

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

Company presentation
January 2017

 **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

Where we are

Italy

Brianza
Triveneto

Austria

Salzburg

U.K.

Daventry

Switzerland

Luzern

Sweden

Jonkoping

Russia

Moscow

Germany

Elchingen
Lohne
Gingen

France

Lyon

Spain

Barcelona

Portugal

Lisboa

U.A.E. - Dubai

Dubai

new

Turkey

Istanbul

North America

Charlotte
Montreal
Toronto
Los Angeles
Fort Lauderdale

Brazil

San Paolo

India

Bangalore
Mumbai
Noida

China

Shanghai
Dongguan
Guangzhou

Asia

Singapore
Kuala Lumpur
Jakarta
Seoul

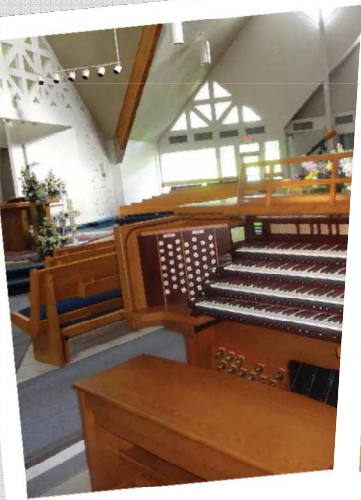
Oceania

Sydney
Brisbane
Melbourne
Perth
Auckland



With

Customers in
120 countries



Allen Organ, U.S.A

Made



Milan Design Week,
Italy

Made With Intermac

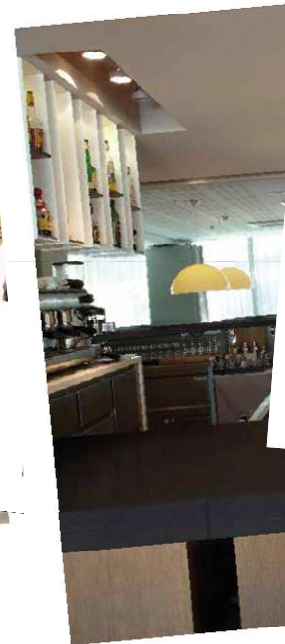


Lago, Italy



Sagrada Familia,
Spain

Made With Biesse



Cosentino Group,
Spain

Made With Diamut



Bigelli Marmi, Italy



Fiam, Italy

Made

We

Our Human capital.

more than
3,500
employees
throughout the world
without interim people

25 YEARS 1989 2014
BIESSE AMERICA



“Strength lies in differences.
not in similarities”.



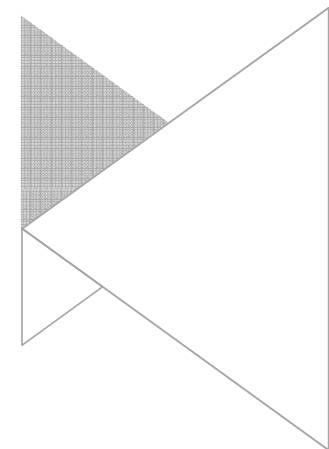
Our **Values**

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**



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

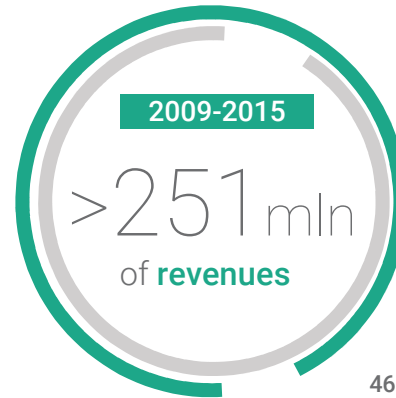
03

for a consistent
growth

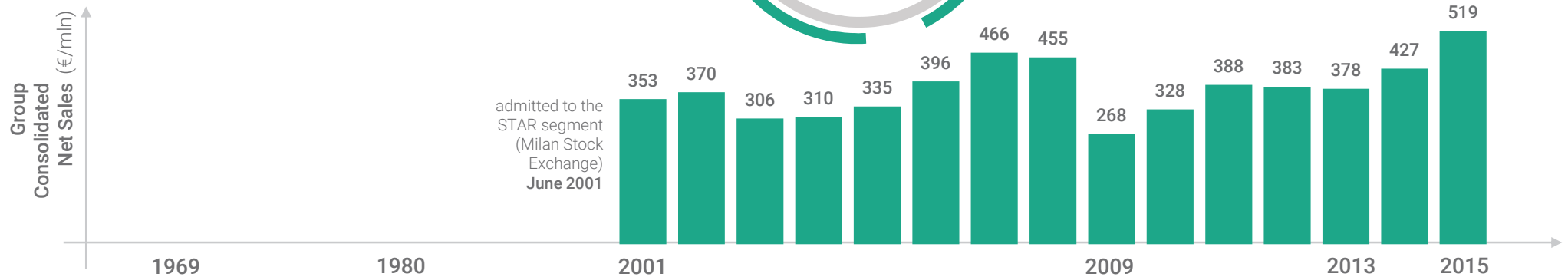
Our values / **Excellence** /

More Revenue

BIESSEGROUP



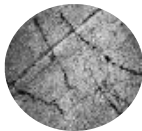
■ Biesse Group
Consolidates Net Sales (€/mln)



Wood



Glass



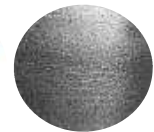
Stone



Mechatronics



bSoft
(software)



Metal

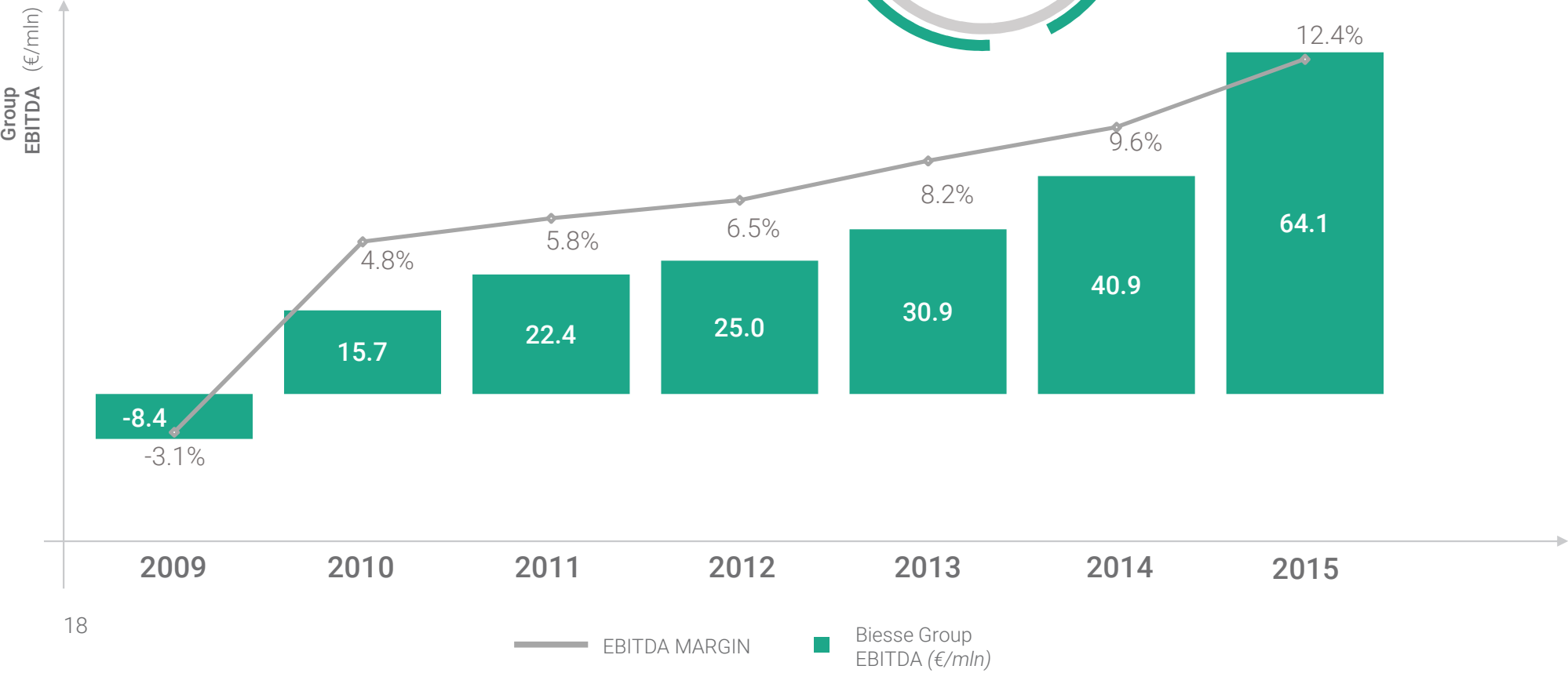
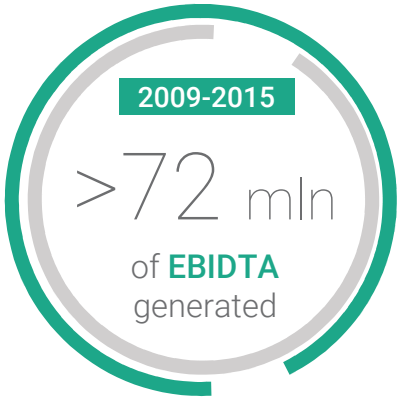


