

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

**STAR Conference 2016**  
London  
6-7 October

 **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 Bangalore China Dongguan)

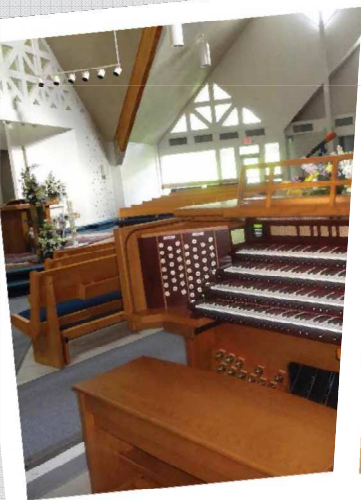


Biesse Asia  
Grand Opening



# With

Customers in  
120 countries



Allen Organ, U.S.A

Made



Milan Design Week,  
Italy

Made With Intermac

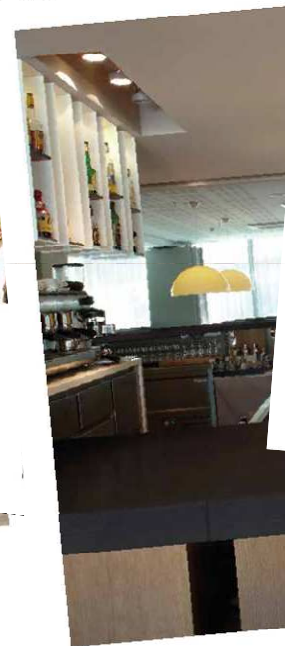


Lago, Italy



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**.

**BIESSEGROUP**



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** /

**BIESSEGROUP**

# 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

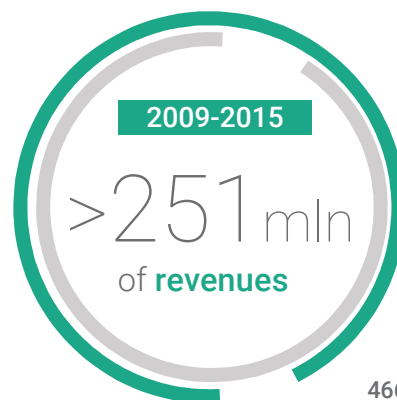
for a consistent  
growth.



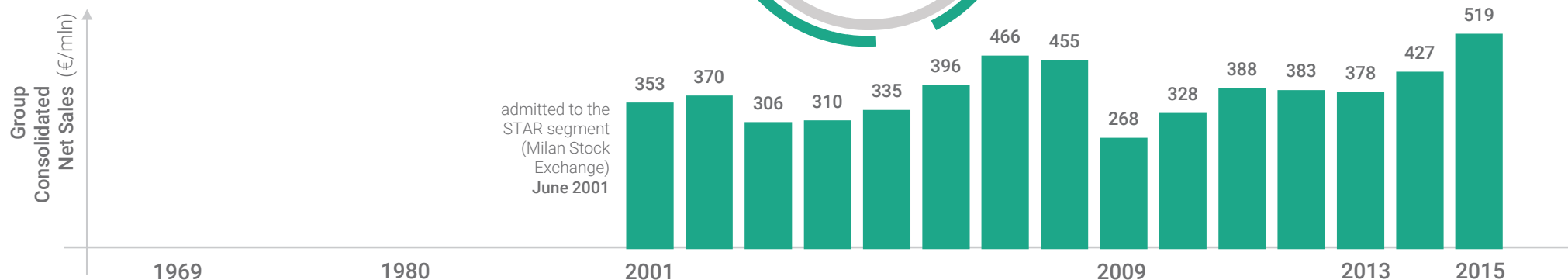
Our values / **Excellence** /

# More Revenue

**BIESSEGROUP**



■ Biesse Group  
Consolidates Net Sales (€/mln)



Wood



Glass



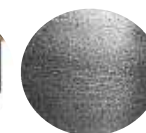
Stone



Mechatronics



bSoft  
(software)



Metal

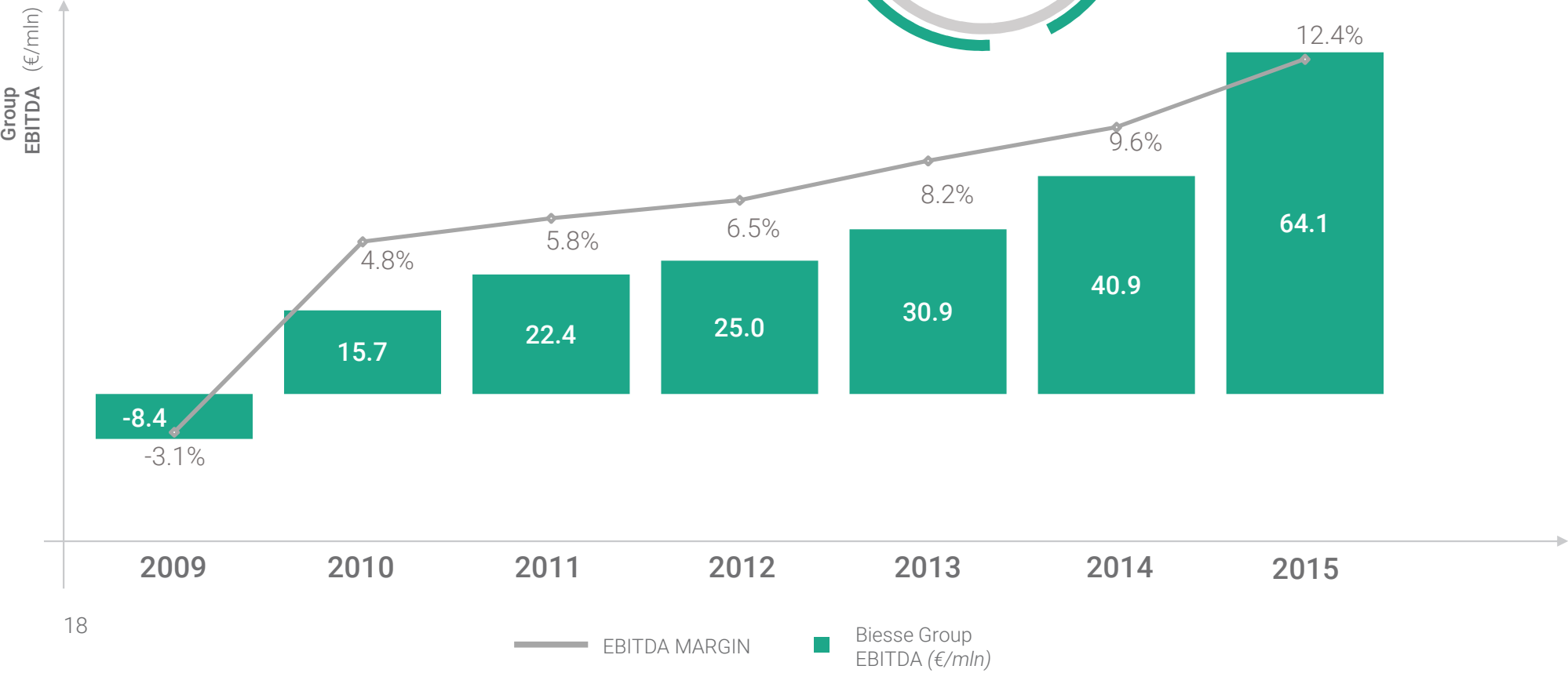
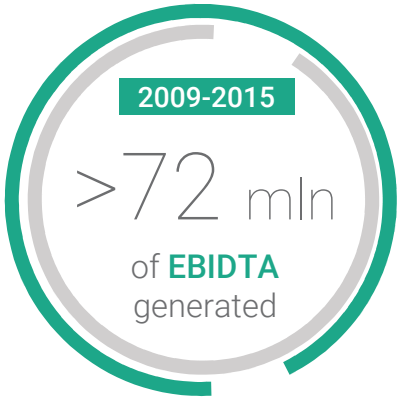


