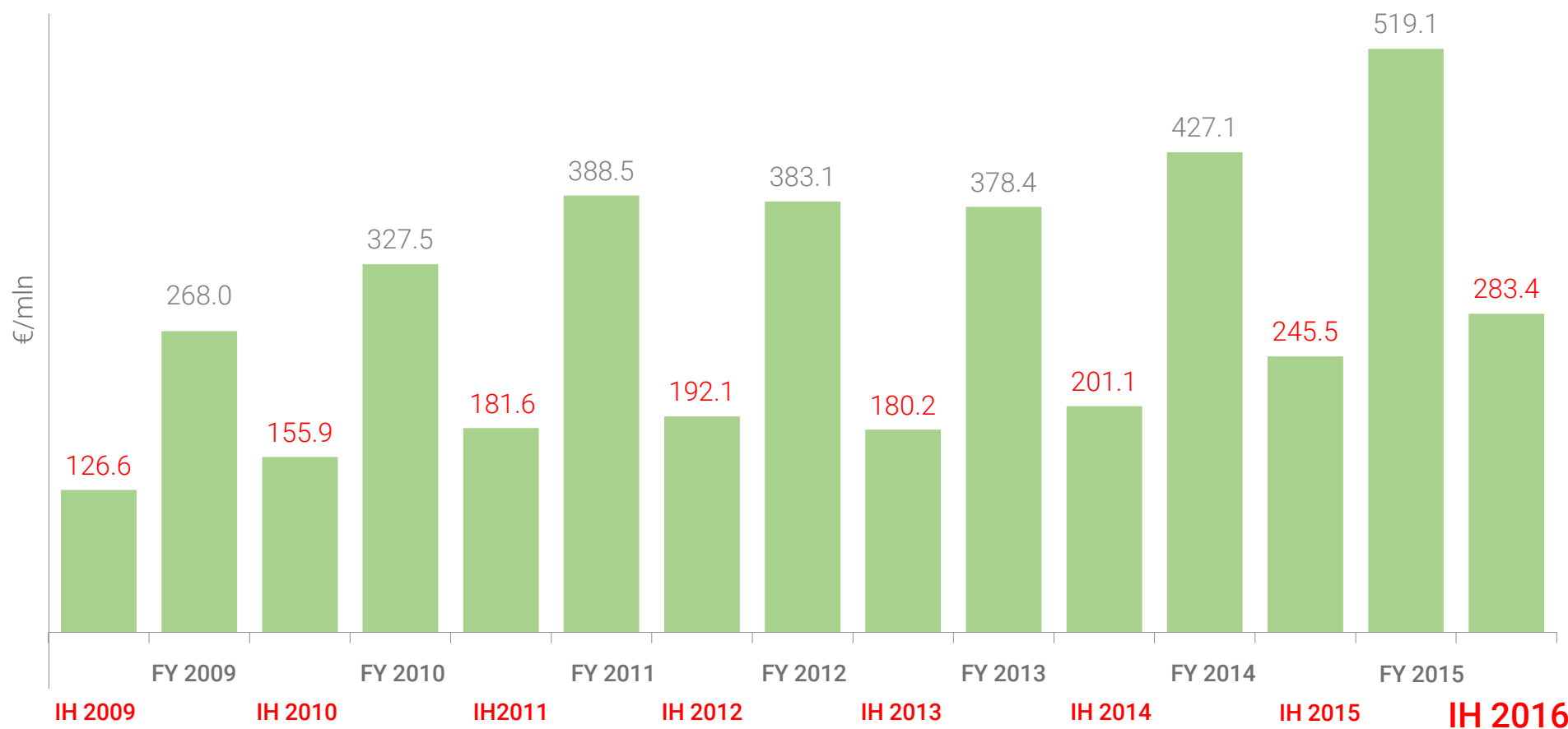


IH Results

Extract of the P&L

	FY 2013	FY 2014	FY 2015	IH 2015	IH 2016	IQ 2016	IIQ 2016
Net sales year -1	378,4 -1,2%	427,1 +12,9%	519,1 +21,5%	245,5	283,4 +15,4%	117,6 +4,3%	165,8 +24,9%
Value added %	143,5 37,9%	169,1 39,6%	212,4 40,9%	101,9 41,5%	116,4 41,1%	50,9	65,5
Labour cost %	112,7 29,8%	128,2 30,0%	148,2 28,6%	73,0 29,7%	85,9 30,3%	41,2	44,7
EBITDA %	30,9 8,2%	40,9 9,6%	64,1 12,4%	29,0 11,8%	30,4 10,7%	9,6	20,8
EBIT %	18,1 4,8%	26,5 6,2%	43,8 8,4%	20,2 8,2%	20,9 7,4%	5,4	15,5
€/mln	4,3 1,1%	13,8 3,2%	21,1 4,1%	10,5 4,3%	11,9 4,2%	3,1	8,8
<i>tax rate</i>			45,3%	43,0%	43,2%		

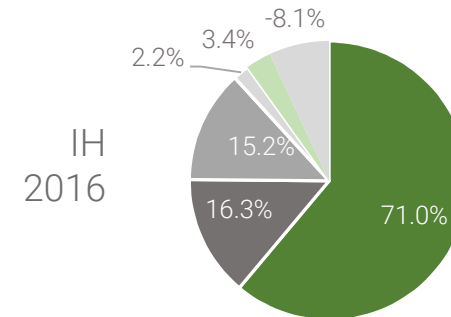
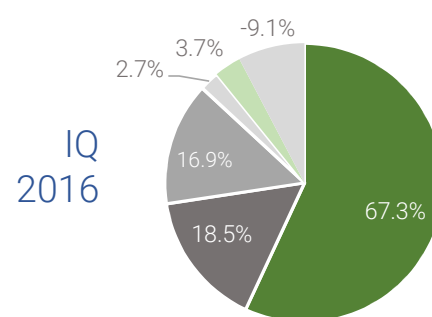
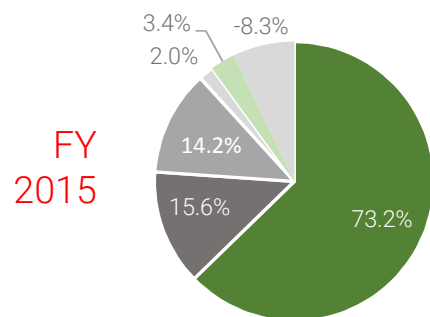
Net Sales Half Year Trend



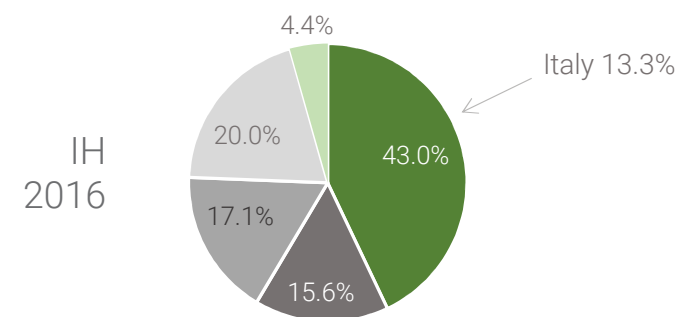
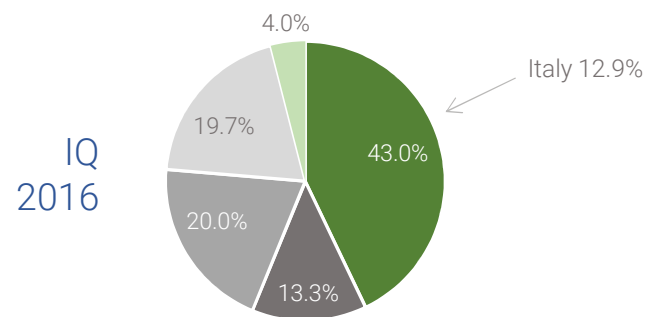
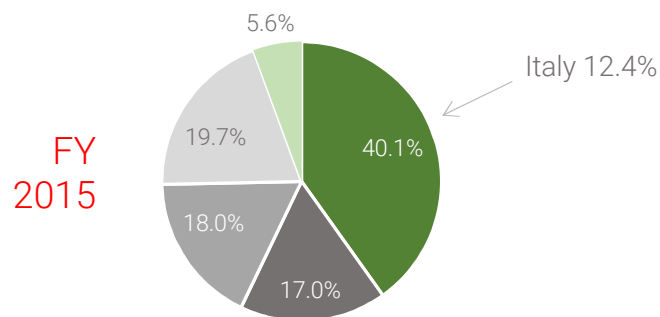
IH Results