Plastic &
Advanced
Materials

Our values / Excellence /

More Profit

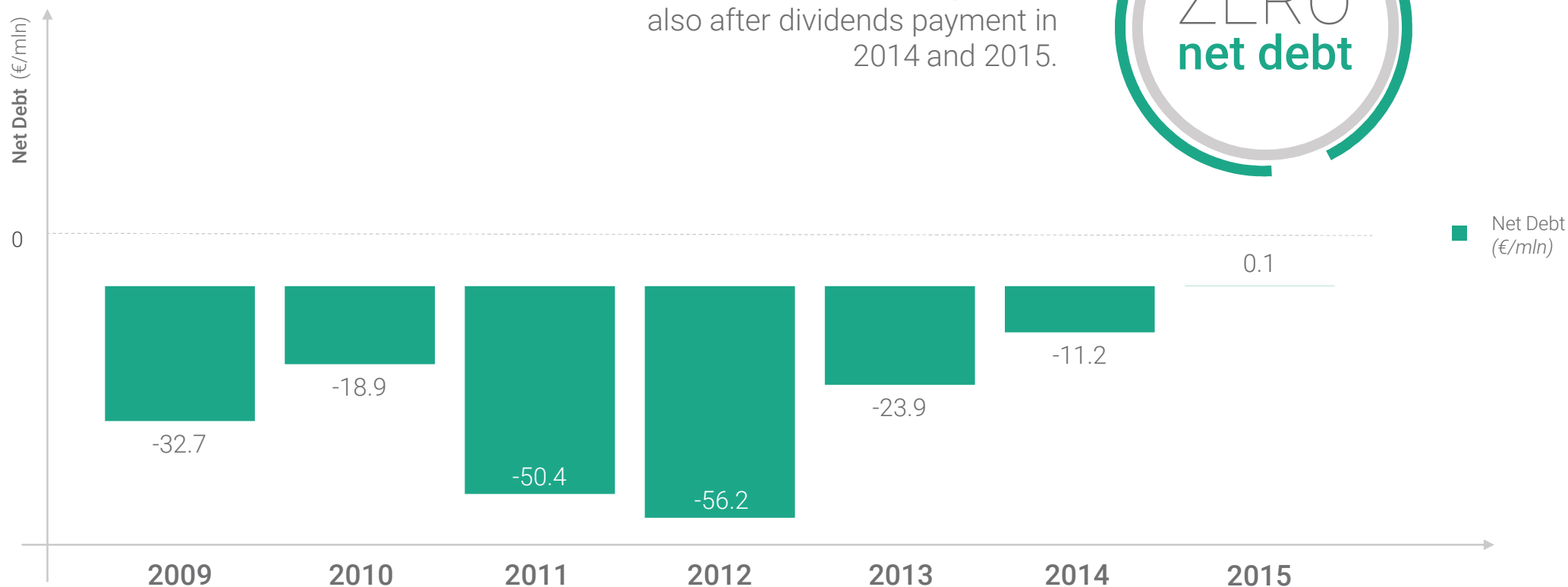
EBITDA



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

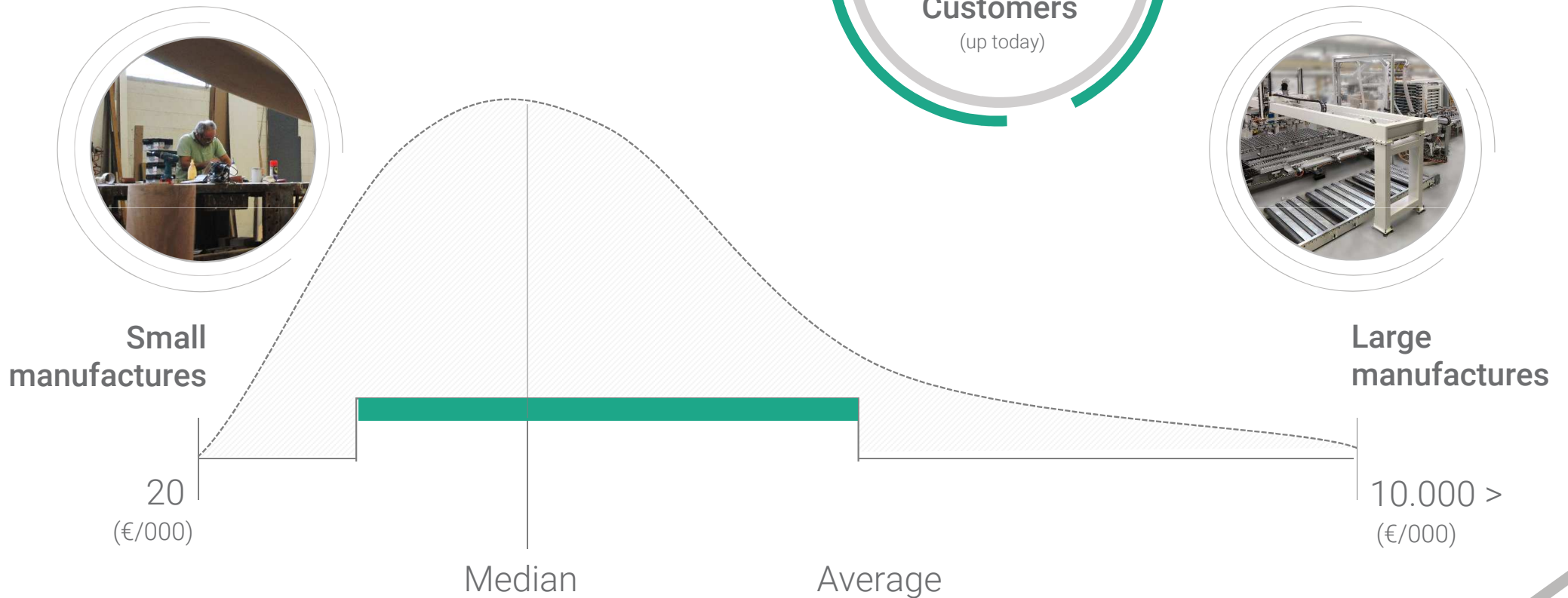
- | | | |
|---|---------------------------------------|--------------------------------|
| ✓ Joiners | ✓ Glass workers | ✓ Wood machinery producers |
| ✓ Makers of large furniture items | ✓ Marble workers | ✓ Aluminum machinery producers |
| ✓ Windows and doors | ✓ Furniture | ✓ Plastic machinery producers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