Plastic &  
Advanced  
Materials

Our values / Excellence /

# More Profit

## EBITDA

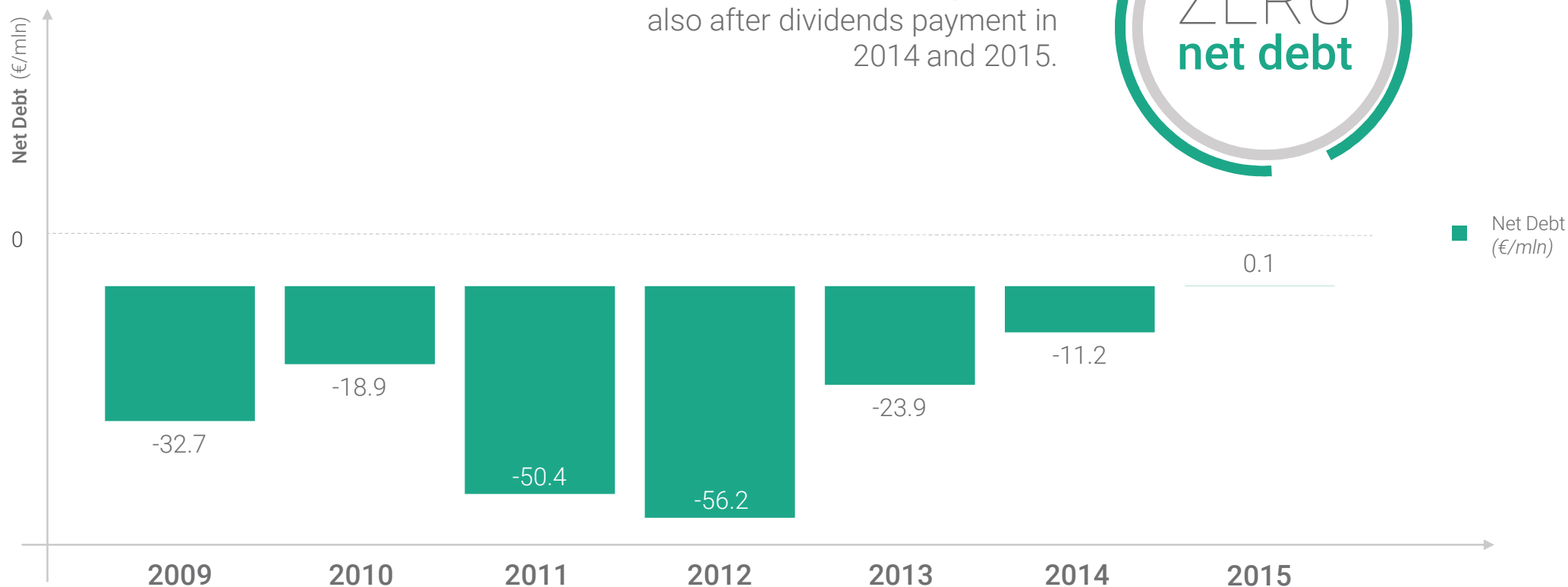




# More Cash

## 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    |

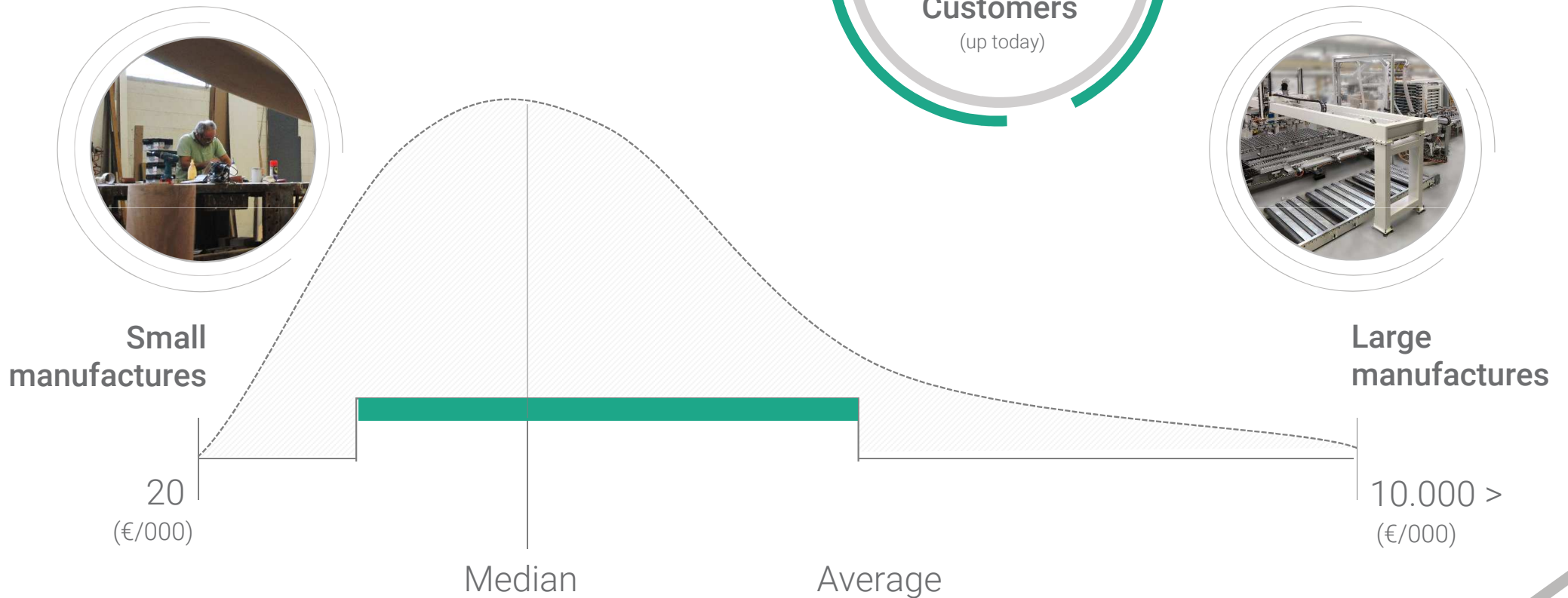


Our **Business Model** /

**BIESSEGROUP**

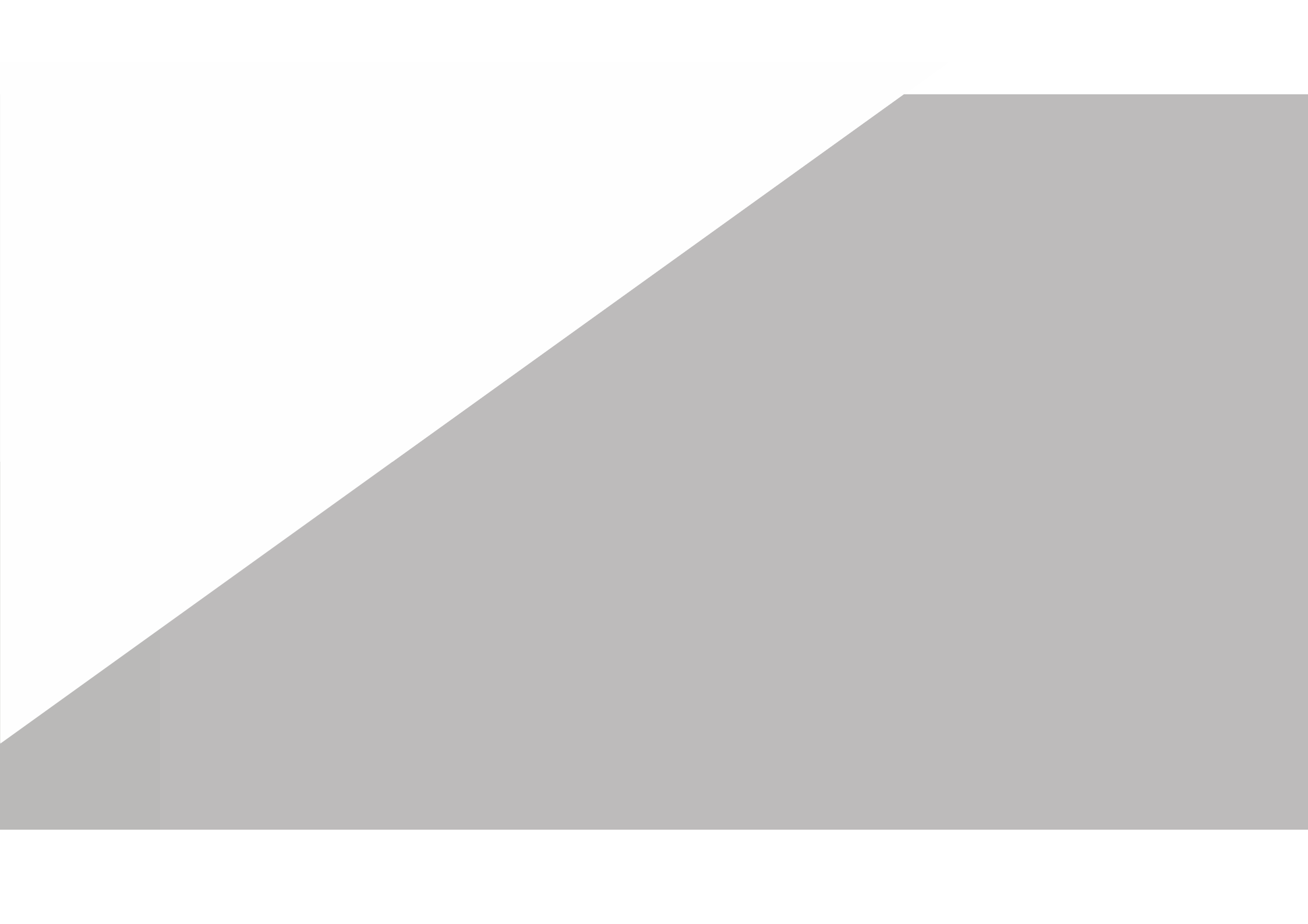
# Wide **customer base**

**Customer Sales Distribution 2015**









# 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

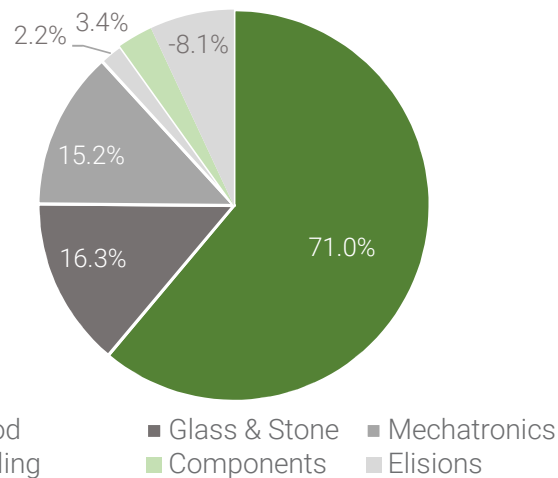
- ✓ Urbanization factor - constructions & restructuring
- ✓ Substitution cycle
- ✓ Energy efficiency – structural wood growing demand



# Biesse at a glance

## revenues

€ 283.4 mln (+ 15.4%\*)

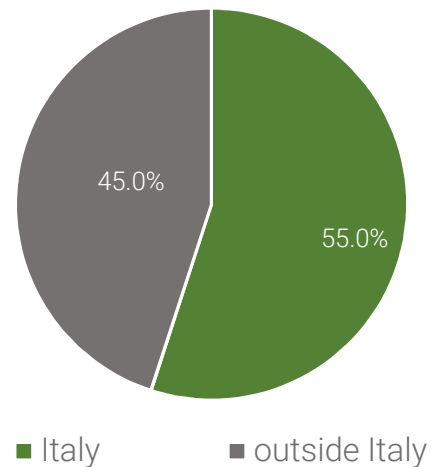


27

(\* vs June 2015)

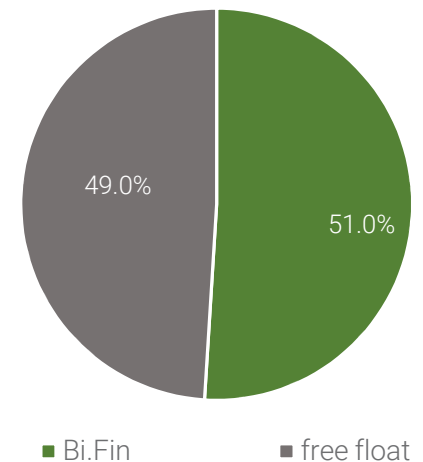
## employees

Group 3,459 (+17.4%\*)



## market cap/e.p.s.

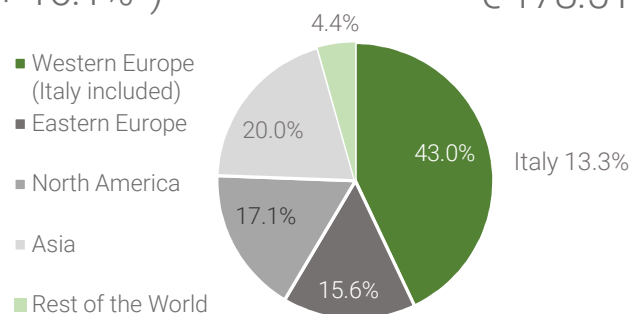
€ 353 mln - € 0.4344 (+13.3%\*)



# Biesse at a glance

## orders intake

€ 256.4 mln (+ 16.1%\*)

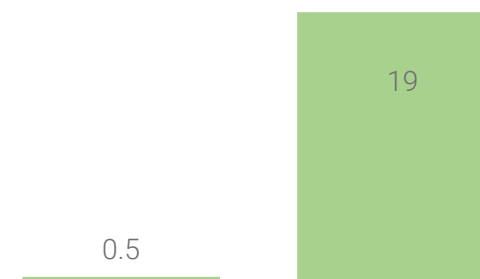


## backlog

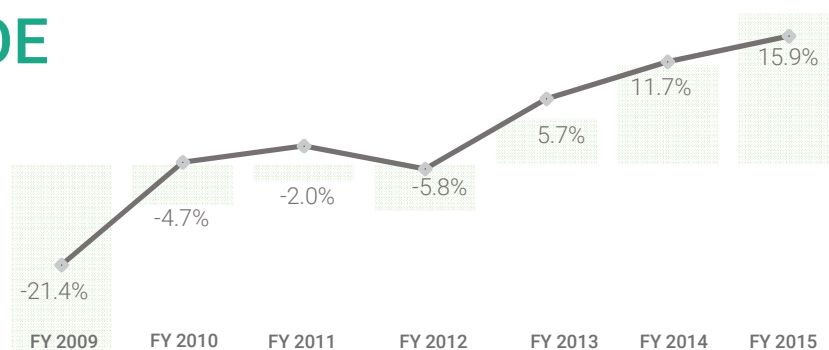
€ 178.5 mln (+ 27.8%\*)

## net debt

€ 0.5 mln (-97.4%\*)

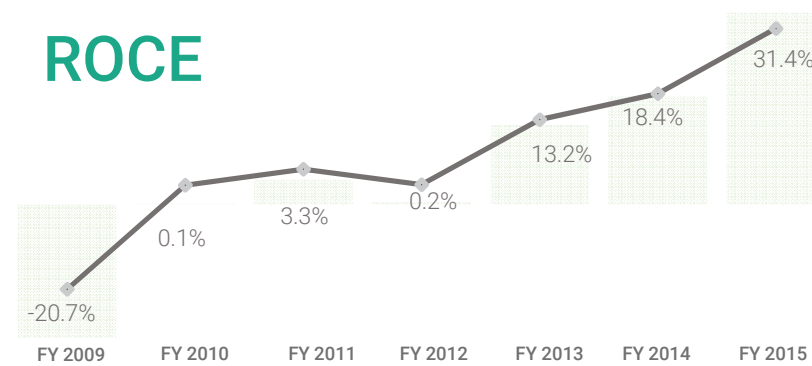


## ROE



(\* vs June 2015)