Sales Breakdown

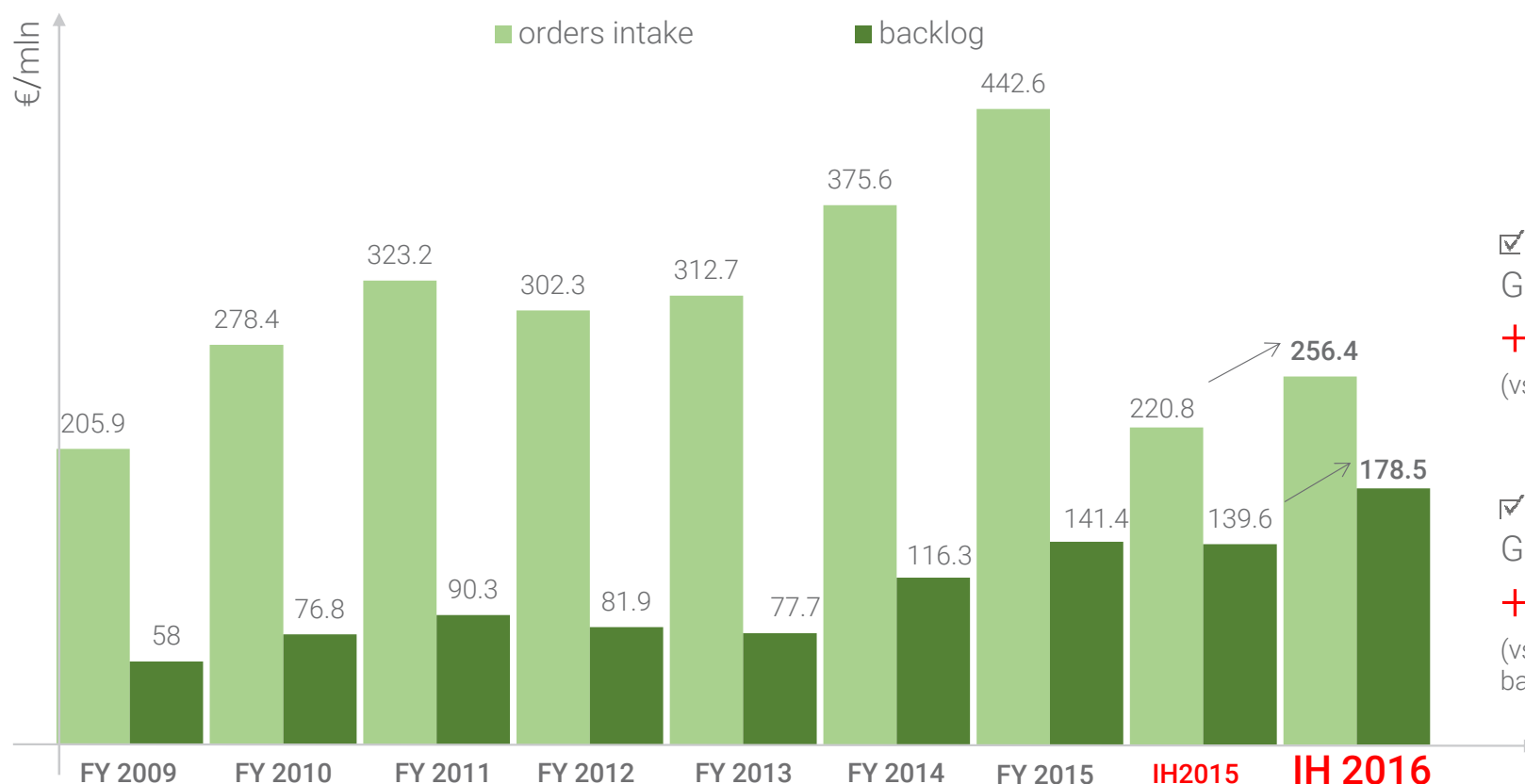
by business divisions



by main geo-areas



Orders intake & Backlog

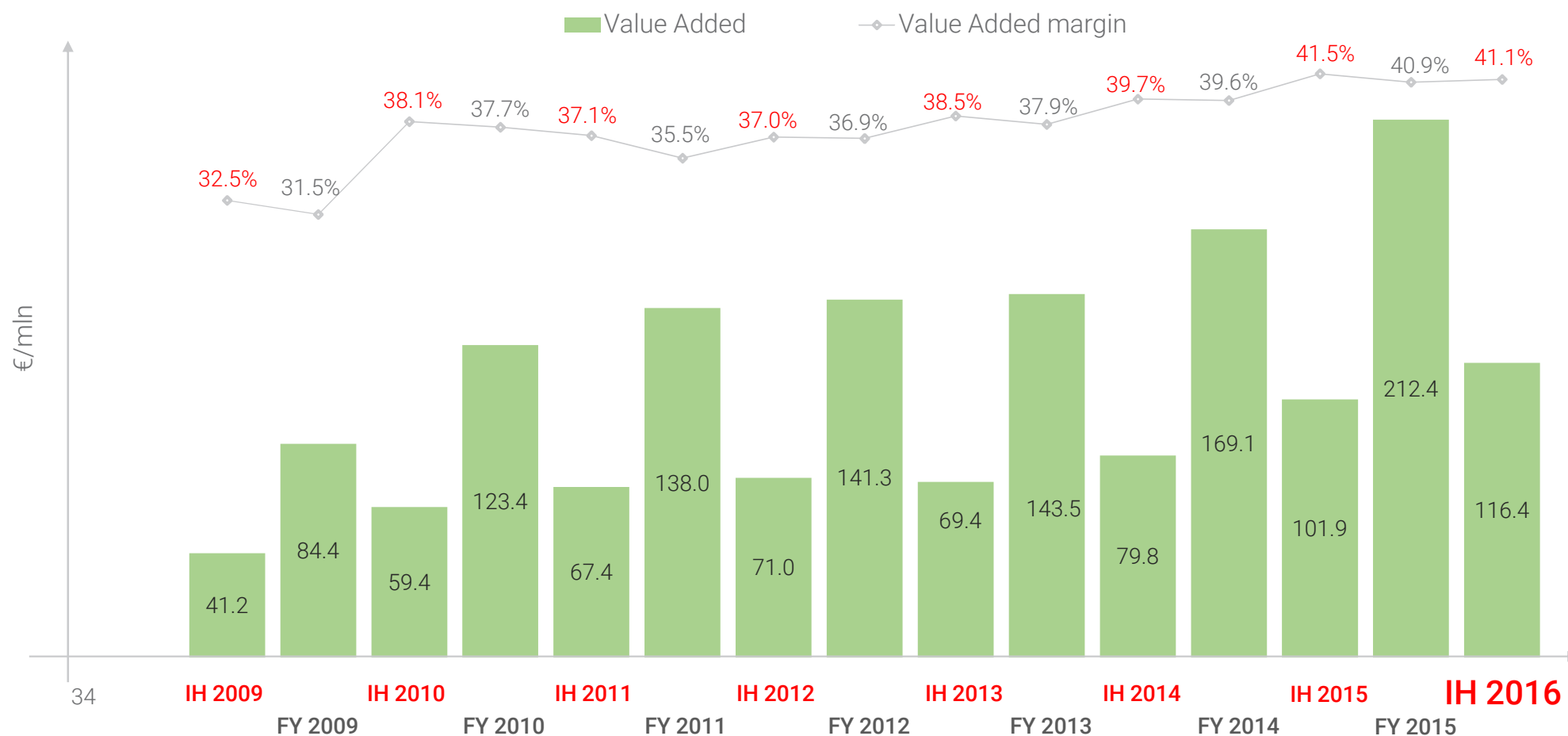


✓ IH 2016
Group orders intake
+16.1%
(vs. the same period 2015)

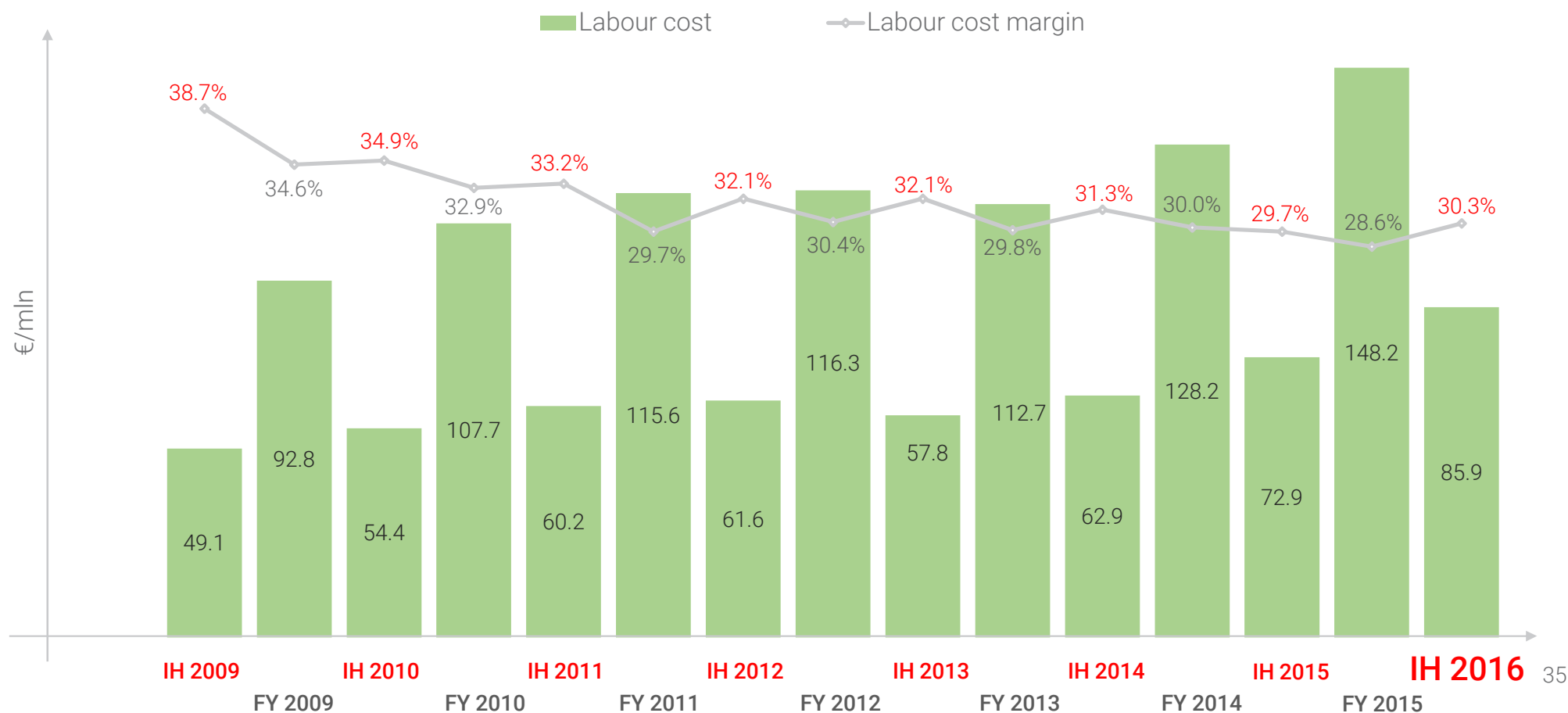
✓ IH 2016
Group backlog
+27.8%
(vs. the same period 2015)
backlog March 2016: € 162.8 mln