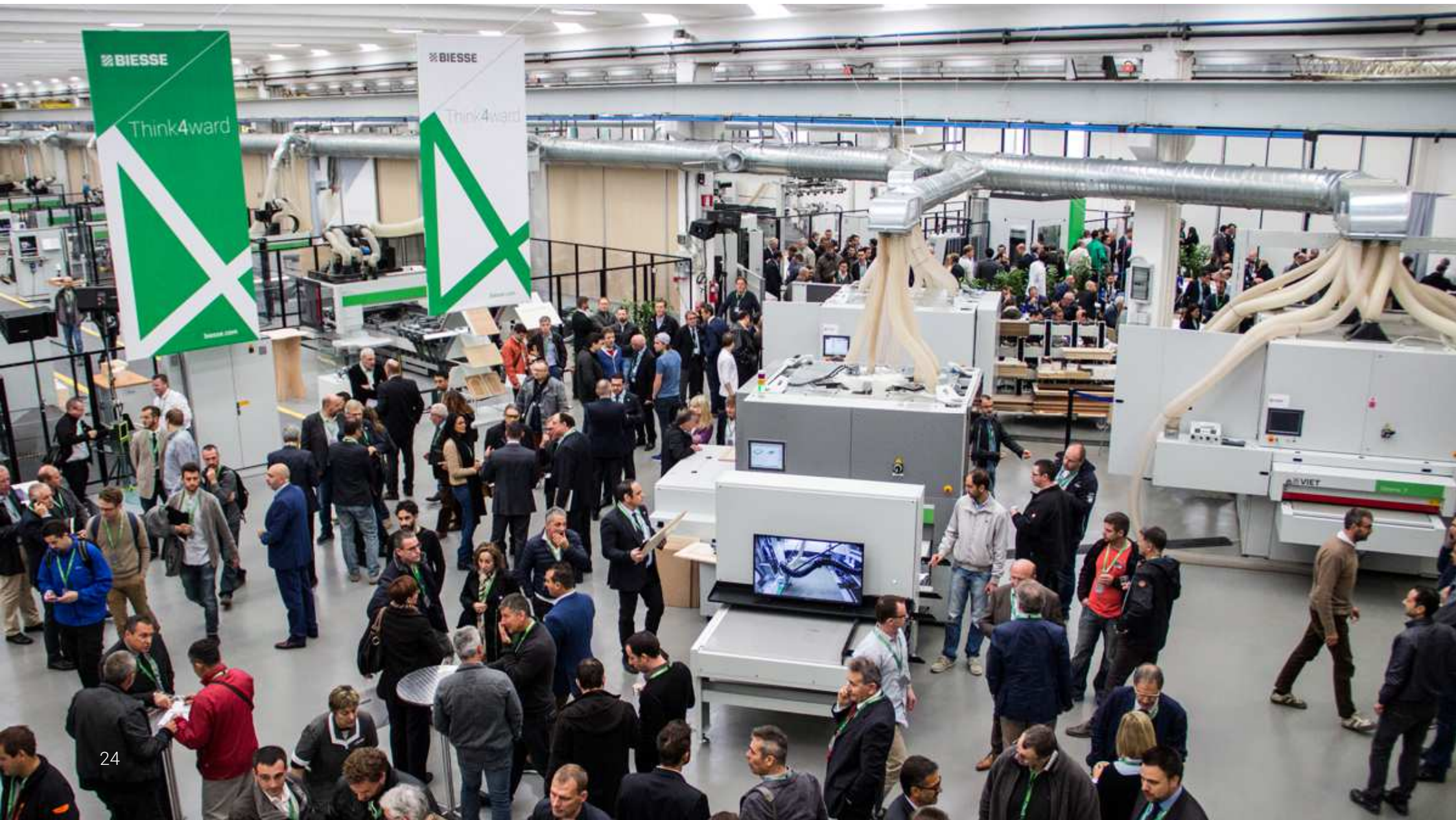
Our **Business Model** /

BIESSEGROUP

Wide **customer base**

Customer Sales Distribution 2015





special event:

Inside



The traditional three-day event dedicated to the technological innovations at the service of those who work with wood and advanced materials.

The "Smart 4 all" theme of this edition has allowed the visitors to acquire a 360° vision of the potentials that digitalization can offer to the manufacturing sector. "4.0 ready" machines, systems and software marked Biesse for the big and small size companies which want to gain competitiveness through the optimization of their own design and manufacturing processes.

Inside Biesse replica

Last **November 17-19**

more than

3,000

customers

(**+16%** vs previous edition)

almost

€10 mln

the total amount of **orders intake**

(more than **165%** vs. previous edition)

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.



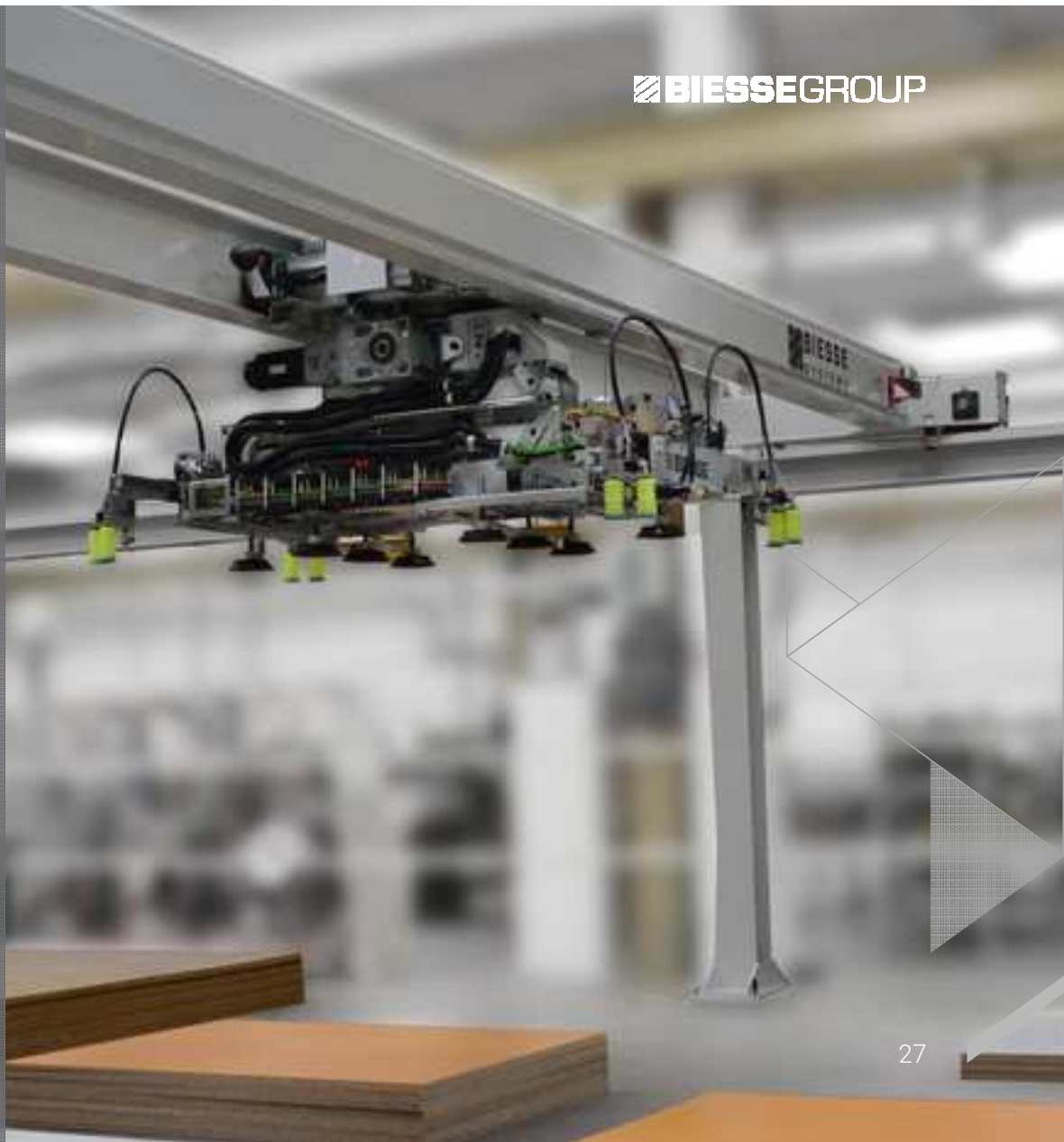
Think4ward

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.



Summary / Guidance / Main Drivers

Summary

- ✓ 12 months 2016 with a positive orders intake trend and backlog record level
- ✓ 12 months 2016 with a strong sales increase (higher than the 15.4% increase at the end of the IH 2016)
- ✓ 12 months 2016 with a net debt decrease vs the previous year