## ROCE





# Biesse at a glance

## Wood (world) market share

14.5% (latest estimation 2015)



## Glass & Stone (world) market shares

25.0% Glass - 21.0% Stone (latest estimation 2015)



## Mechatronic (world) market share

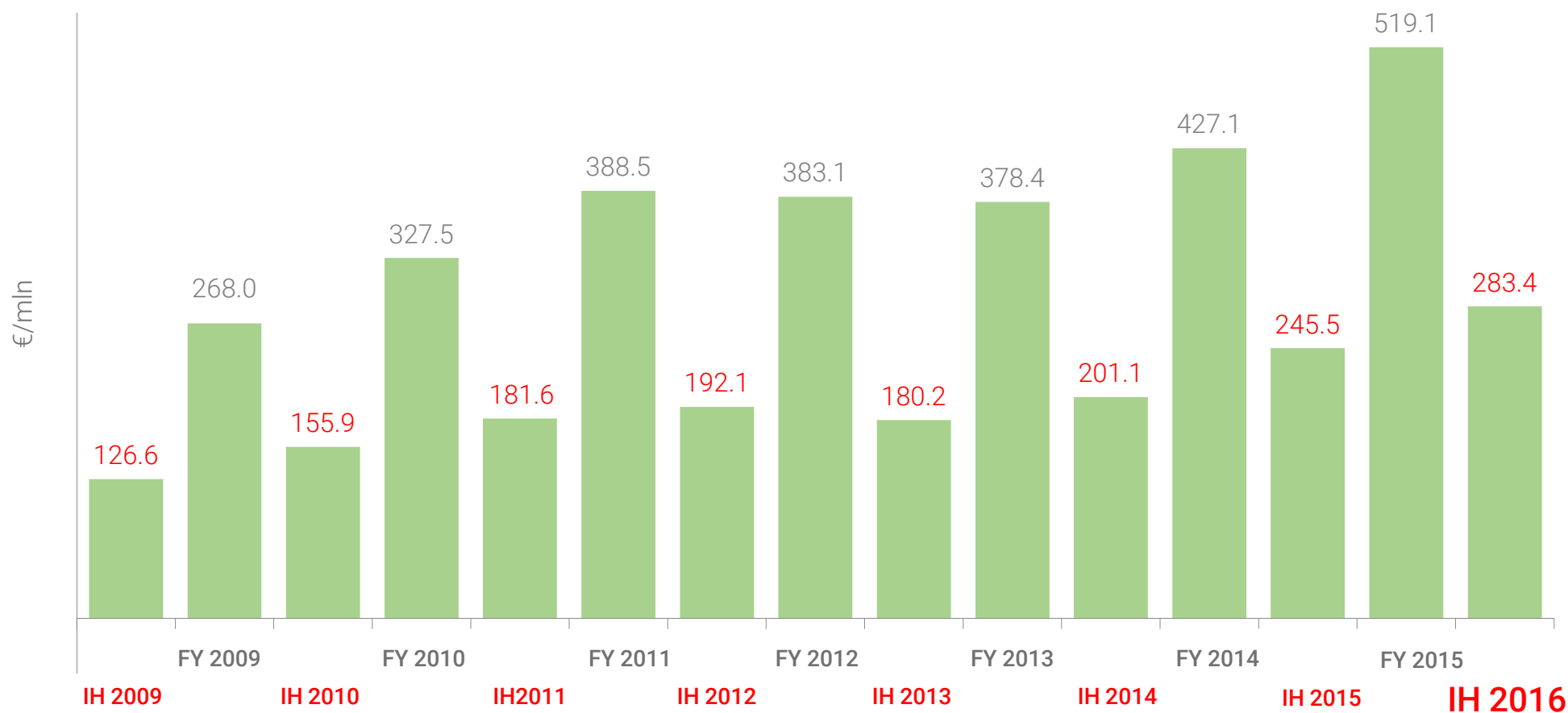
36.0% (latest estimation 2015)

# Extract of the P&L

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

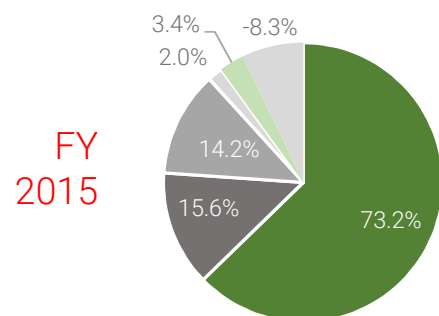


# Net Sales Half Year Trend

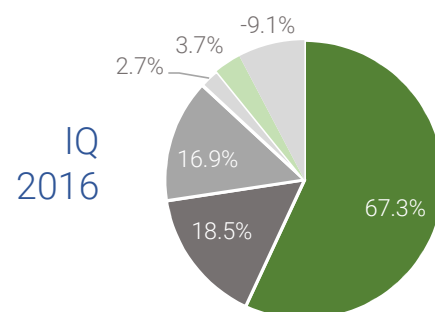


# Sales Breakdown

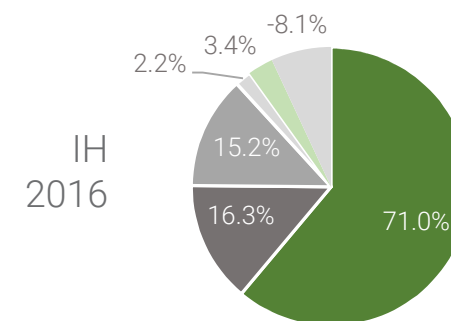
by business divisions



■ Wood  
■ Glass & Stone  
■ Mechatronics  
■ Tooling  
■ Components  
■ Elisions

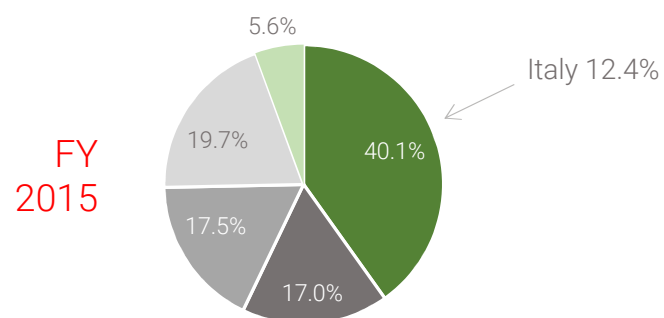


■ Wood  
■ Glass & Stone  
■ Mechatronics  
■ Tooling  
■ Components  
■ Elisions

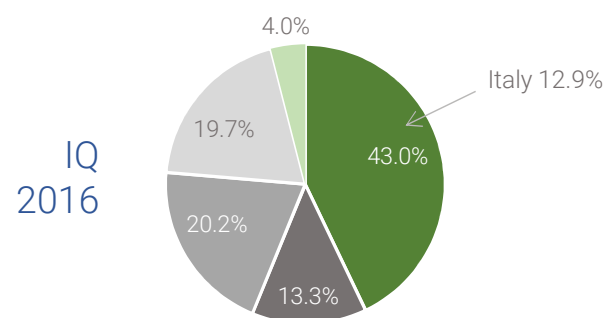


■ Wood  
■ Glass & Stone  
■ Mechatronics  
■ Tooling  
■ Components  
■ Elisions

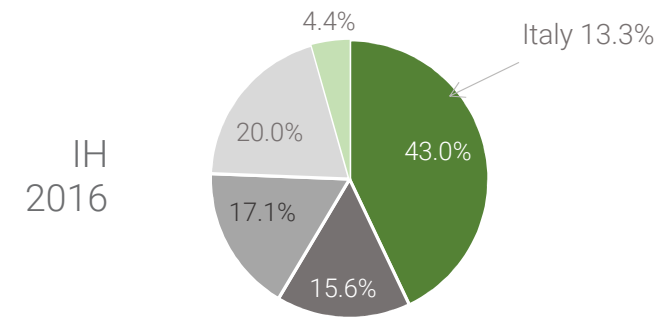
by main geo-areas



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



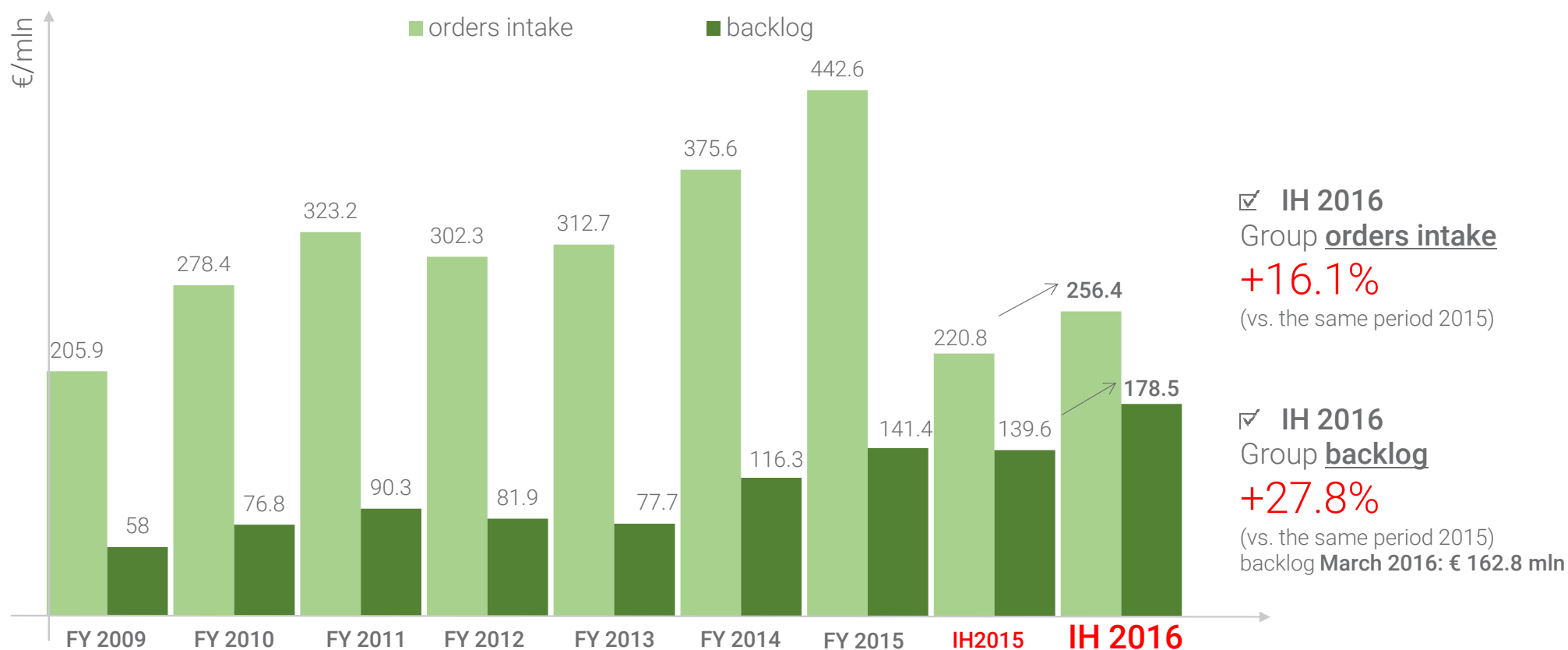
■ Western Europe (Italy included)  
■ Eastern Europe  
■ North America  
■ Asia  
■ Rest of the World