IH Results

Value added Half Year Trend

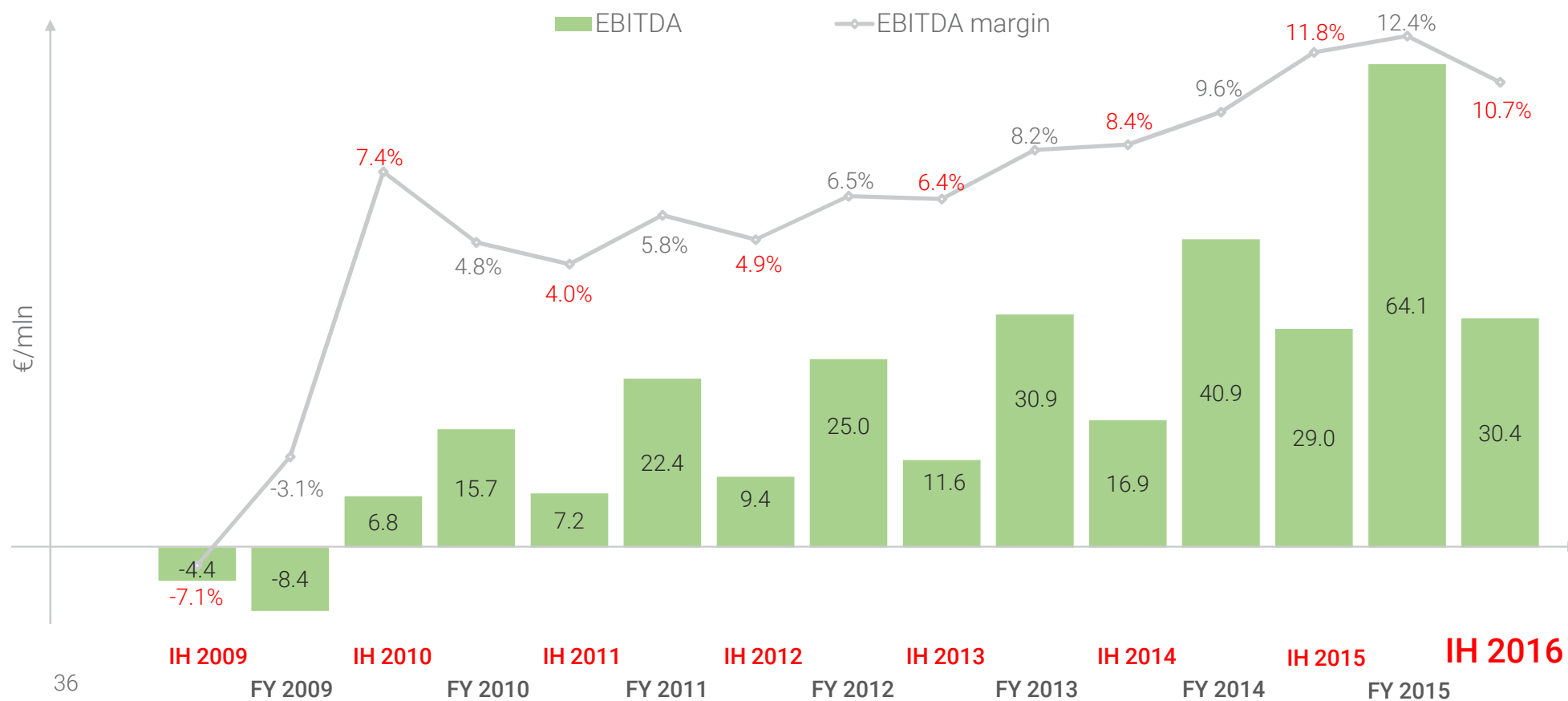


Labour cost Half Year Trend

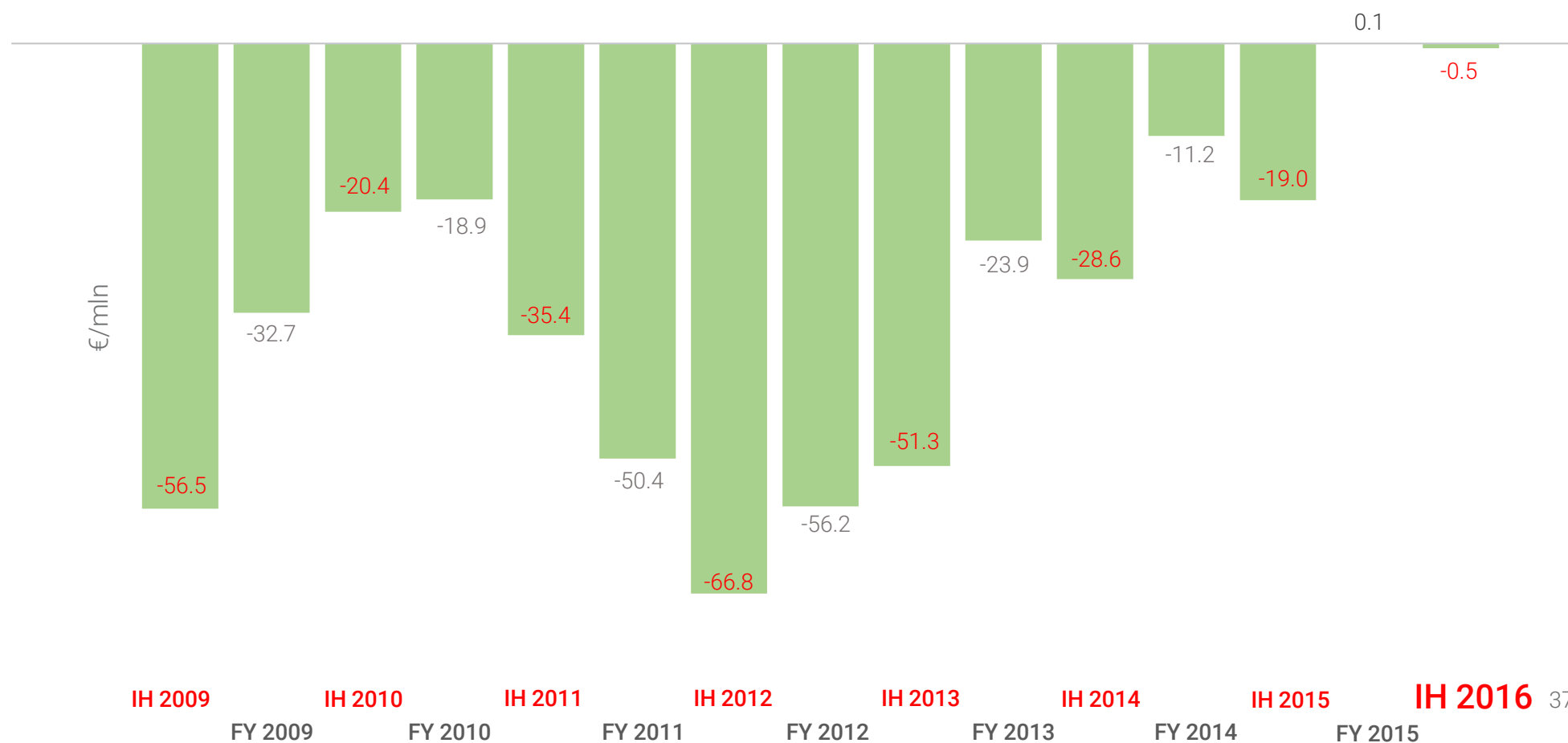


IH Results

EBITDA Half Year Trend



Net Financial Position Half Year Trend



Cashflow

€/mln	FY 2013	FY 2014	FY 2015	IH 2015	IH 2016	IQ 2016
Gross Cashflow % net sales	52,1 13,8%	38,3 9,0%	46,3 8,9%	+8,9	+24,5	
Investments % net sales	-19,9 5,2%	-20,8 4,9%	-25,2 4,9%	-10,5	-13,1	
Net Cashflow %	32,3 8,5%	17,5 4,1%	21,1 4,0%	-1,6	11,4	
not ordinary items (dividends/treasury shares activity balance /acquisitions payment)	--	-4,8 div. paid € 0,18 per share	-9,8 div. paid € 0,36 per share	-6,2 div. paid € 0,36 per share	-12,0 div. paid € 0,36 per share	
delta Net debt	+32,3	+12,7	+11,3	-7,8	-0,6	-11,9
NET FINANCIAL POSITION	-23,9	-11,2	0,1	-19,0	-0,5	-11,8

Operating **Net Working Capital**

€/mln	FY 2013	FY 2014	FY 2015	IH 2015	IH 2016	FY 2016e	
Inventories % net sales	22.8%	23.0%	21.5%	50.6%	48.1%		DSI 196 days
Receivables % net sales	20.1%	18.9%	20.3%	40.6%	41.3%		DSO 64 days
Payables % net sales	29.4%	28.8%	29.5%	64.0%	68.7%		DPO 122 days
Operating Net Working Capital % net sales	51.4 13.6%	55.6 13.0%	63.4 12.2%	66.8 27.2%	58.3 20.7%	72.0 12.6%	