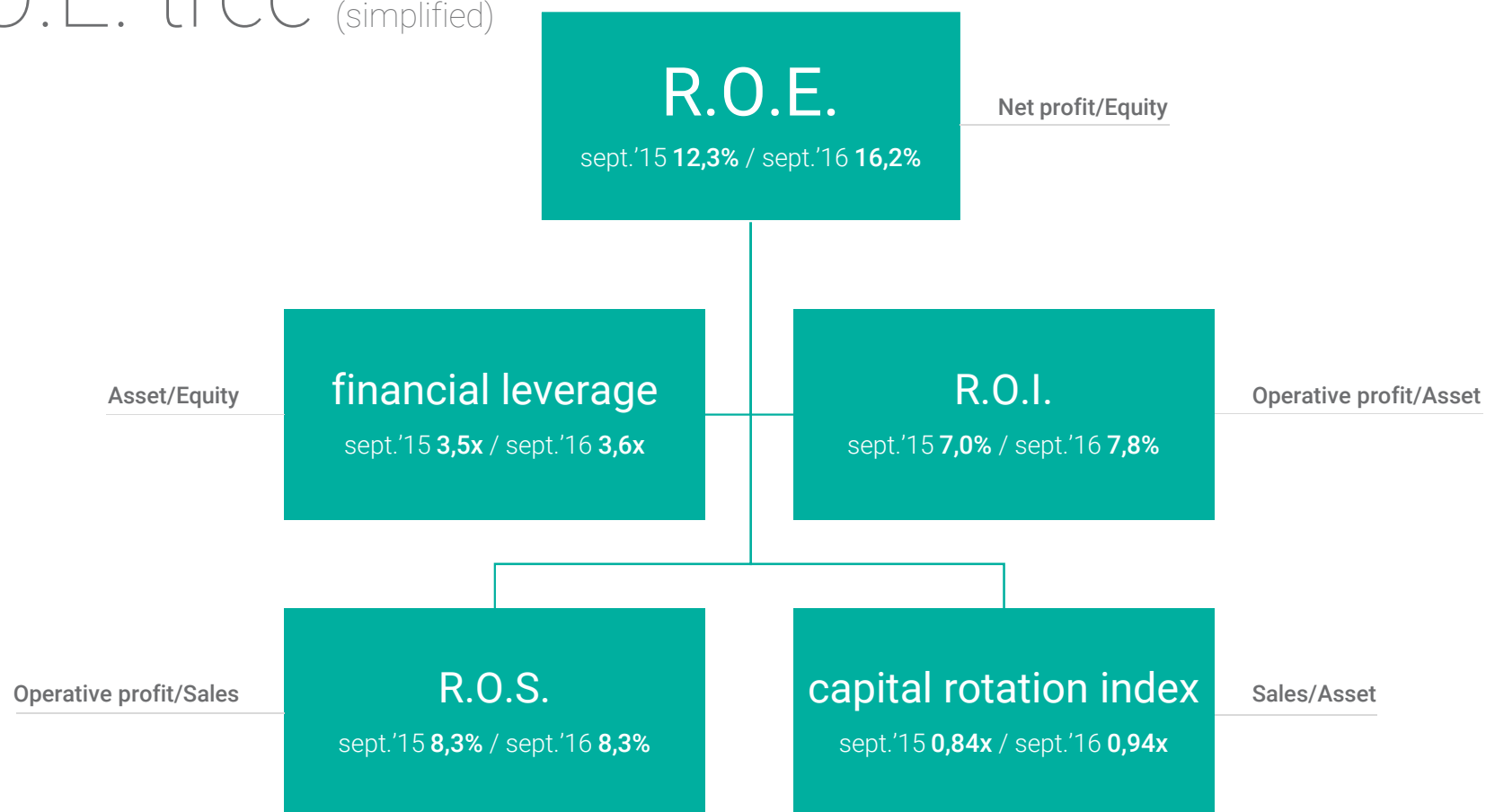
Guidance

- ✓ Guidance for an higher net sales level
- ✓ Guidance for an higher labour cost due to investments scheduled for the next two years that have been already brought forward (150 new jobs) leading to a slight decrease of profitability % (EBITDA & EBIT margin)
- ✓ Guidance for an orders intake growth considering the last summer world fairs (Melbourne-Atlanta) results and the recent BiesselsInside fate (Pesaro-Italy)

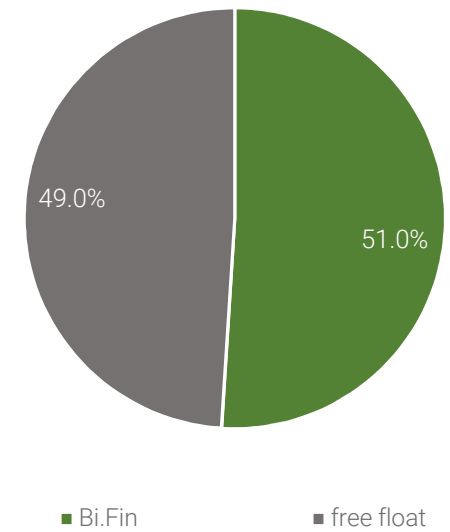
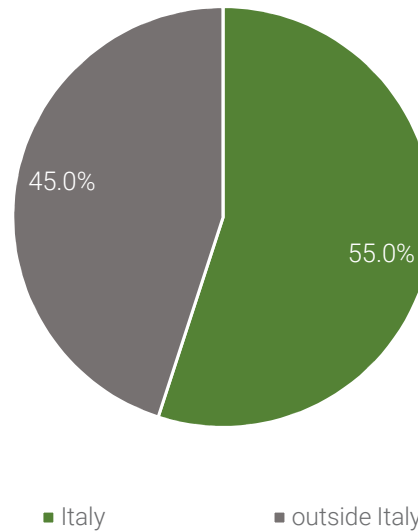
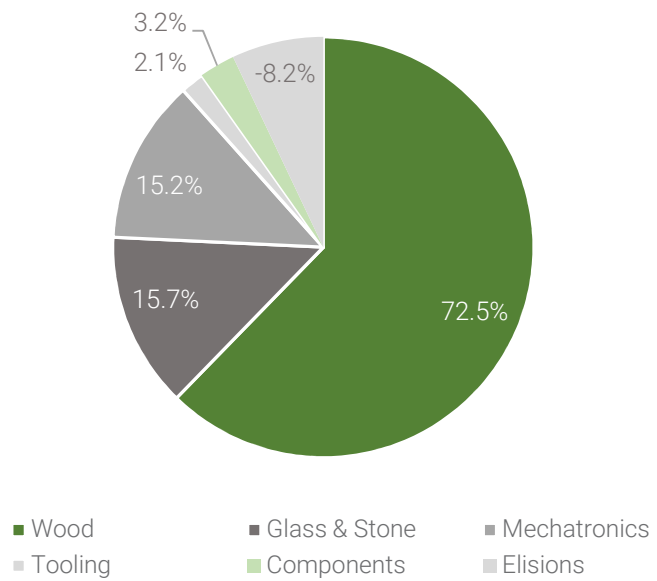
Drivers

- ✓ Urbanization factor - constructions & restructuring
- ✓ Substitution cycle
- ✓ Energy efficiency – structural wood growing demand
- ✓ Software integration & digitalization increase – Industry 4.0

R.O.E. tree (simplified)



Biesse at a glance



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)

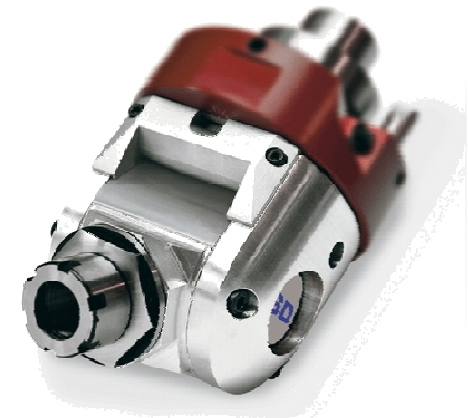


Mechatronic

(world) market share

36,0%

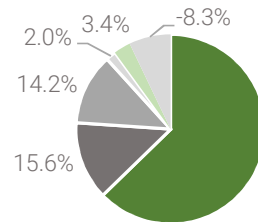
(latest estimation 2015)



September picture

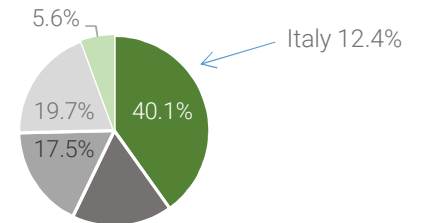
Sales breakdown

FY
2015



Wood Glass & Stone Mechatronics
Tooling Components Elisions

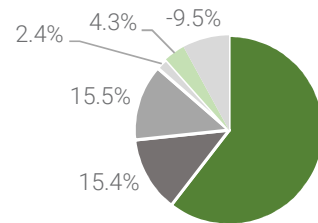
FY
2015



Western Europe (Italy included) Eastern Europe
North America Asia

by business divisions

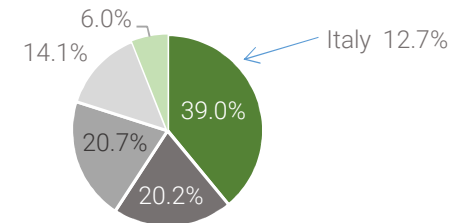
Sept
2015



Wood Glass & Stone Mechatronics
Tooling Components Elisions

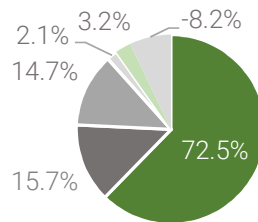
by main geo-areas

Sept
2015



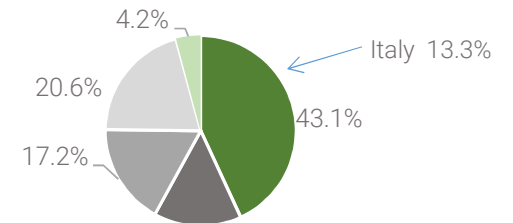
Western Europe (Italy included) Eastern Europe
North America Asia

Sept
2016



Wood Glass & Stone Mechatronics
Tooling Components Elisions

Sept
2016



Western Europe (Italy included) Eastern Europe
North America Asia

September breakdown

People distribution (without interim people)

* including Uniteam people (nr. 57)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Sept 2015	Sept 2016
Production % of total people	965 41%	1,250 46%	1,265 45%	1,175 44%	1,201 42%	1,335 42%	1,276 41%	1,426 41%
Service & After sale % of total people	568 24%	577 21%	574 21%	613 22%	628 22%	690 22%	651 22%	788 22.4%
R&D % of total people	293 12%	316 12%	338 12%	321 12%	361 13%	383 13%	369 12%	428 12.2%
Sales & Marketing % of total people	340 13%	361 13%	364 13%	351 13%	439 15%	495 15.6%	470 15.5%	565 16%
G & A % of total people	202 9%	233 9%	242 9%	235 9%	252 9%	273 9%	251 8.3%	302 8.6%
ITALY % of total people	1,660 70%	1,656 61%	1,646 59%	1,547 57%	1,605 56%	1,780 56%	1,689 56%	1,927 55%
OUTSIDE ITALY** % of total people	708 30%	1,081 39%	1,136 41%	1,148 43%	1,276 44%	1,396 44%	1,338 44%	1,582 45%
TOTAL	2,368	2,737	2,782	2,695	2,881	3,176	3,027	3,509*