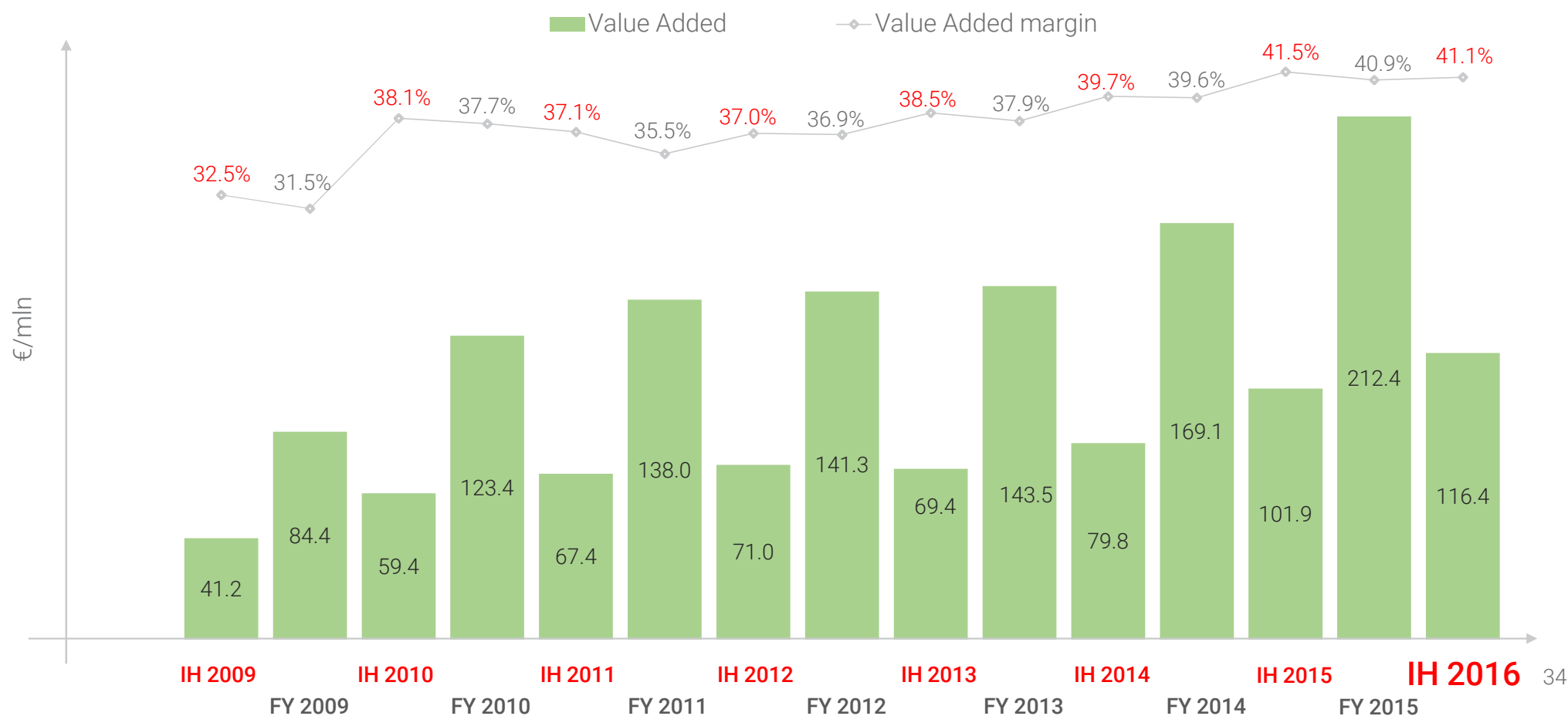
■ Western Europe (Italy included)  
■ Eastern Europe  
■ North America  
■ Asia  
■ Rest of the World