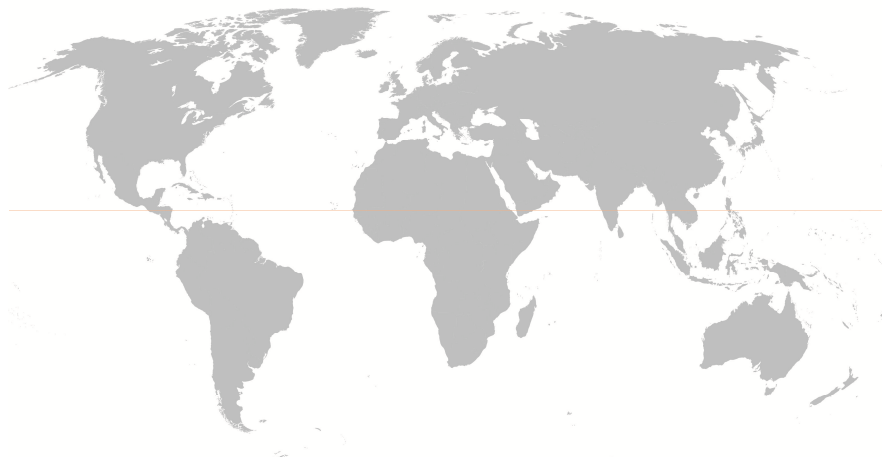
IH Results

People distribution

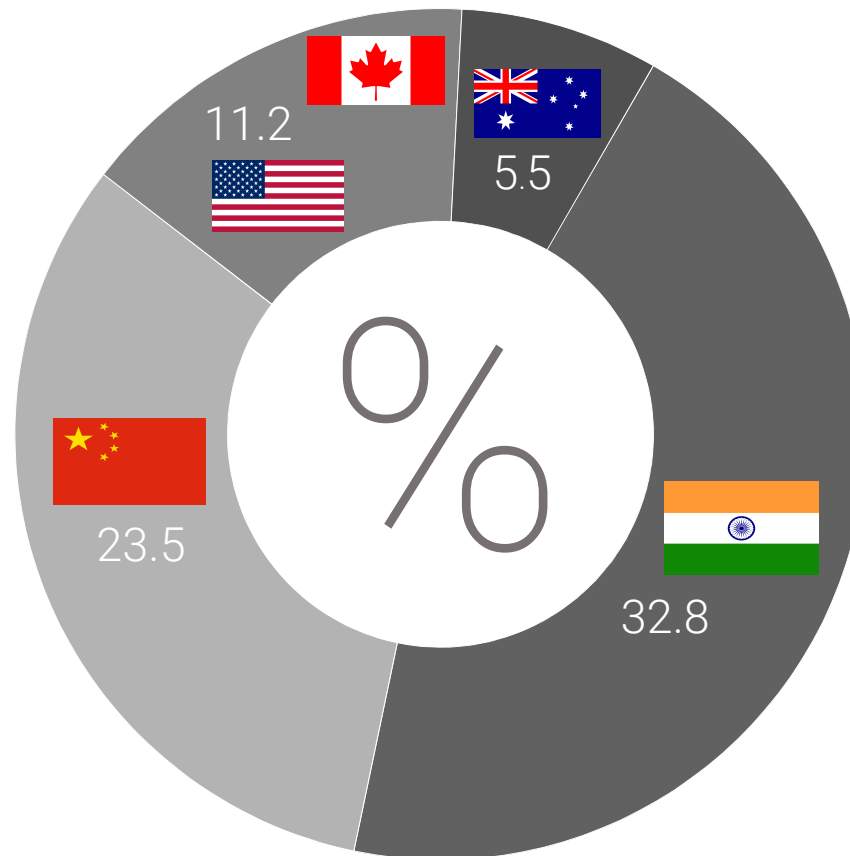
* including Uniteam people (nr. 57)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	IH 2016
Production % of total people	965 41%	1250 46%	1265 45%	1175 44%	1201 42%	1335 42%	1414 41%
Service & After sale % of total people	568 24%	577 21%	574 21%	613 22%	628 22%	690 22%	777 22%
R&D % of total people	293 12%	316 12%	338 12%	321 12%	361 13%	383 13%	416 12%
Sales & Marketing % of total people	340 13%	361 13%	364 13%	351 13%	439 15%	495 15.6%	548 16%
G & A % of total people	202 9%	233 9%	242 9%	235 9%	252 9%	273 9%	304 9%
ITALY % of total people	1660 70%	1656 61%	1646 59%	1547 57%	1605 56%	1780 56%	1903 55%
OUTSIDE ITALY** % of total people	708 30%	1081 39%	1136 41%	1148 43%	1276 44%	1396 44%	1556 45%
40 TOTAL	2368	2737	2782	2695	2881	3176	3459*

People distribution **by country**



** people outside Italy: nr. **1556**
21.6% in the european subsidiaries



1. India
2. China
3. U.S.A. & Canada
4. Germany
5. Australia & N.Z.
6. U.K.
7. France

Uniteam S.p.A. acquisition



May 19th 2016

Acquisition 100% Uniteam
S.p.A. Thiene (Vicenza)

Cost (paid by cash)

2.1 Euro mln

2015 Uniteam turnover

11.4 Euro mln

Main activities

- ✓ 3.4.5 axis CNC centers for the processing of furniture, doors, windows and stairs (wood)
- ✓ 5 axis CNC centers for the processing of carpentry and wood structure (xlam/CLT wood/house)
- ✓ 3.4.5 axis CNC centers for the processing of plastics, composites, aluminum and special alloys (automotive, bio-medical, aerospace and nautical sector)

Orders backlog

- ✓ Order (already signed) for a line in England (estimated value 10.1 Euro mln) dedicated for structural wood/houses

Advanced Materials*

Targets



*Advanced materials

- ✓ Carbon Fiber
- ✓ Foam
- ✓ Composite
- ✓ Aluminum
- ✓ Titanium

BIESSEGROUP

IH 2016
Update:

4 mln/€

€ 1.5 mln in 2015

“already done”

54%

of the annual budget

Service revenues



IH 2016

Update:

43,1 mln/€ sales

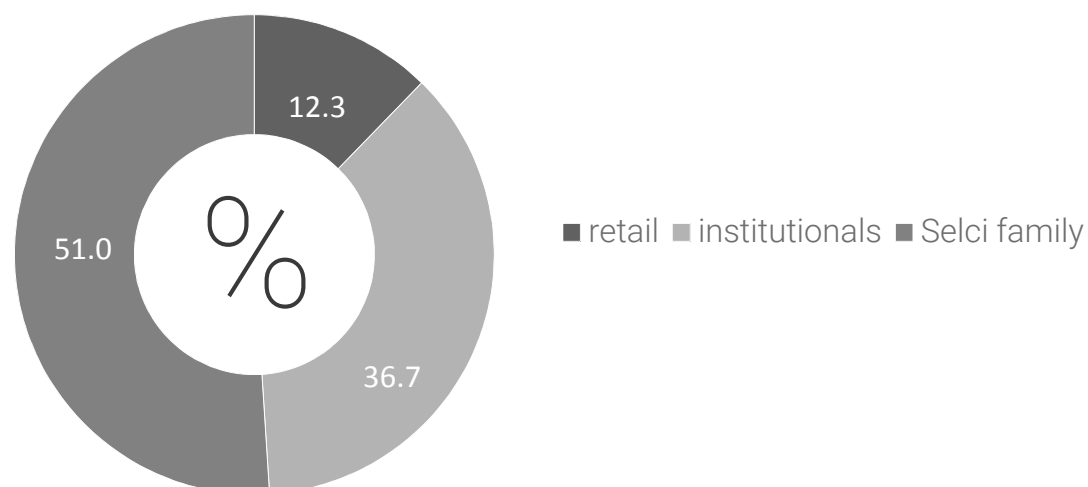
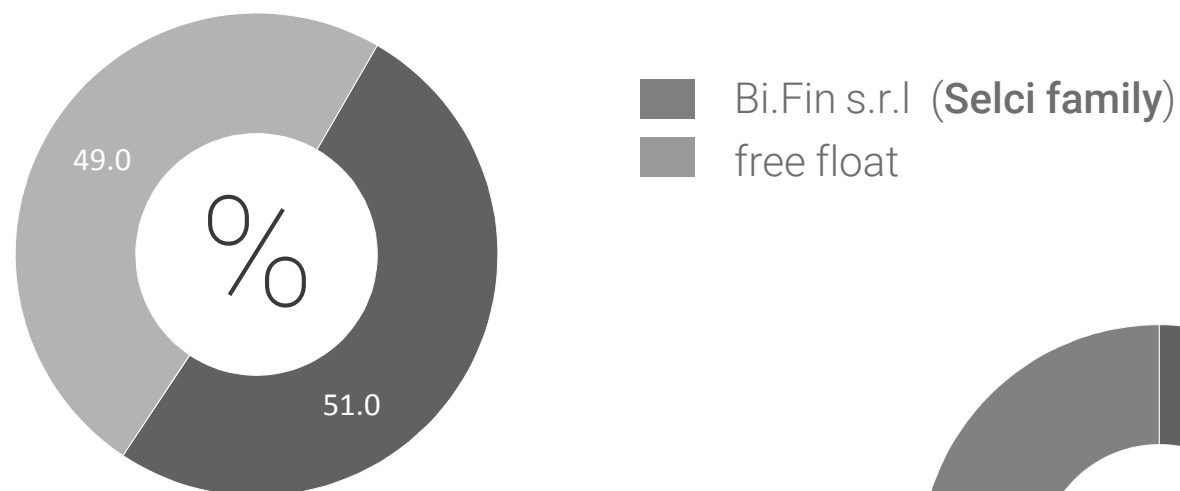
€ 38.6 mln in 2015

incidence vs. the consolidated turnover

15.2%

(same in 2015)