September breakdown

People distribution

* including Uniteam people (nr. 57)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Sept 2015	Sept 2016
ITALY % of total people	1,660 70%	1,656 61%	1,646 59%	1,547 57%	1,605 56%	1,780 56%	1,689 56%	1,927 55%
OUTSIDE ITALY** % of total people	708 30%	1,081 39%	1,136 41%	1,148 43%	1,276 44%	1,396 44%	1,338 44%	1,582 45%
TOTAL	2,368	2,737	2,782	2,695	2,881	3,176	3,027	3,509*

vs Sep 2015: **+482** (15,9%)

vs Dec 2015: **+333** (10, 5%)

vs Jun 2016: **+50** (1,45%)

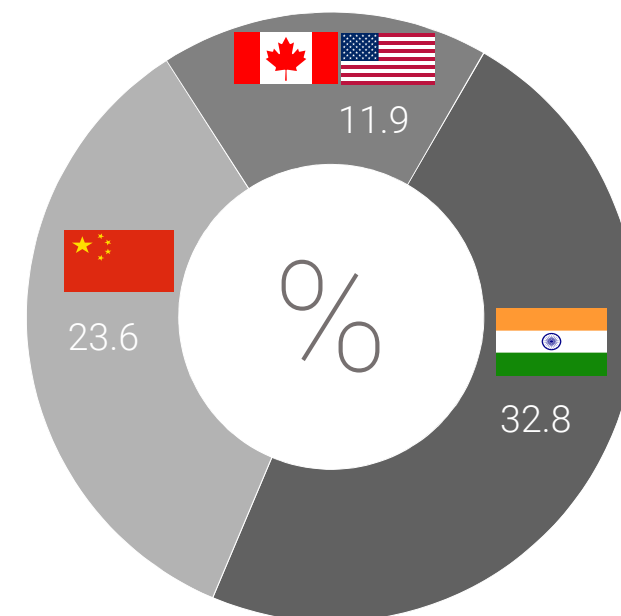
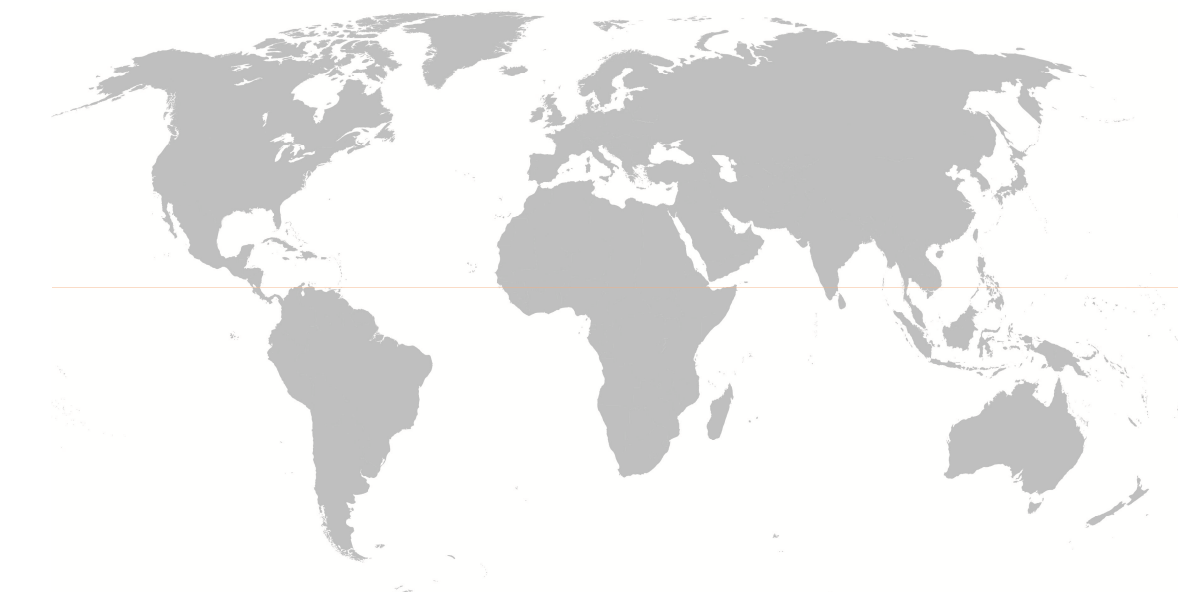
interim people at the end of Sept. 2015: **147**