# Orders intake & Backlog



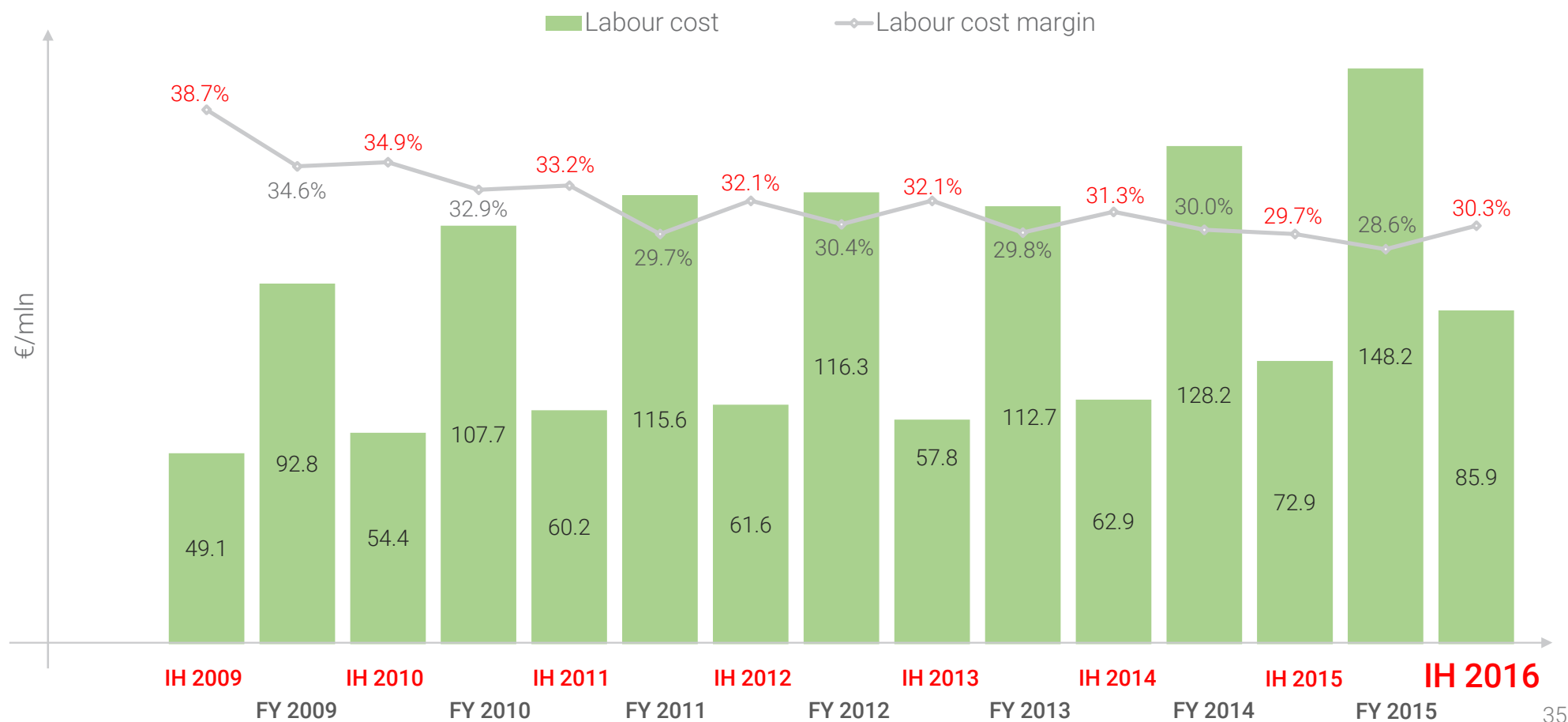
# Value added Half Year Trend



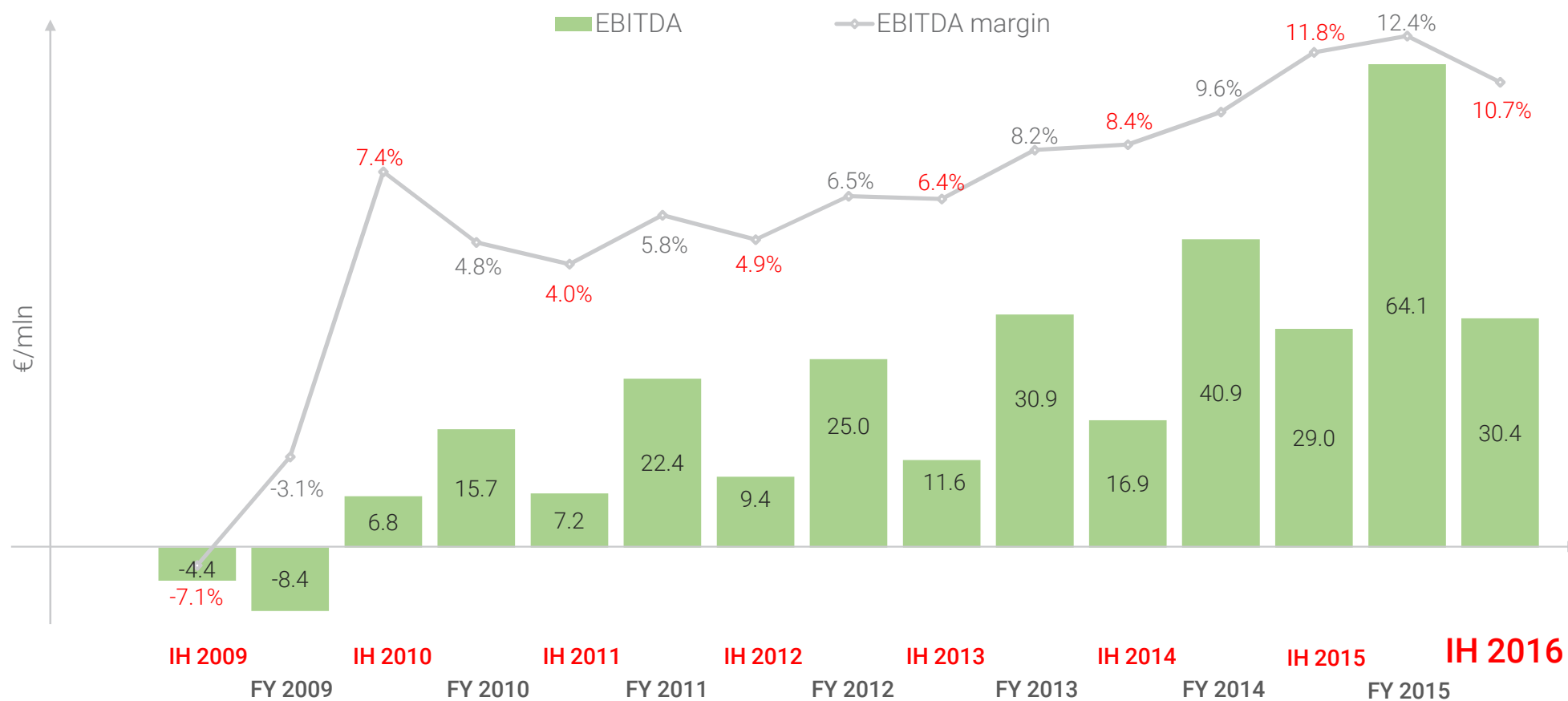


IH Results

# Labour cost Half Year Trend

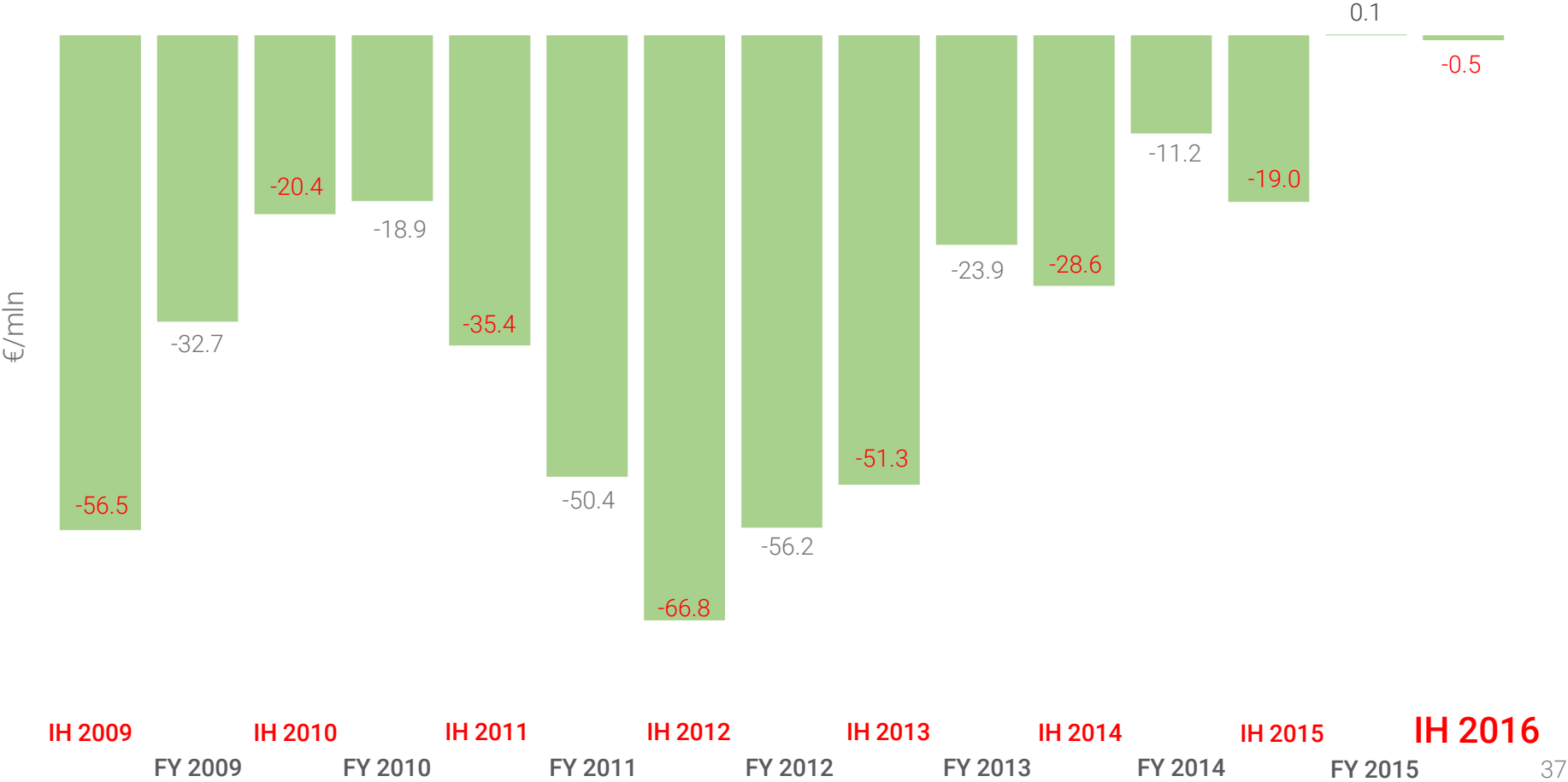


# EBITDA Half Year Trend





# Net Financial Position Half Year Trend



# Cashflow

€/mln	FY 2013	FY 2014	FY 2015	IH 2015	IH 2016	IQ 2016
<b>Gross Cashflow</b> % net sales	52,1 <b>13,8%</b>	38,3 <b>9,0%</b>	46,3 <b>8,9%</b>	<b>+8,9</b>	<b>+24,5</b>	
Investments % net sales	-19,9 5,2%	-20,8 4,9%	-25,2 4,9%	-10,5	-13,1	
<b>Net Cashflow</b> %	32,3 <b>8,5%</b>	17,5 <b>4,1%</b>	21,1 <b>4,0%</b>	<b>-1,6</b>	<b>11,4</b>	
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
<b>NET FINANCIAL POSITION</b>	<b>-23,9</b>	<b>-11,2</b>	<b>0,1</b>	<b>-19,0</b>	<b>-0,5</b>	<b>-11,8</b>



# 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%	26.4%	24.5%		DSI 196 days
Receivables % net sales	20.1%	18.9%	20.3%	21.1%	21.0%		DSO 64 days
Payables % net sales	29.4%	28.8%	29.5%	33.3%	35.0%		DPO 122 days
<b>Operating Net Working Capital % net sales</b>	<b>51.4 13.6%</b>	<b>55.6 13.0%</b>	<b>63.4 12.2%</b>	<b>66.8 14.2%</b>	<b>58.3 10.5%</b>	<b>72.0 12.6%</b>	

\*rolling turnover incidence

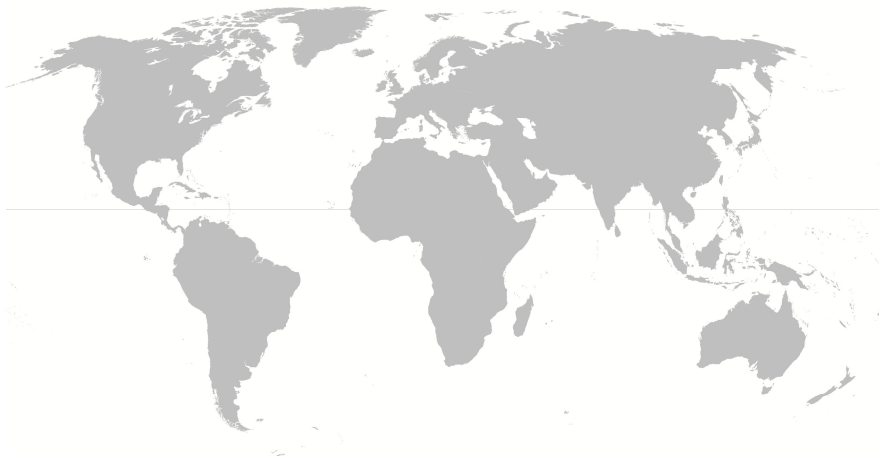
# People distribution

\* including Uniteam people (nr. 57)

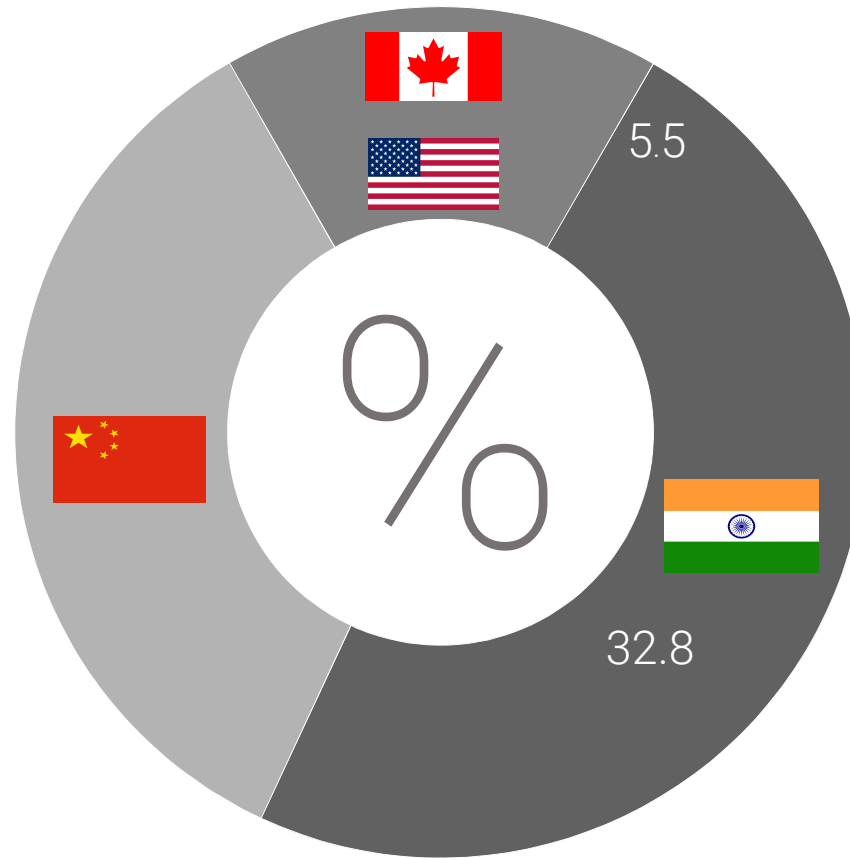
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	IH 2015	IH 2016
<b>Production</b> % of total people	965 41%	1250 46%	1265 45%	1175 44%	1201 42%	1335 42%	1202 41%	1414 41%
<b>Service &amp; After sale</b> % of total people	568 24%	577 21%	574 21%	613 22%	628 22%	690 22%	655 22%	777 22%
<b>R&amp;D</b> % of total people	293 12%	316 12%	338 12%	321 12%	361 13%	383 13%	376 13%	416 12%
<b>Sales &amp; Marketing</b> % of total people	340 13%	361 13%	364 13%	351 13%	439 15%	495 15.6%	453 15.4%	548 16%
<b>G &amp; A</b> % of total people	202 9%	233 9%	242 9%	235 9%	252 9%	273 9%	261 9%	304 9%
<b>ITALY</b> % of total people	1660 70%	1656 61%	1646 59%	1547 57%	1605 56%	1780 56%	1638 56%	1903 55%
<b>OUTSIDE ITALY**</b> % of total people	708 30%	1081 39%	1136 41%	1148 43%	1276 44%	1396 44%	1309 44%	1556 45%
<b>TOTAL</b>	<b>2368</b>	<b>2737</b>	<b>2782</b>	<b>2695</b>	<b>2881</b>	<b>3176</b>	<b>2947</b>	<b>3459*</b>

IH Results

# People distribution **by country**



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



1. India
2. China
3. U.S.A. & Canada



# Uniteam S.p.A. acquisition



## May 19<sup>th</sup> 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

IH 2016

Update:

4 mln/€

€ 1.5 mln in 2015

"already done"

54%

of the annual budget



# Service revenues



Targets

**BIESSEGROUP**

**IH 2016**

Update:

**43,1** mln/€ sales

€ 38.6 mln in 2015

incidence vs. the consolidated turnover

**15.2%**

(same in 2015)

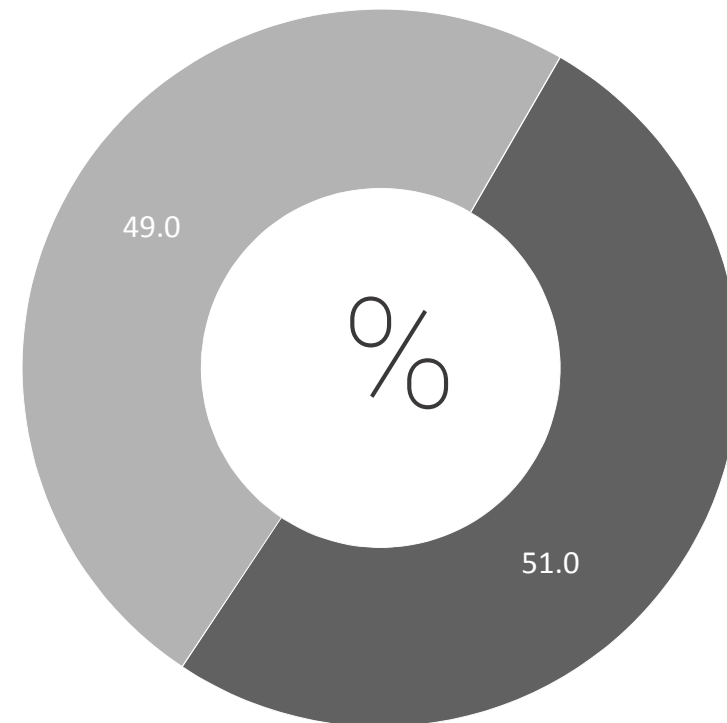


IH Results

# Shareholders breakdown by ownership

Bi.Fin s.r.l (**Selci family**)

free float



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).