Shareholders breakdown



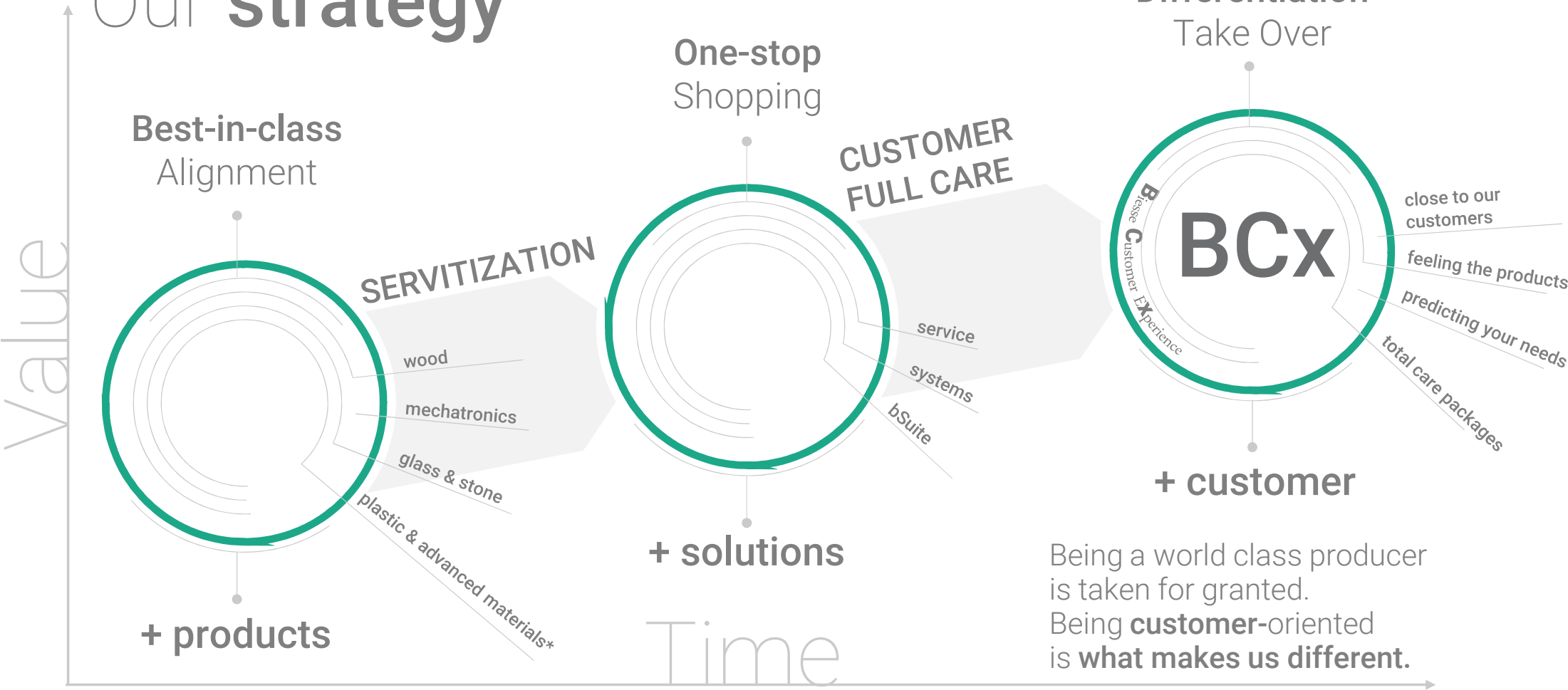
Source: Factset & Bloomberg





Evolution journey /

Our strategy



+ Products

Wood

BIESSEGROUP

Market



Outlook

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

Competitors

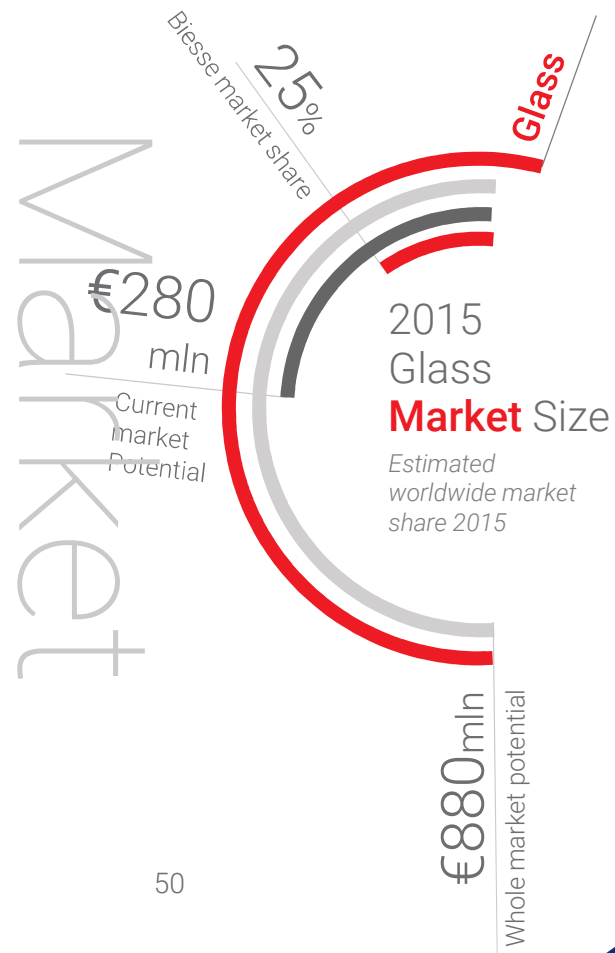
The competition in the current market is consolidated. We are the second leading company in the sector. Main competitors are located in Germany and in Italy. The most important of these are **HOMAG** (29% estimated market share) and **SCM** (7% estimated market share).

CUSTOMERS



+ Products

Glass



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)

+ Products

Stone

BIESSEGROUP



Outlook

Looking to the future, as 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

Markets



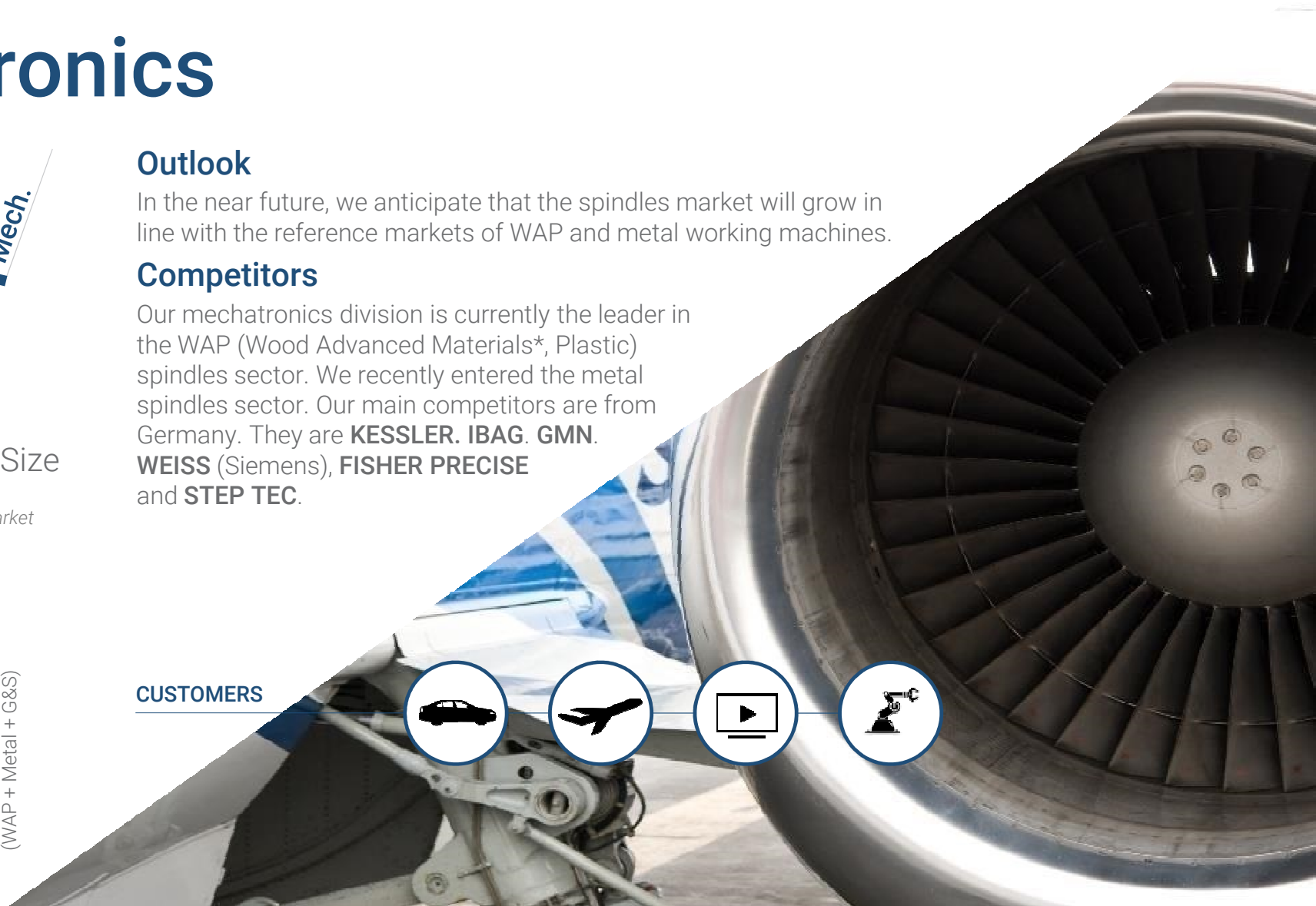
Outlook

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

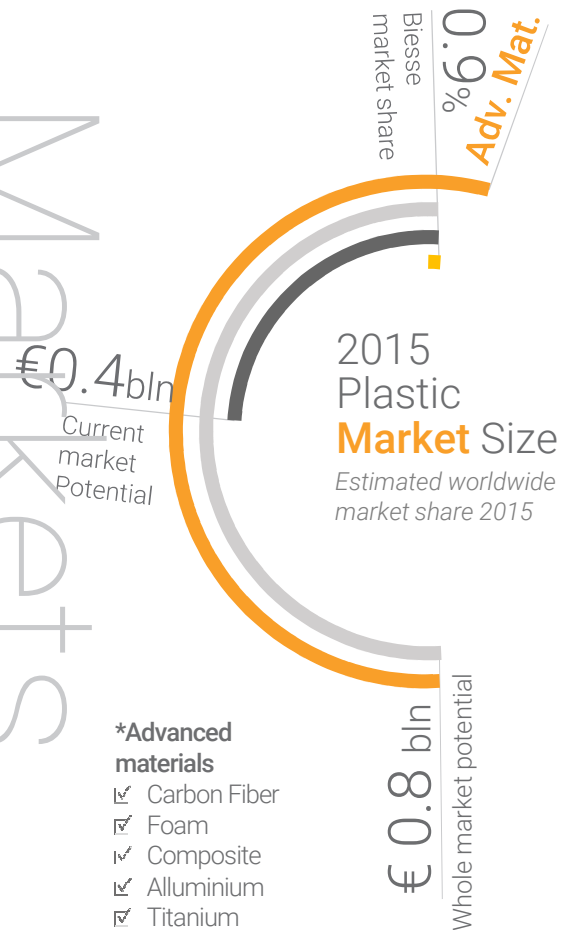


+ Products

BIESSEGROUP

Advanced Materials*

Markets



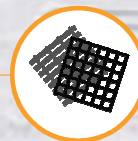
Outlook

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



+ Products

Advanced Materials*

Targets



***Advanced materials**

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

3 mln/€
2015 target

3.5 mln/€
2015 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**.

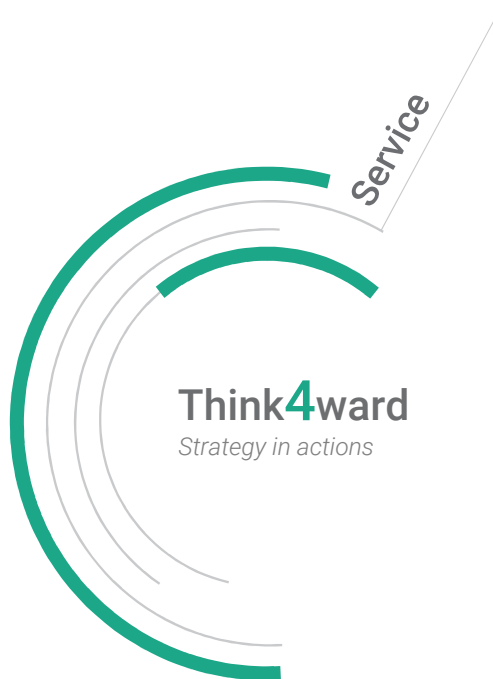
20 mln/€
2018e target

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

+ Solutions

Service

Targets



BIESSEGROUP

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

Targets



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

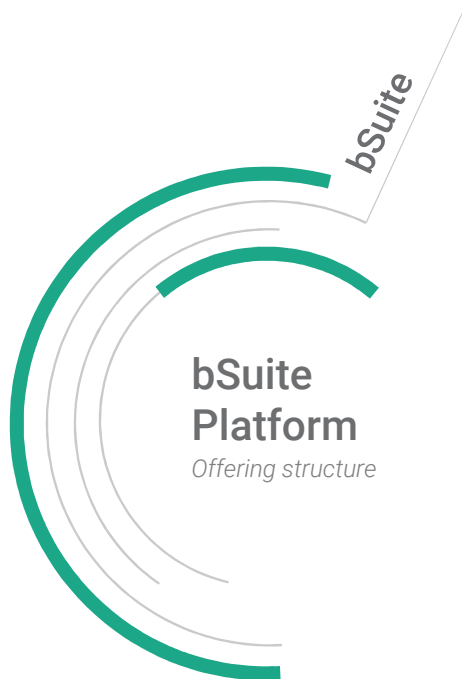
20%

2018 Target
incidence on
Machine Sales

+ Solutions

bSuite

Offering



bPlatform

Challenging market standards.