interim people at the end of Sept. 2016: **232**

3,741

September breakdown

People distribution **by main countries**



People outside Italy: nr. **1582**
18.6% in the european subsidiaries



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

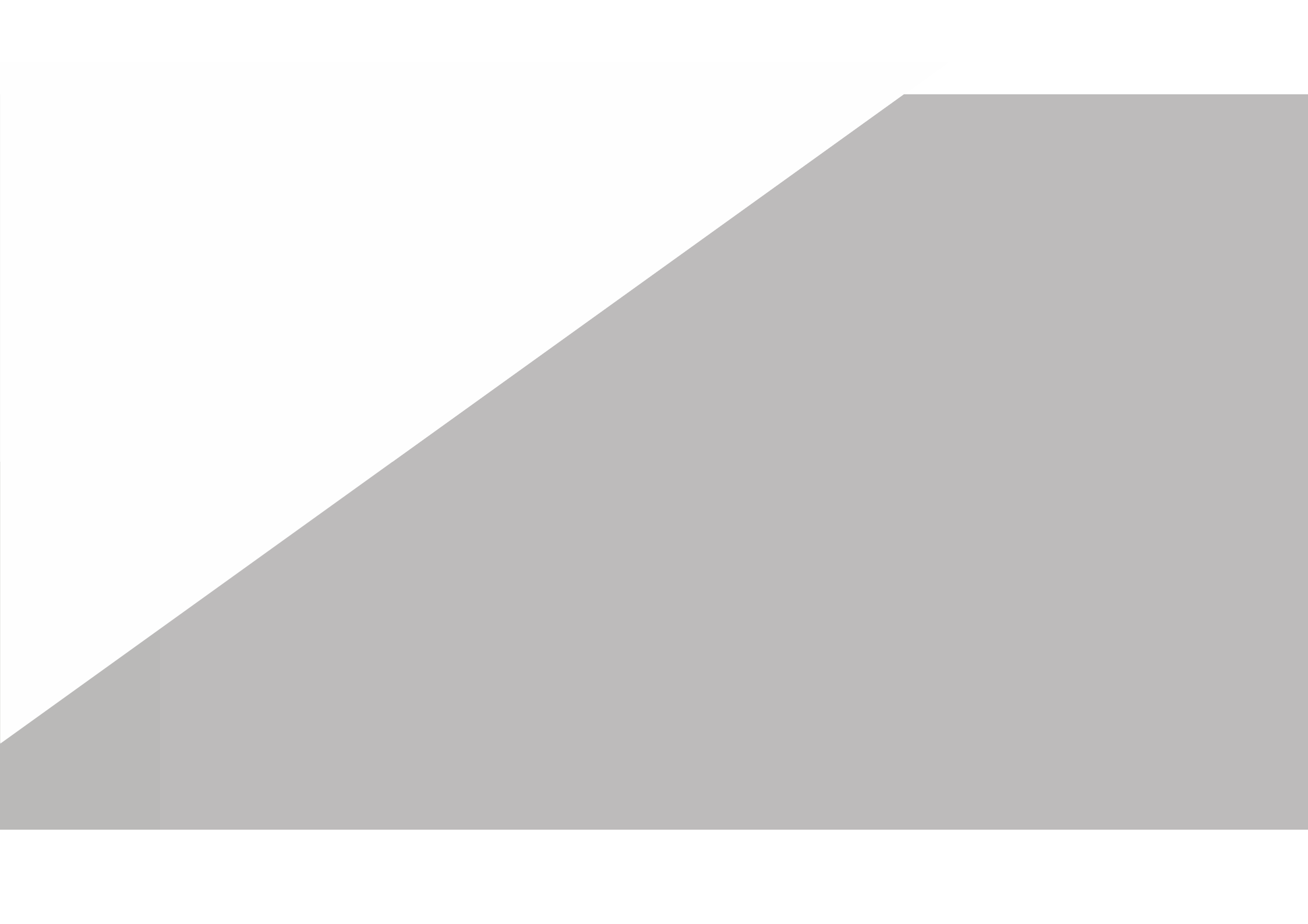
Main activities

- ✓ 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

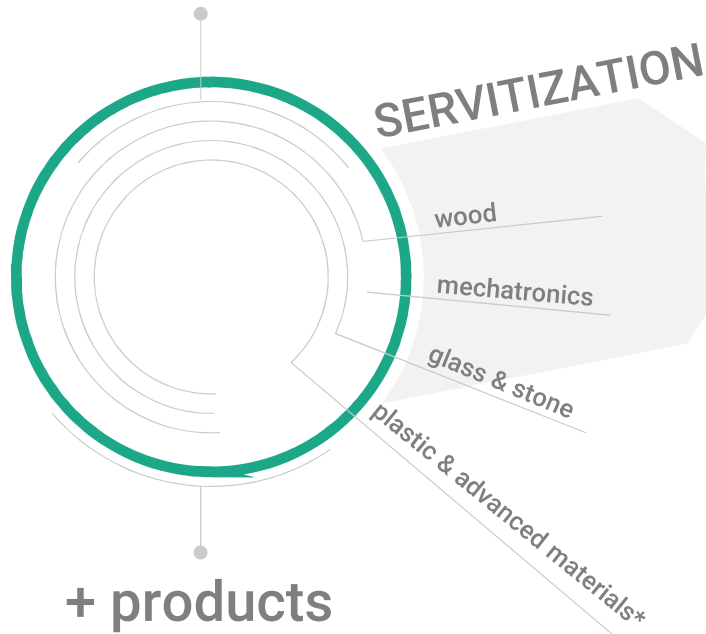
- ✓ Order (already signed) for a line in England (estimated value 10.1 Euro mln) dedicated for structural wood/houses



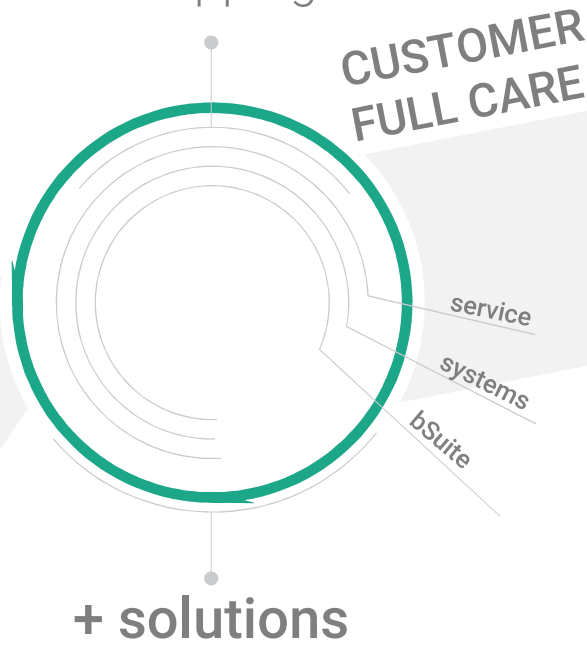


Our strategy

Best-in-class
Alignment



One-stop
Shopping



Differentiation
Take Over



Time

+ 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



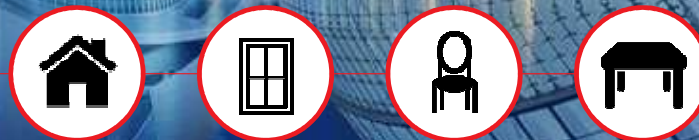
Outlook

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 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

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*



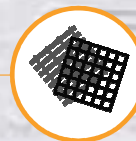
Outlook

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

3.5 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**.

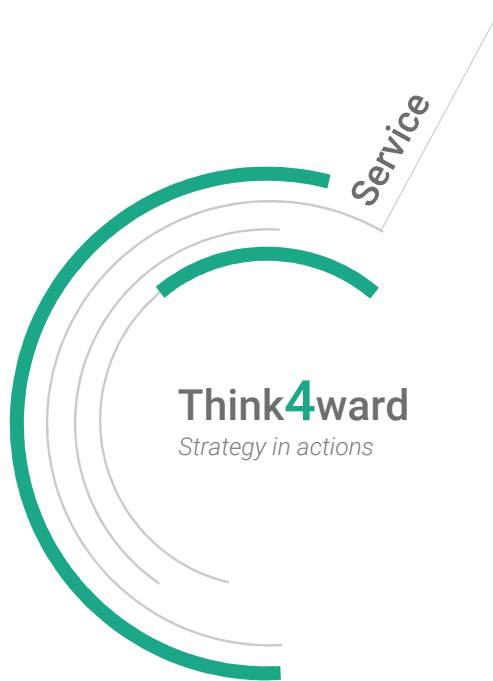
20 mln/€
2018e target

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.

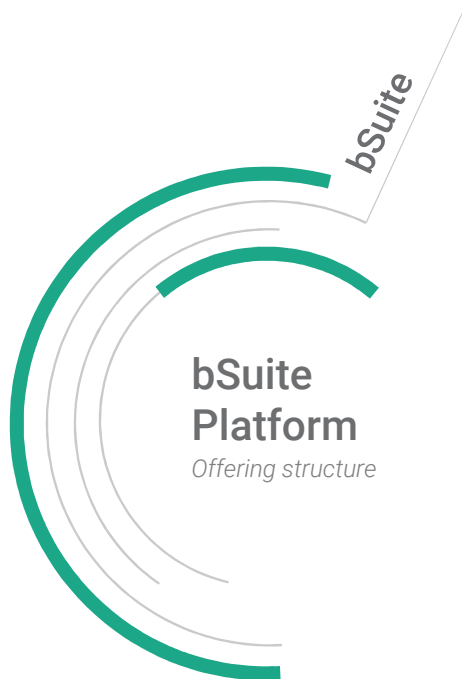
20%

2018 Target
incidence on
Machine Sales

+ Solutions

bSuite

Offering



bPlatform

Challenging market standards.

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.