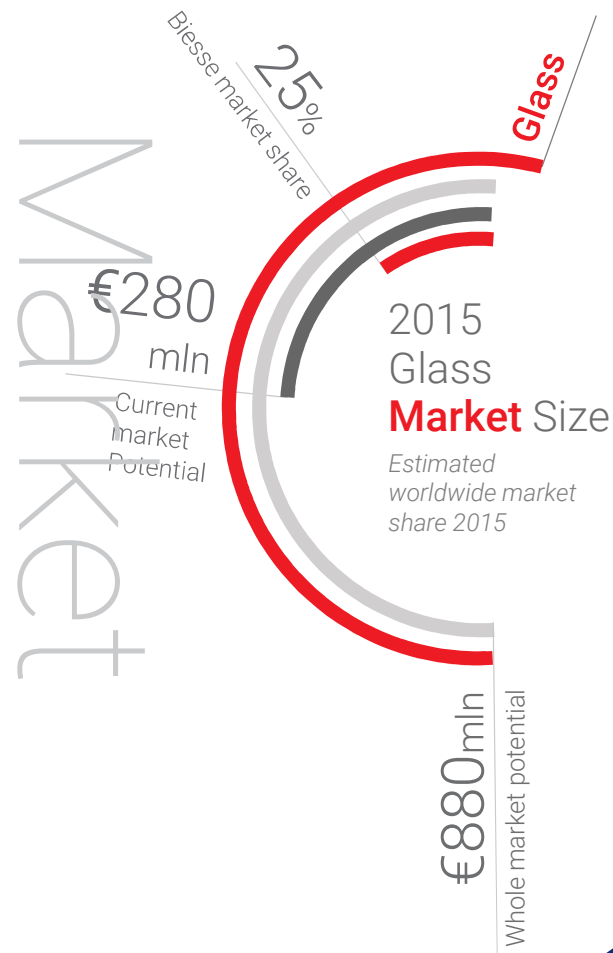
## CUSTOMERS



+ Products

# Glass

**BIESSEGROUP**



## 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



## 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

# Advanced Materials\*



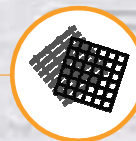
## Outlook

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





+ Products

# Advanced Materials\*

Targets



**\*Advanced materials**

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

**BIESSEGROUP**

3.5 mln/€  
2015 result

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

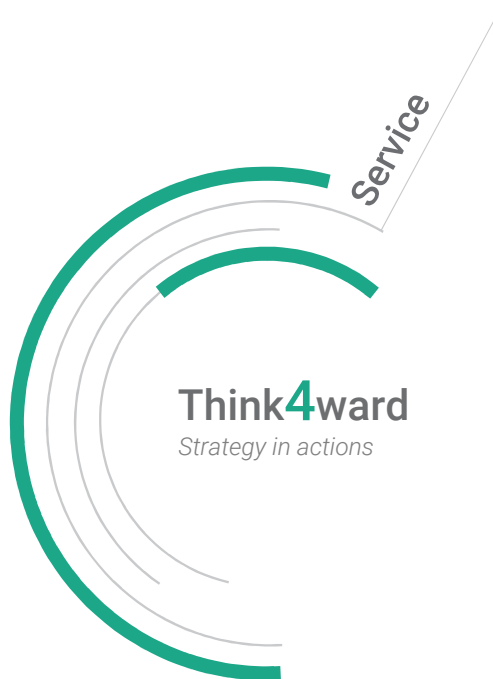
In the future, we will expand our product offering in order to meet the needs of the entire market.



+ 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%

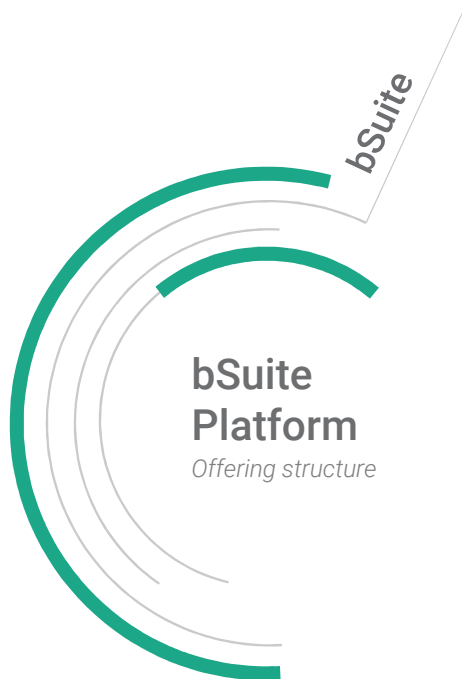
**2018 Target**  
incidence on  
Machine Sales



+ Solutions

# bSuite

Offering



## bPlatform

Challenging market standards.



**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.

**BIESSEGROUP**



+ BCX

# Near to customers



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

**BIESSEGROUP**

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%

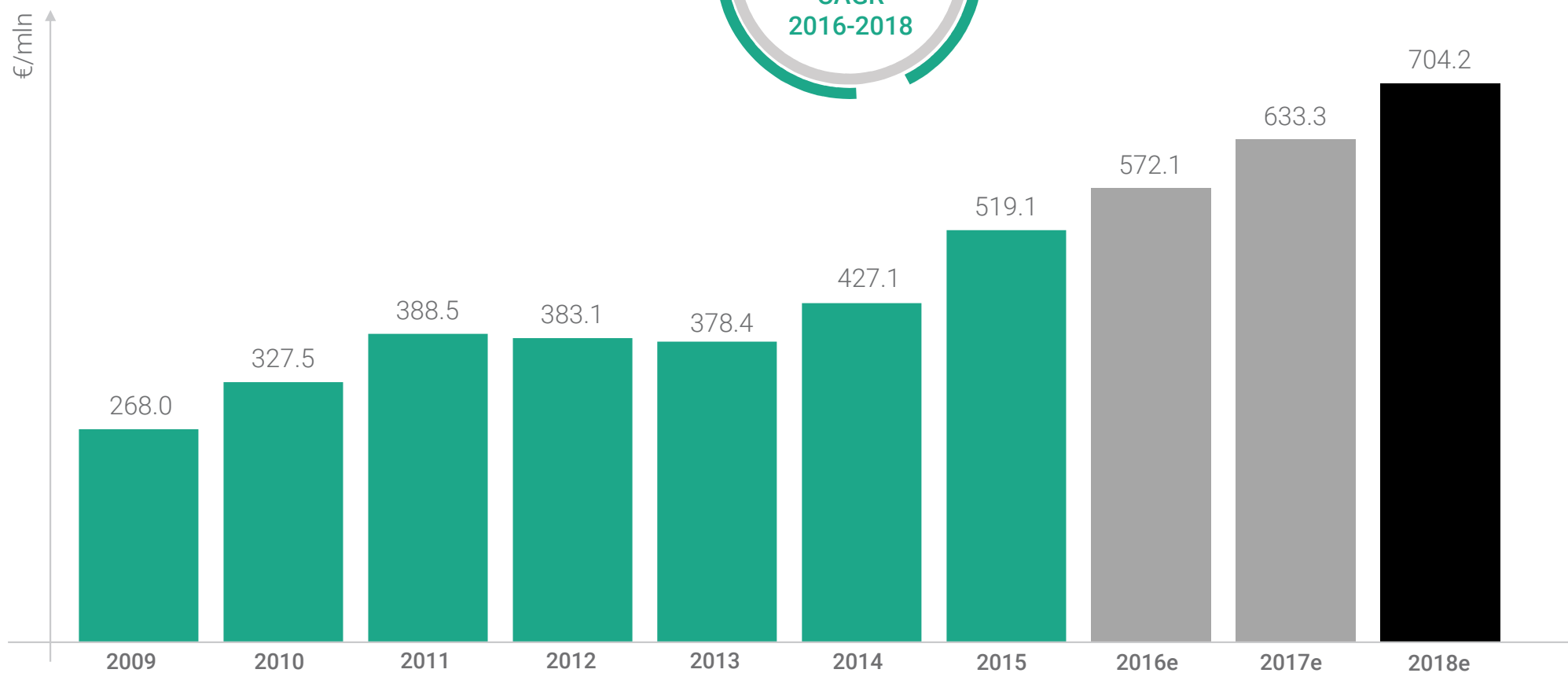
**2018 Target**  
production abroad quote