BIESSEGROUP



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.



+ BCX

Near to 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

Predicting your needs



We make **Smart Factory**
of our Customers.

BIESSEGROUP

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**.

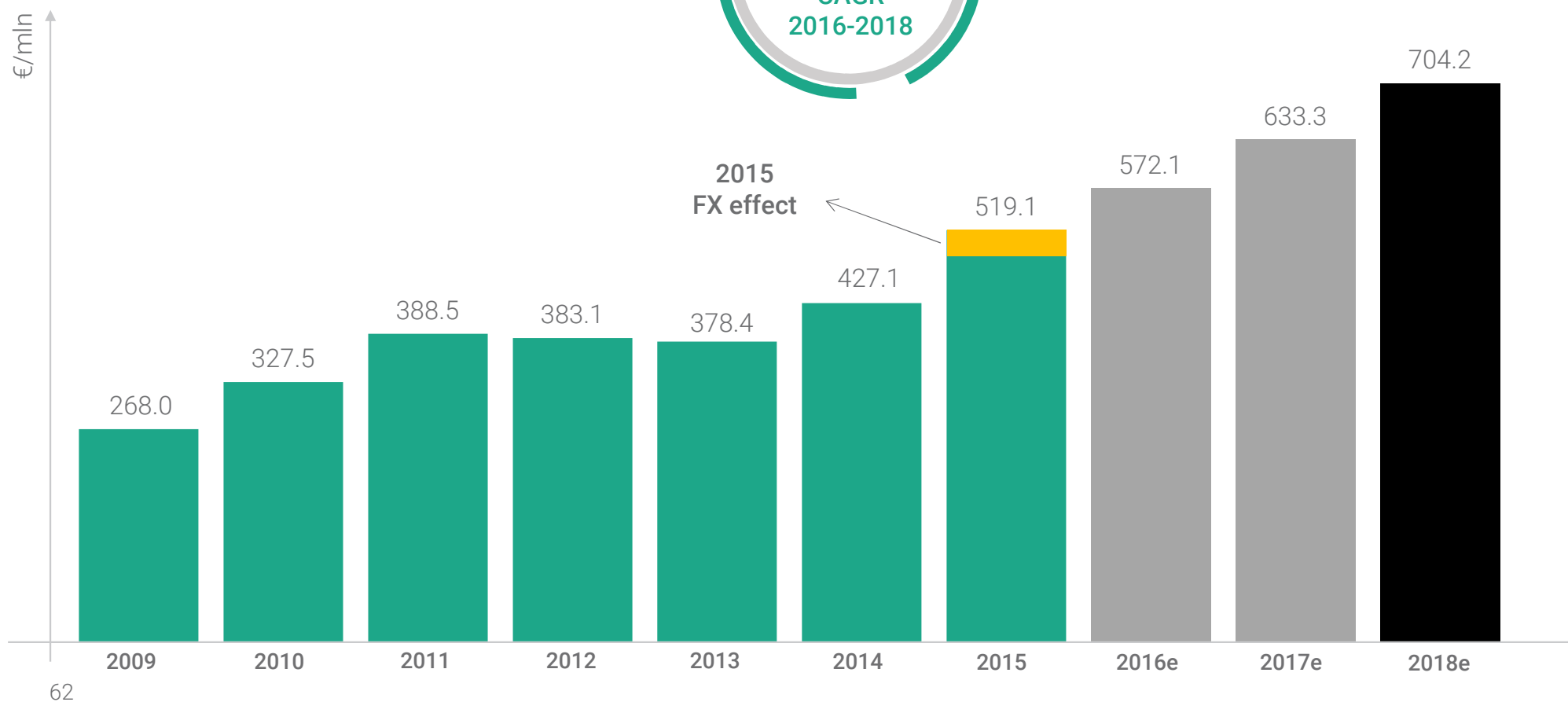
Now we want to
drive our Customer into the Future.