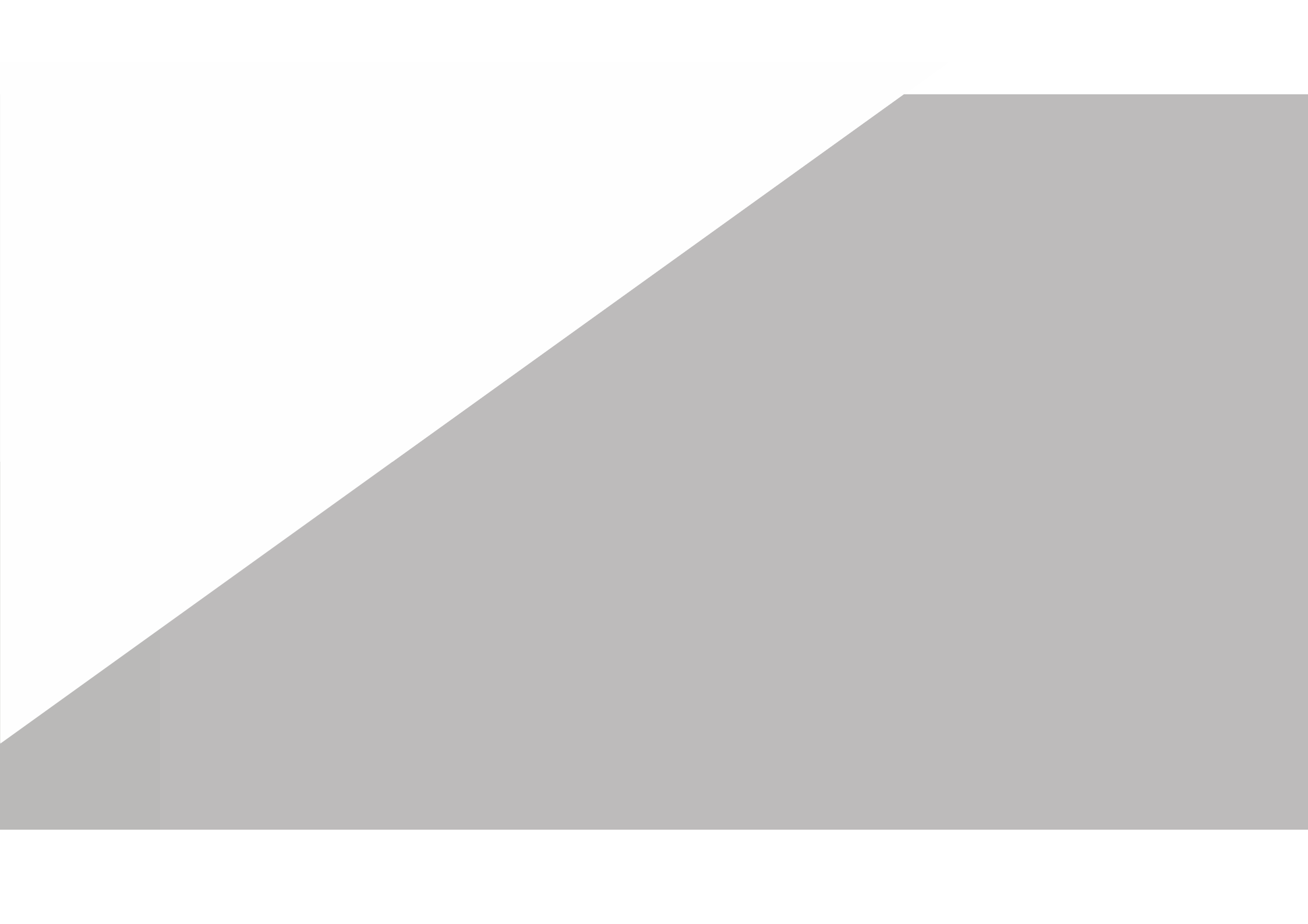
02

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

20%

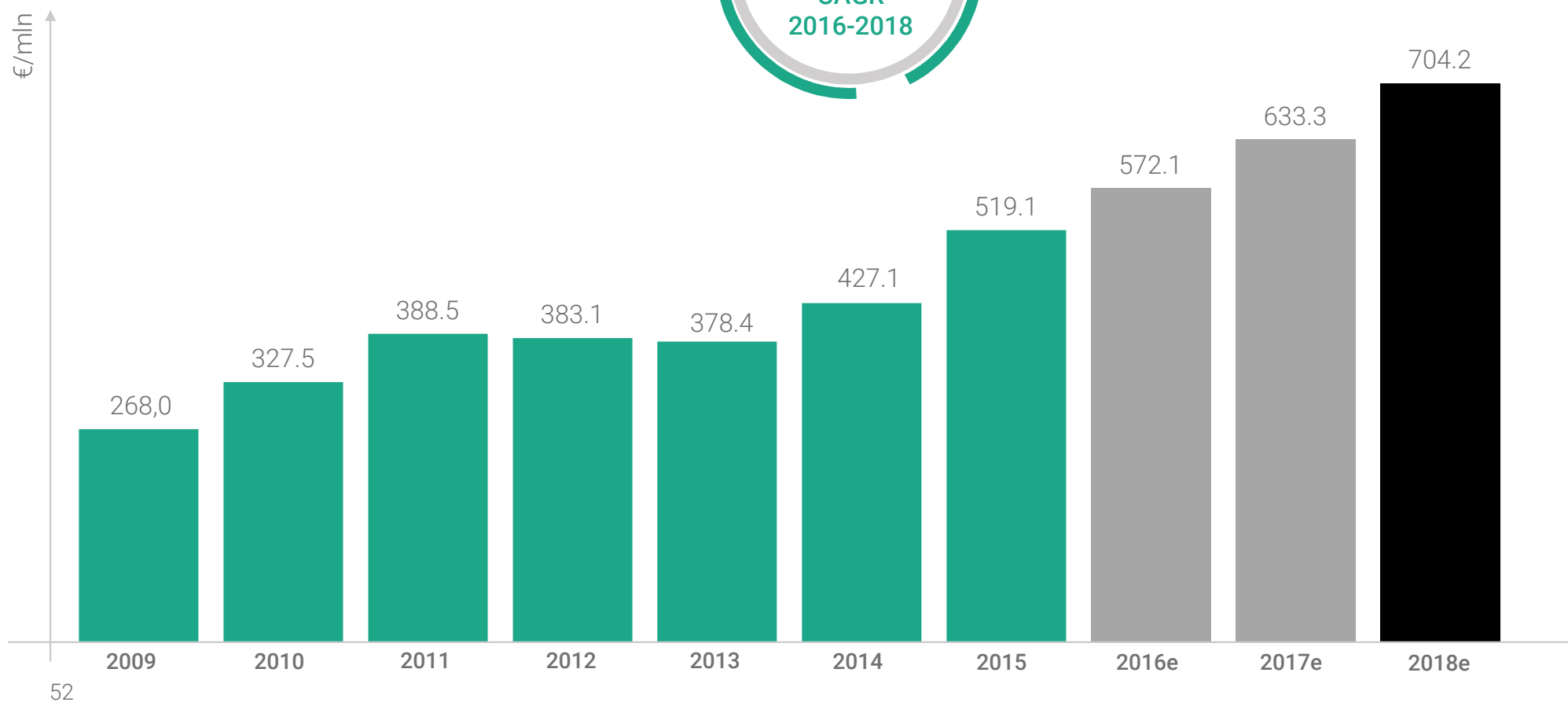
2018 Target
production abroad quote



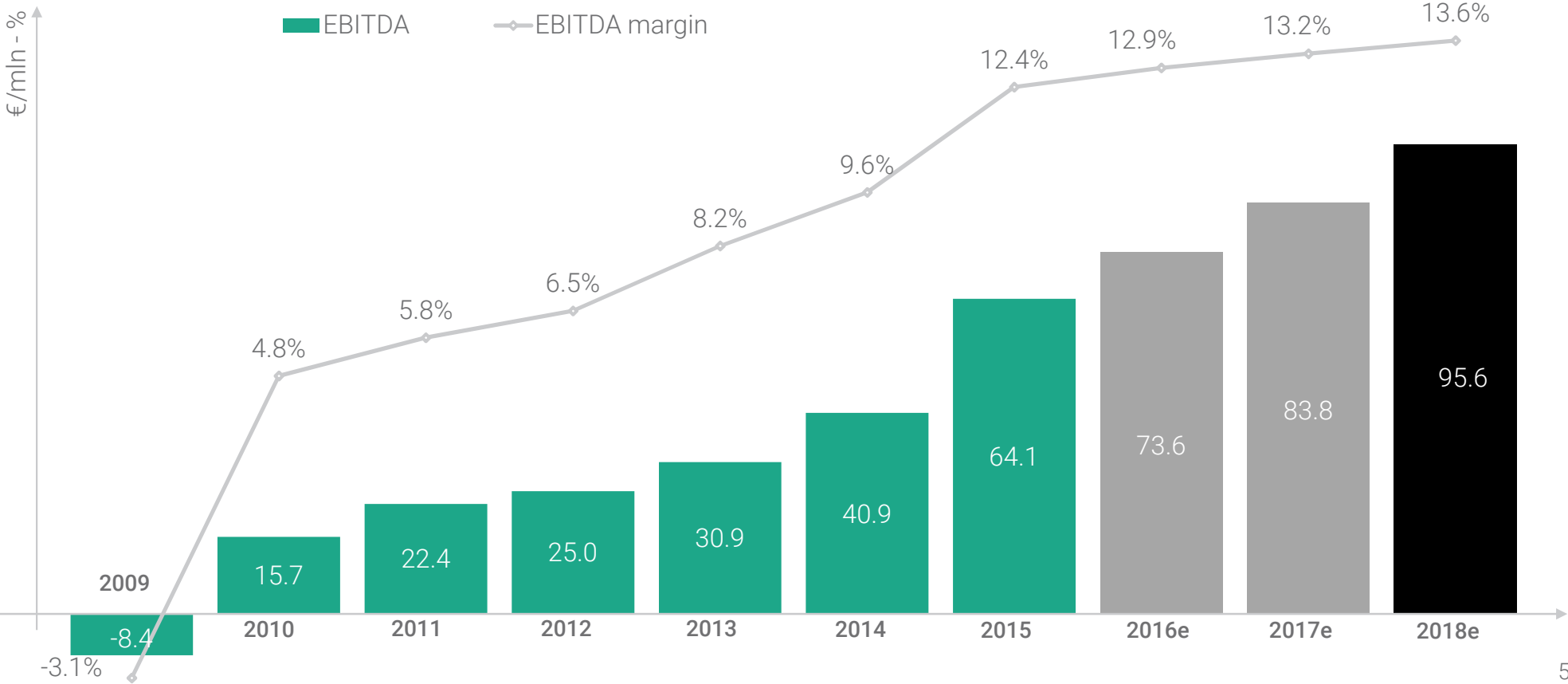