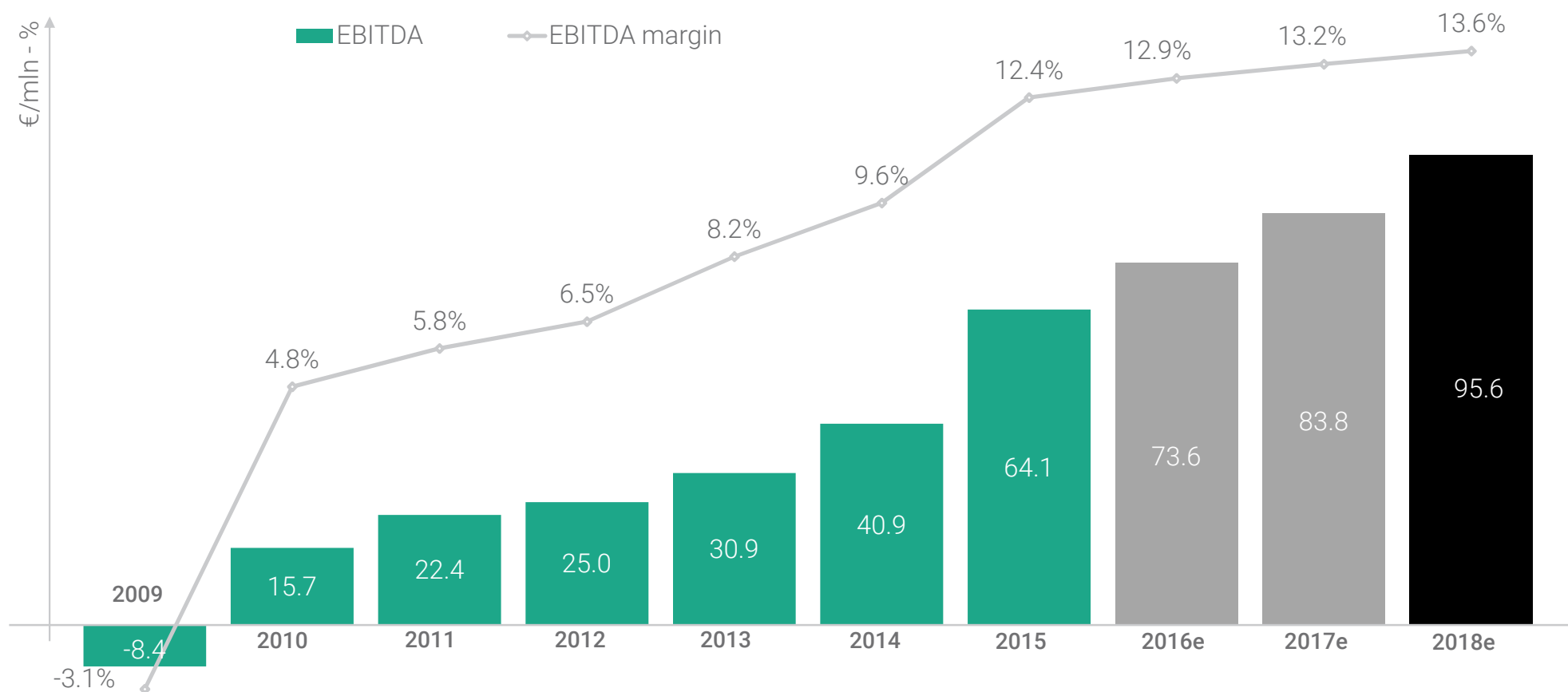
Figures Remind

# Net Sales



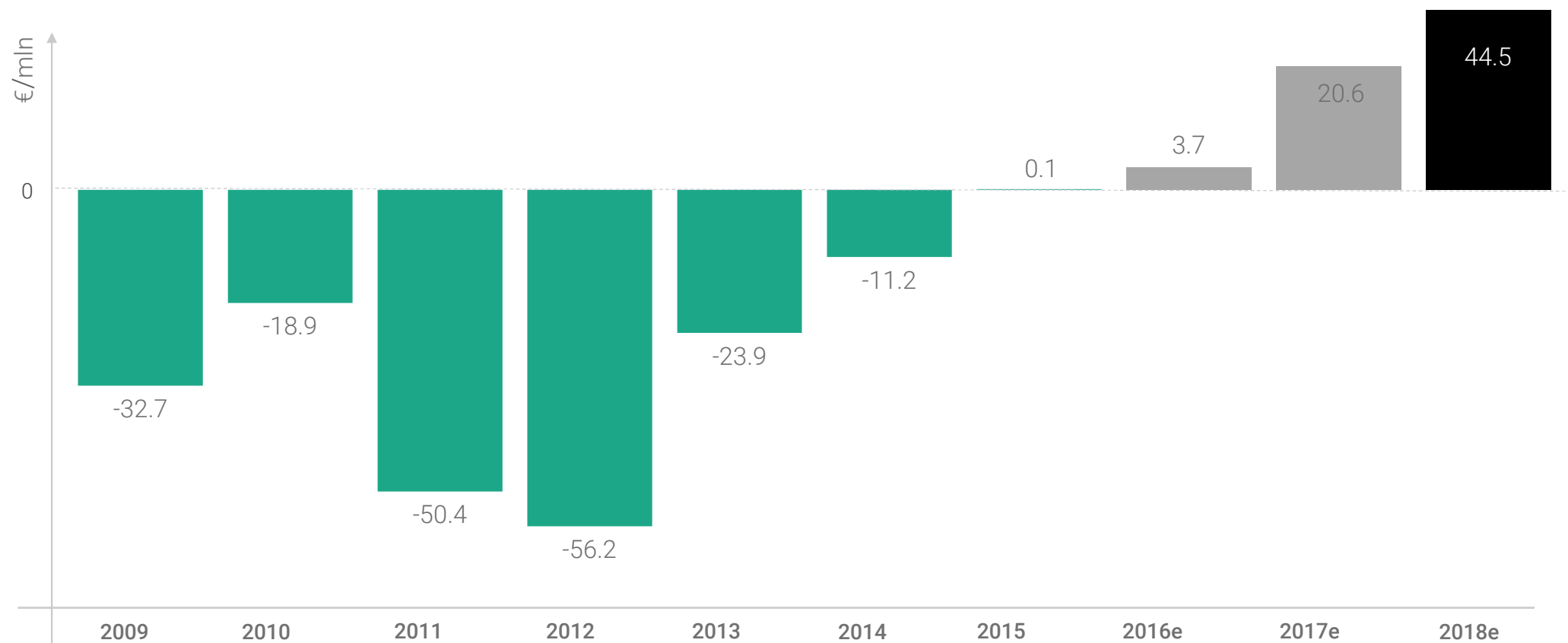
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# Ebitda