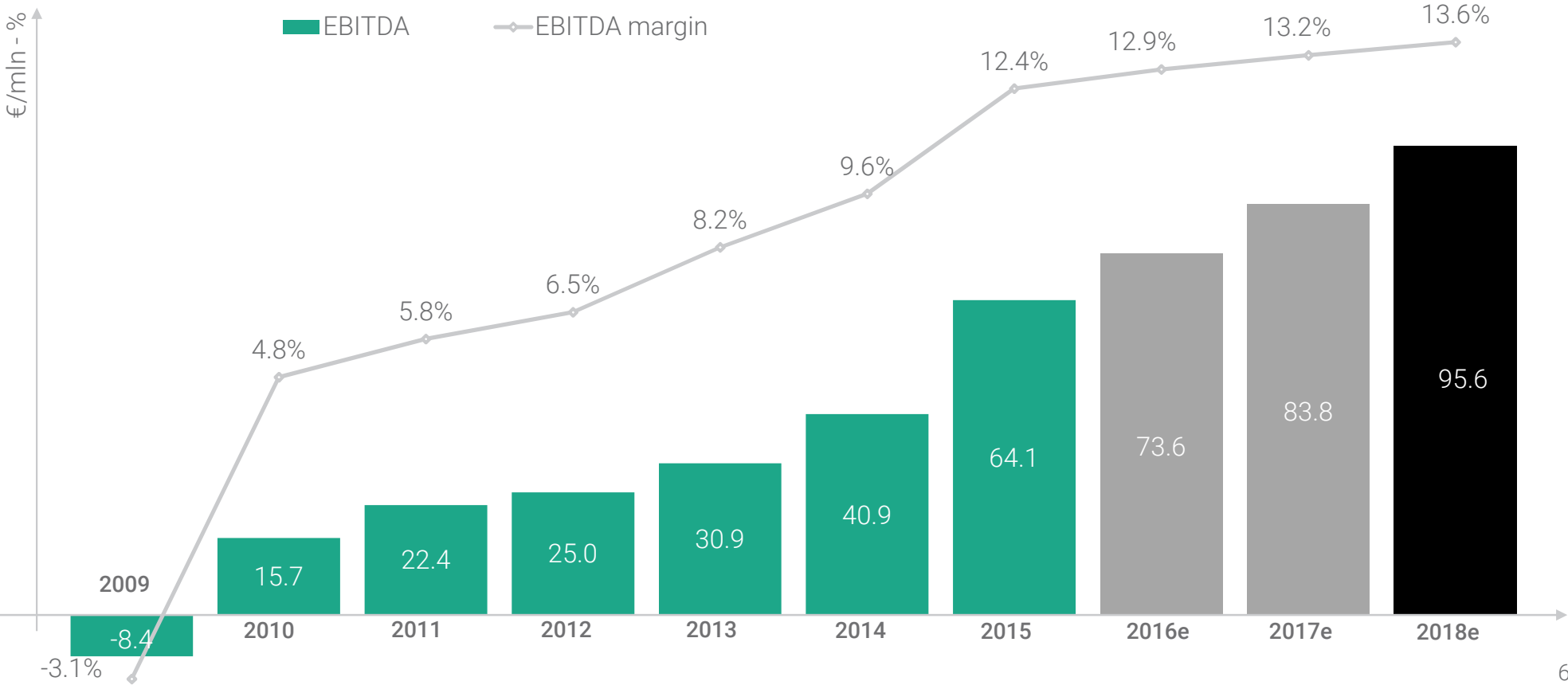


Figures Remind

Net Sales

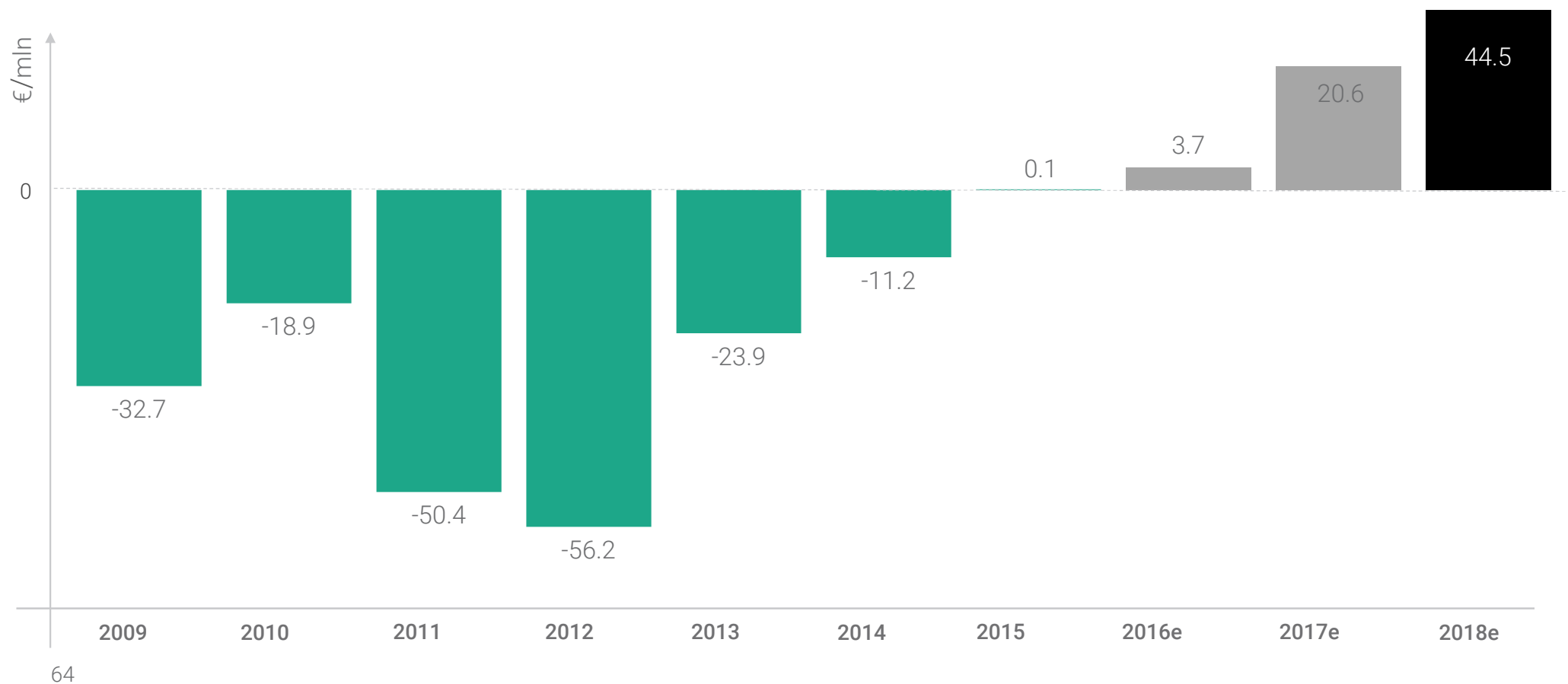


Ebitda

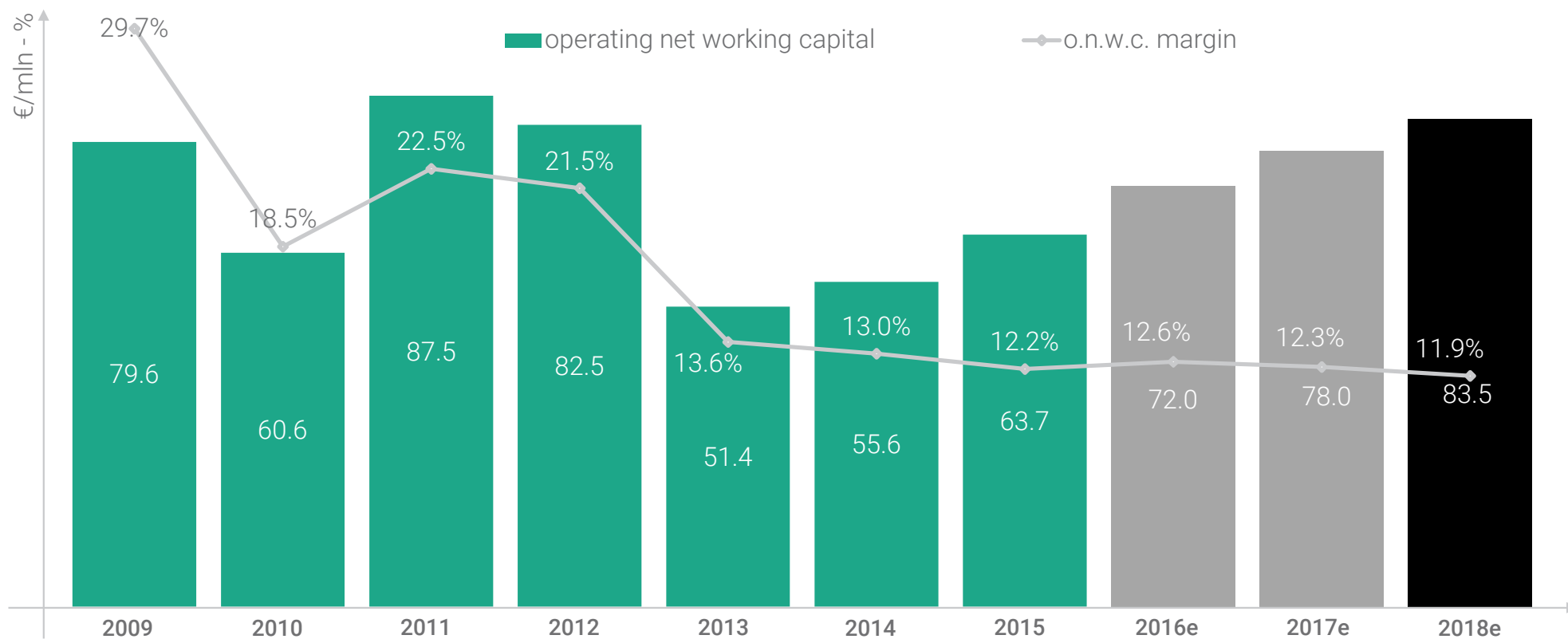


Figures Remind

Net Debt

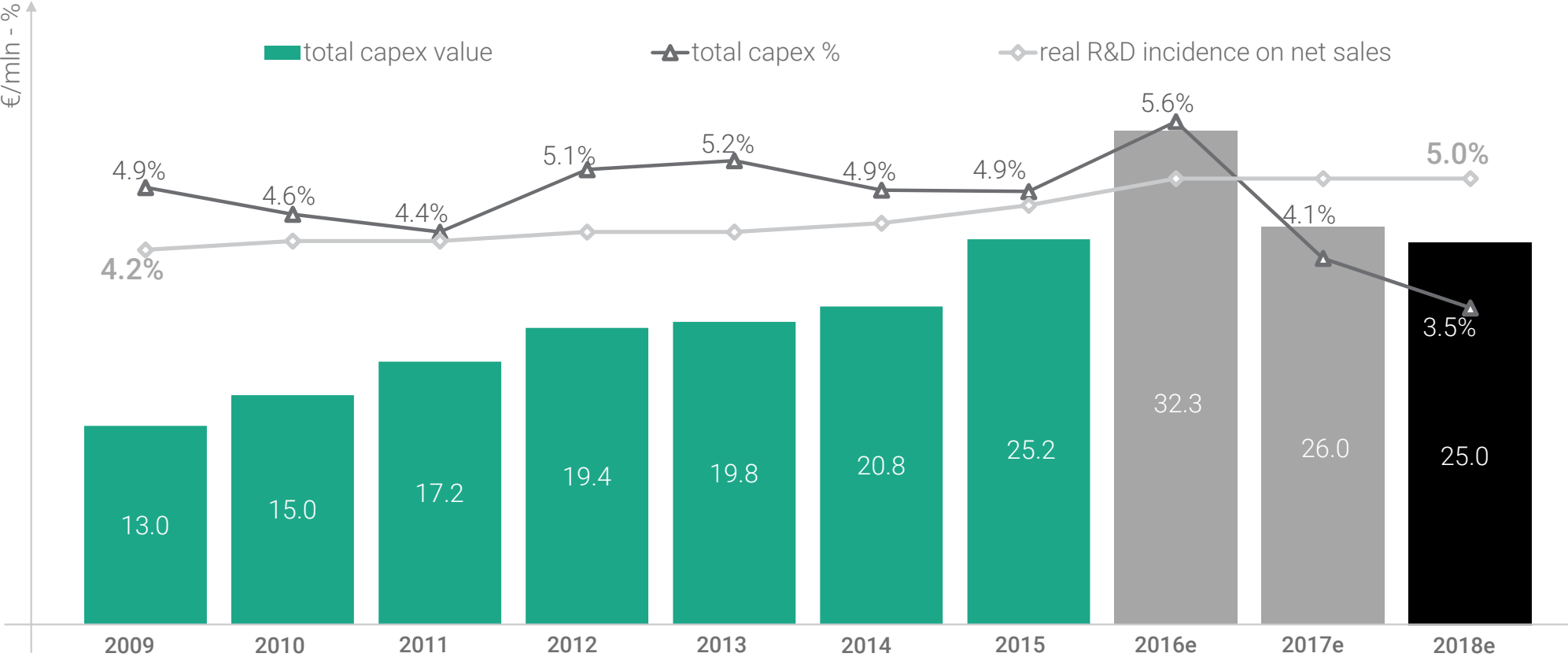


Operating Net Working Capital



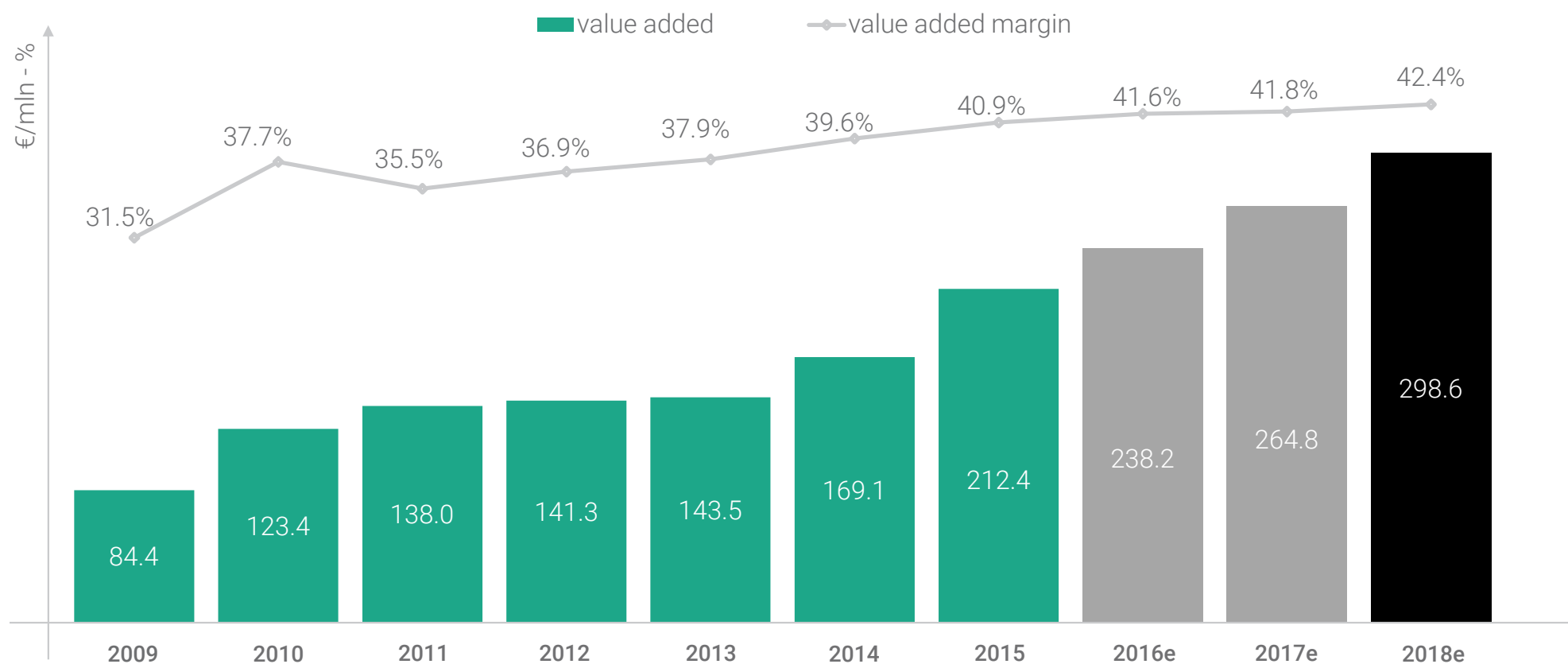
Figures Remind

Capex



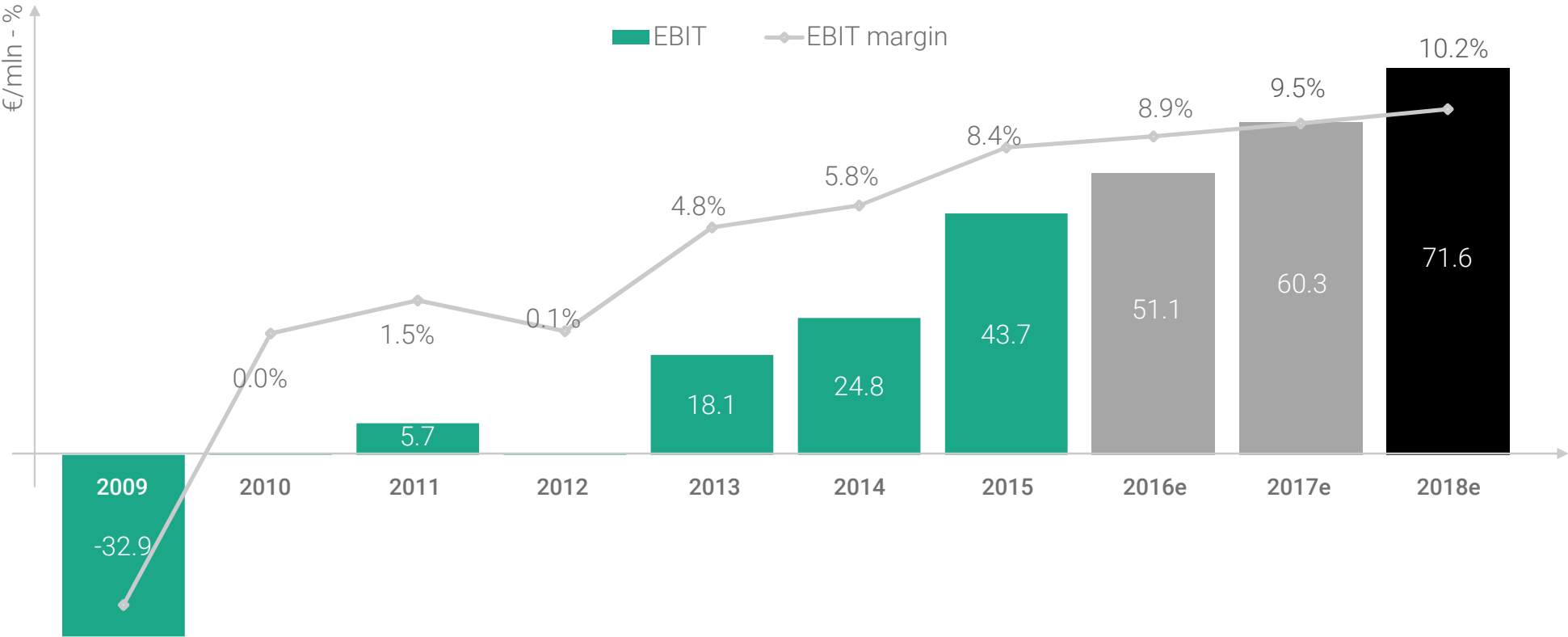