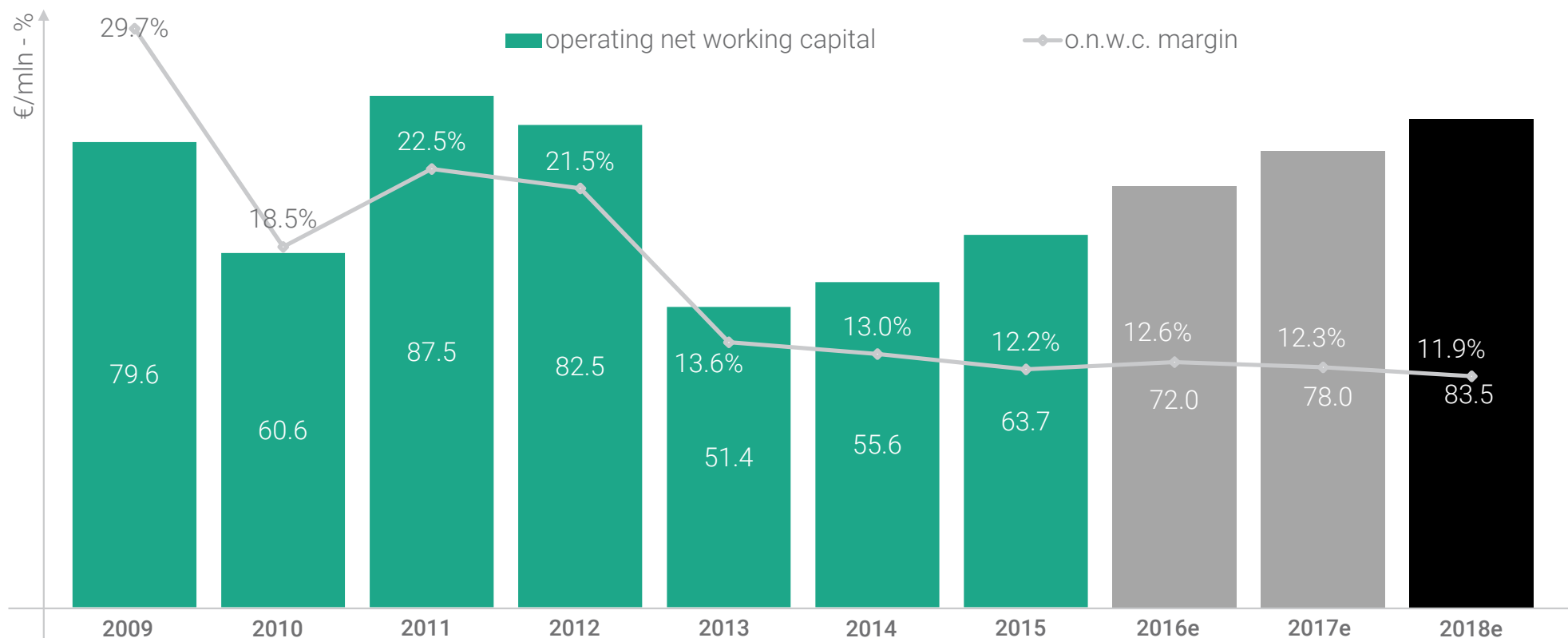
Figures Remind

# Net Debt



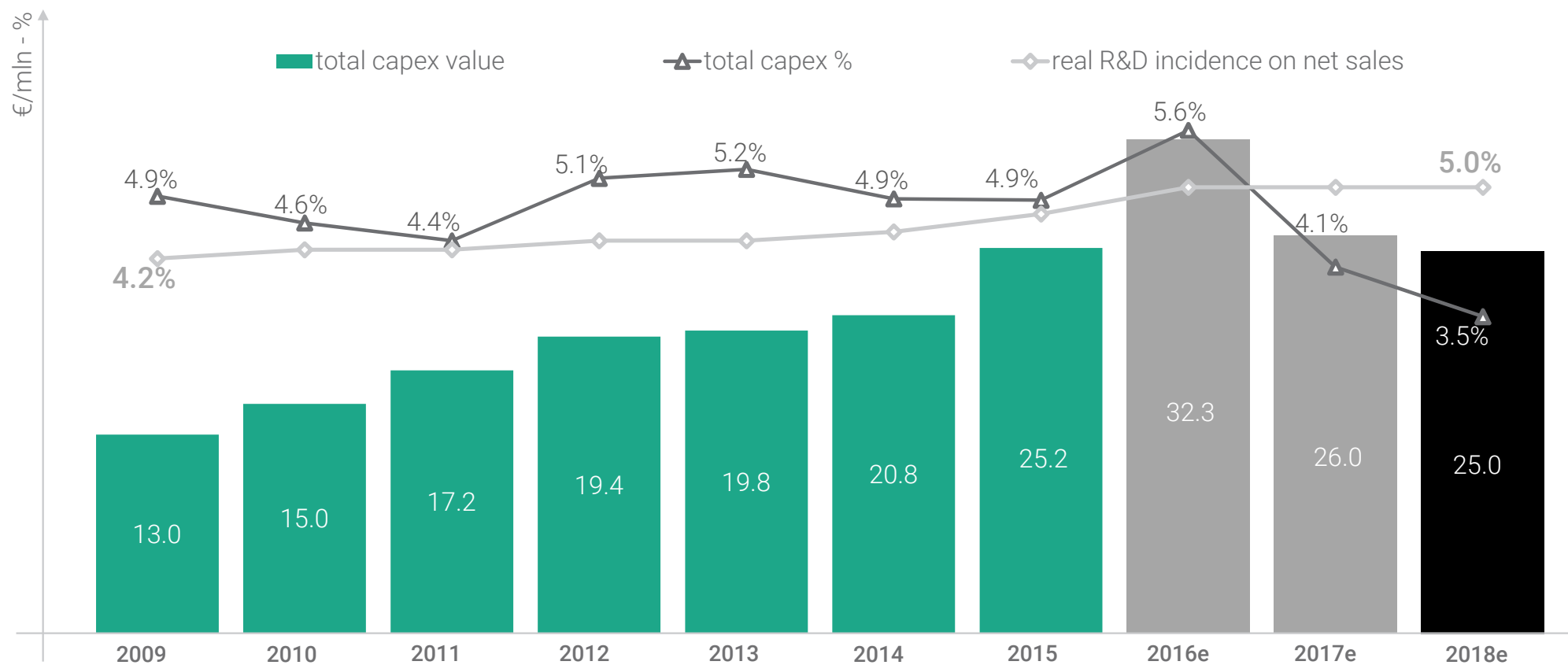


# Operating Net Working Capital



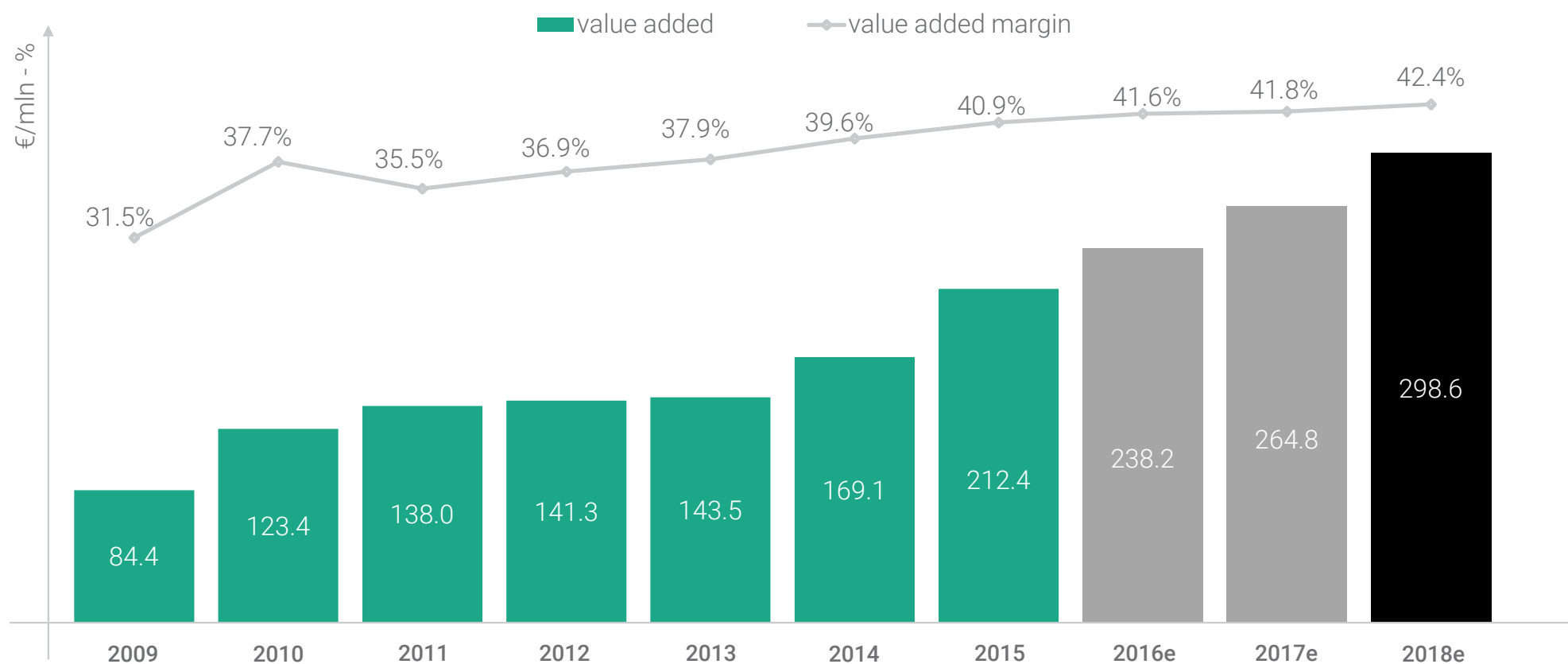
Figures Remind

# Capex



Figures Remind

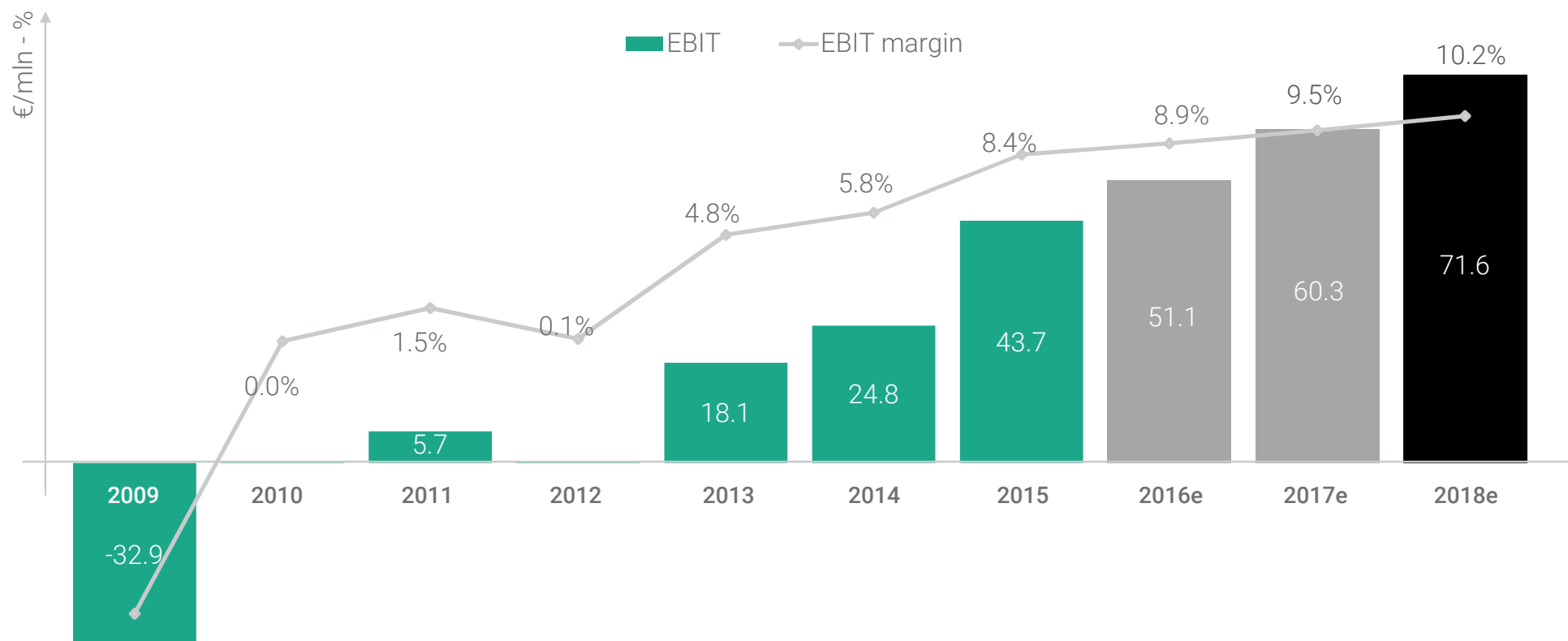
# Value added



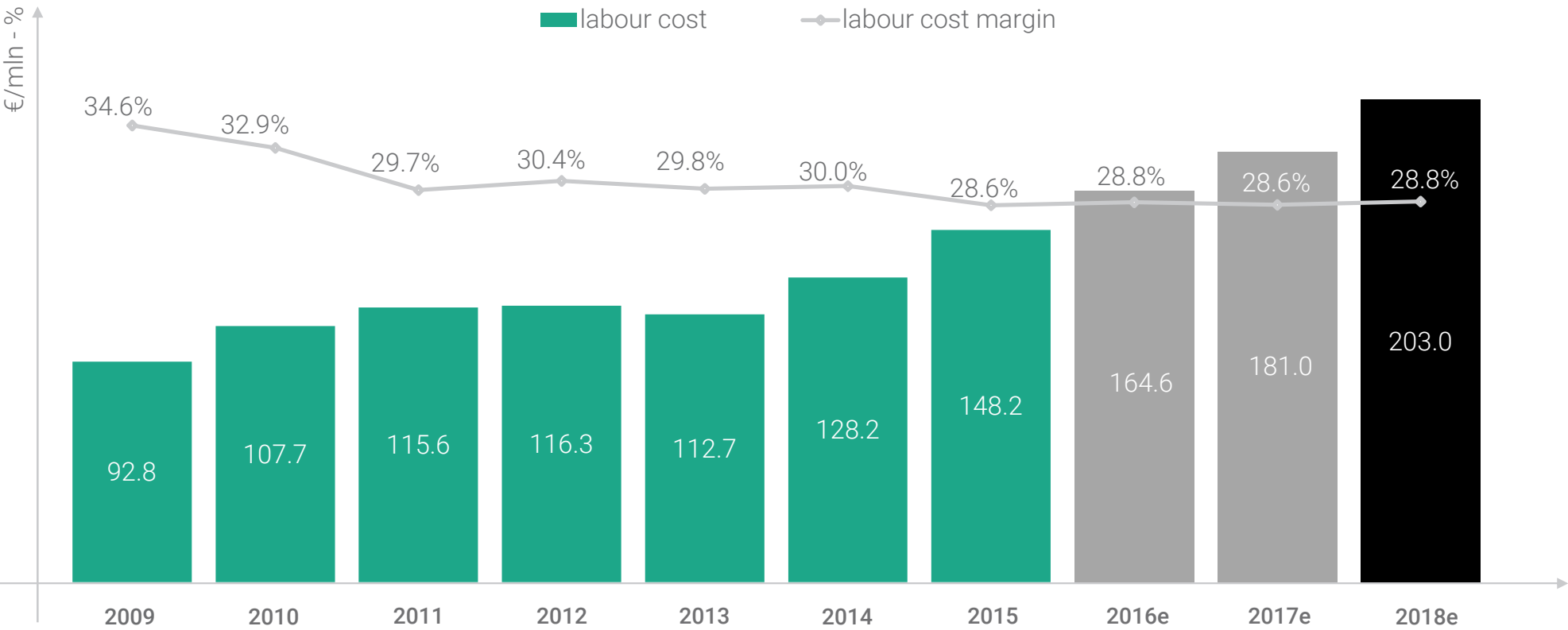


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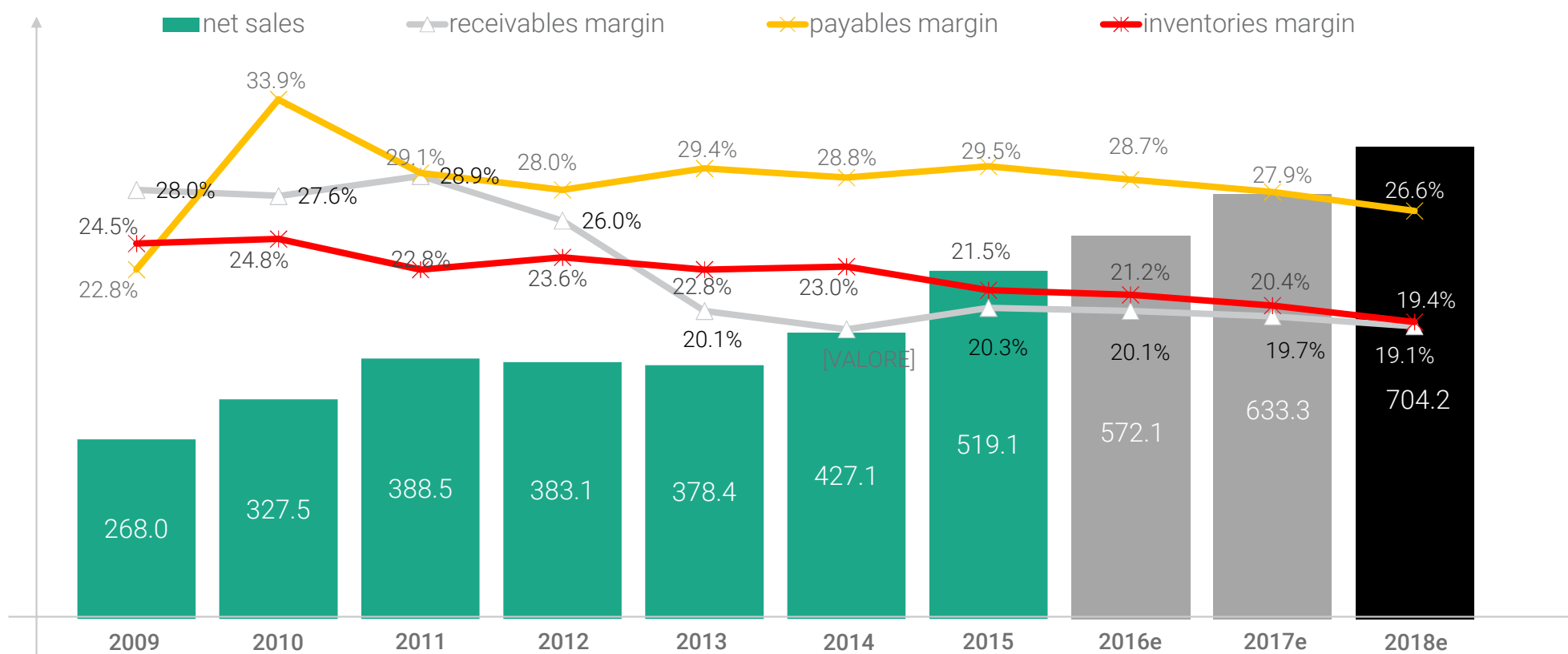


# Labour cost



Figures Remind

# Receivables - Payables - Inventories







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- ✓ For further details on the Biesse S.p.A. reference should be made to publicly available information, including the Quarterly Reports, the Half Annual Report, the Annual Reports and the Three Years Business Plan.
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