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Value added



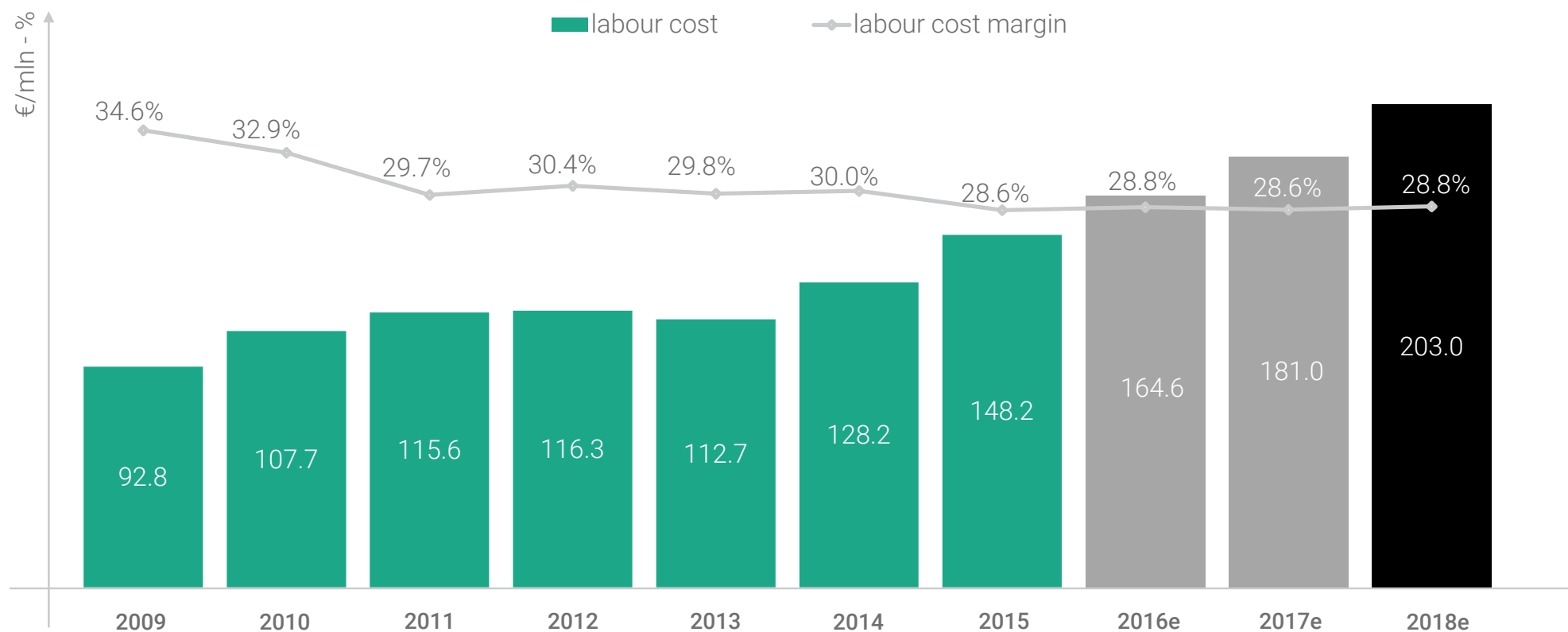
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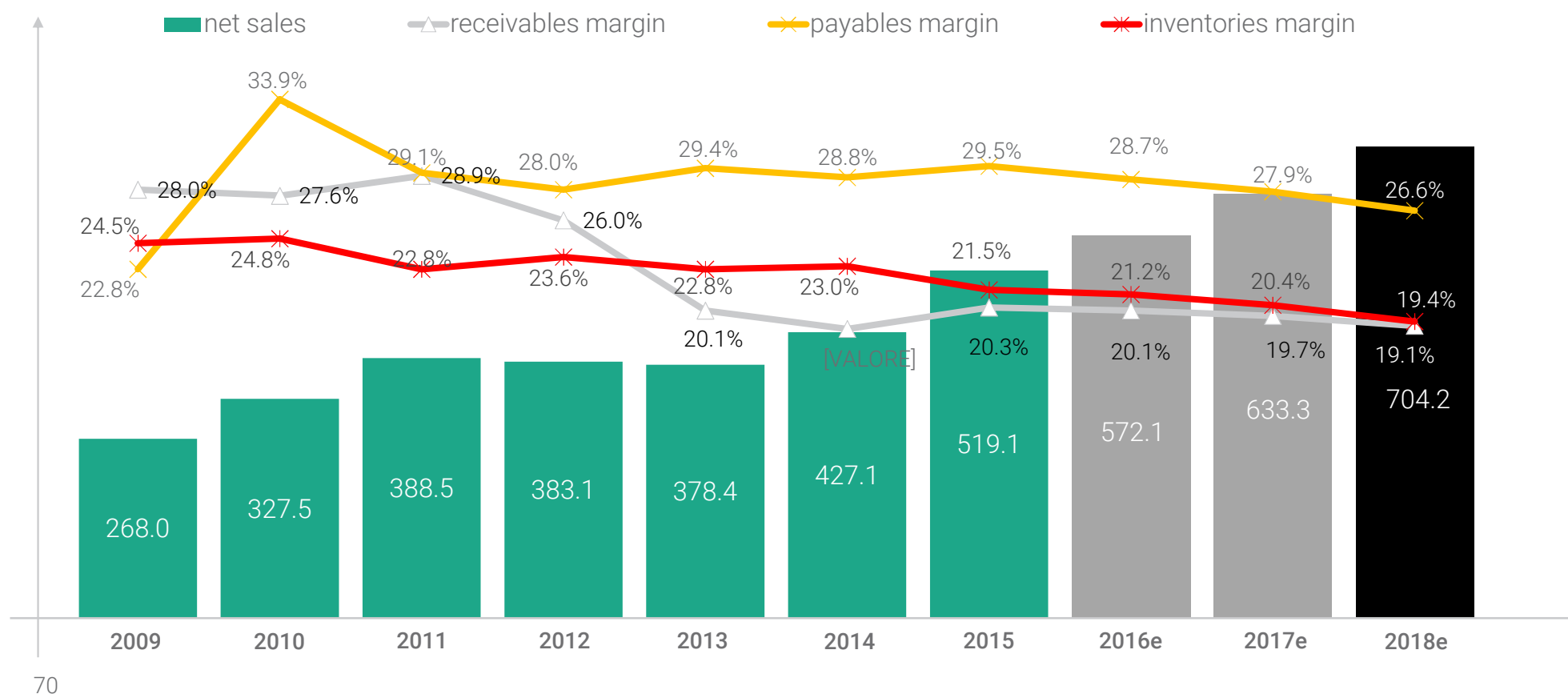
Figures Remind

Labour cost



Figures Remind

Receivables - Payables - Inventories



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