Figures Remind

Net Sales

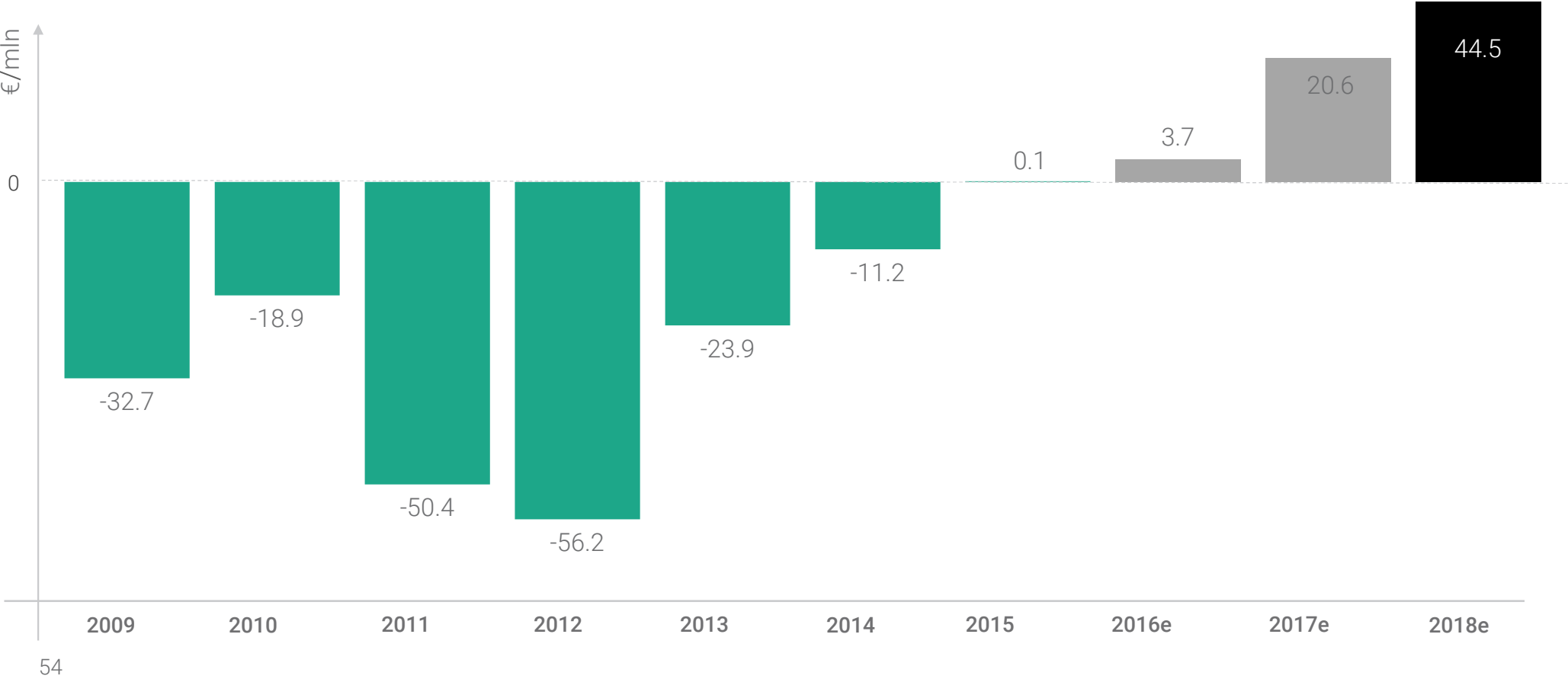


Ebitda

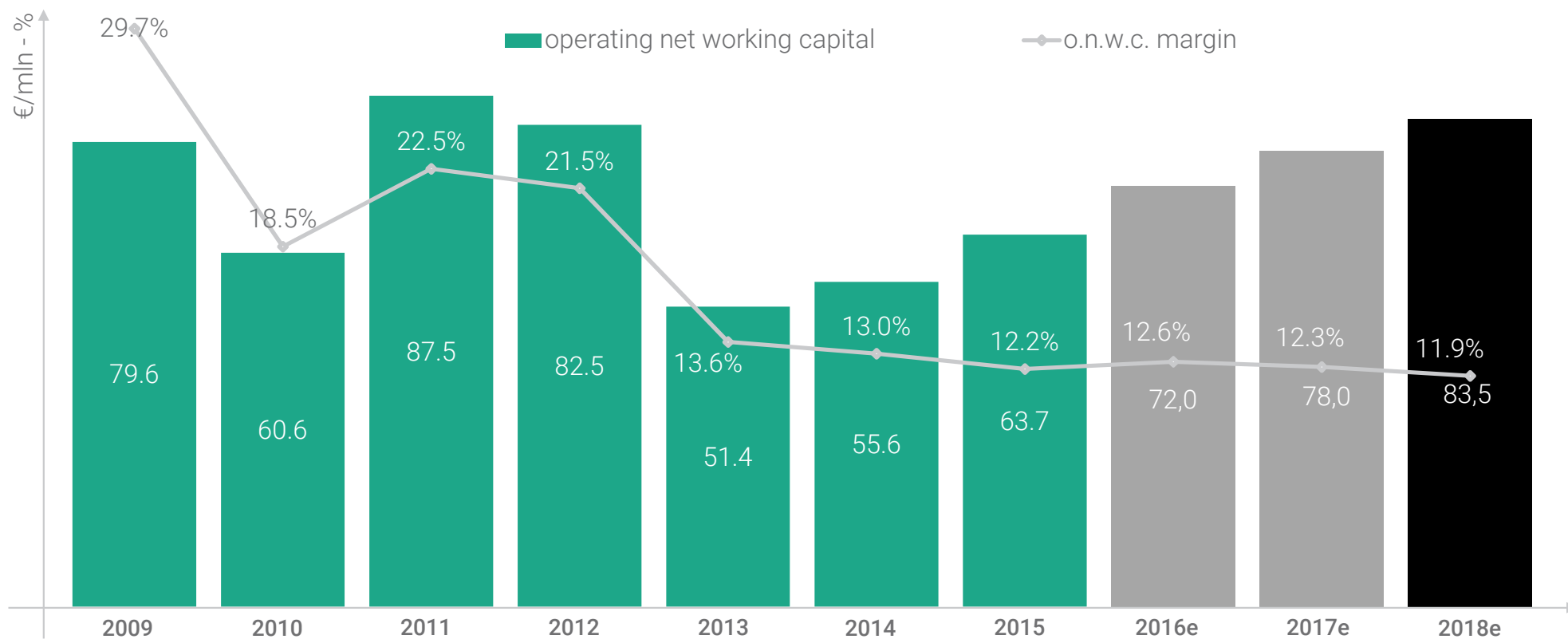


Figures Remind

Net Debt

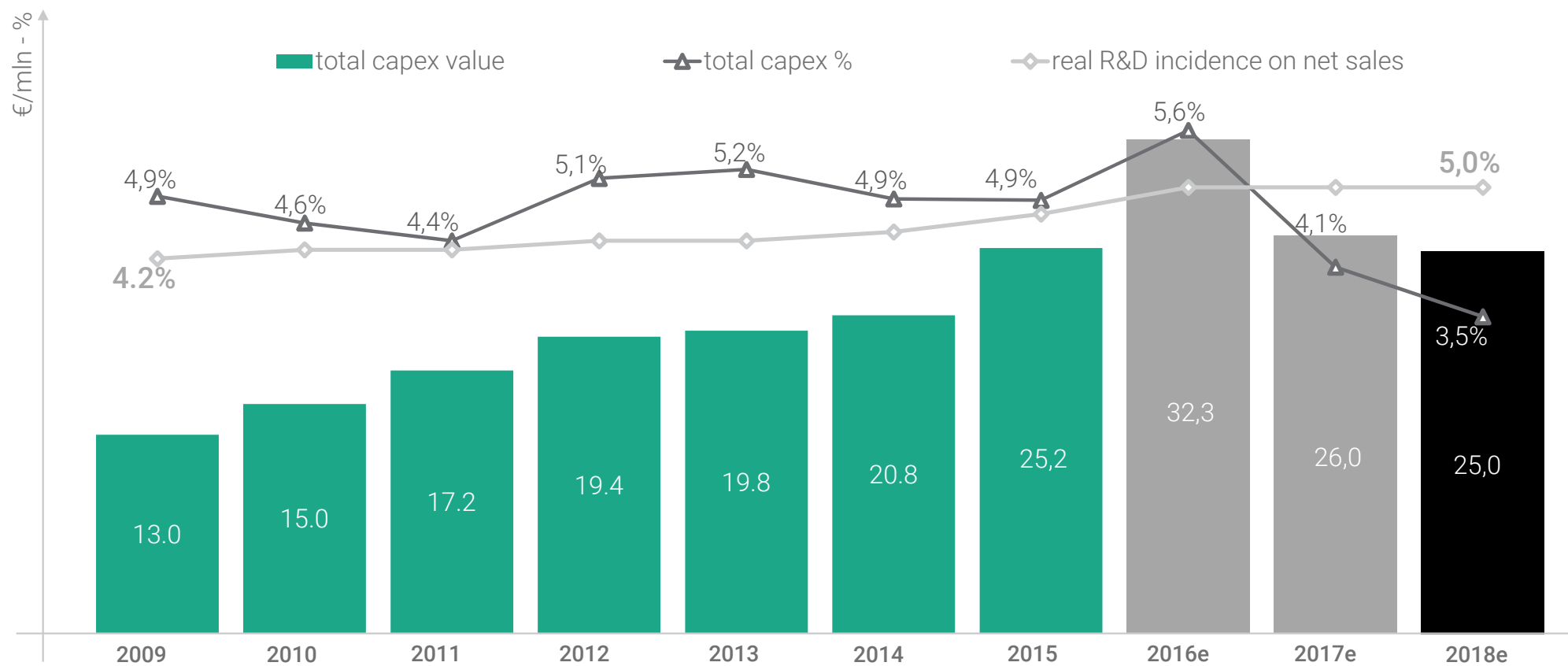


Operating Net Working Capital



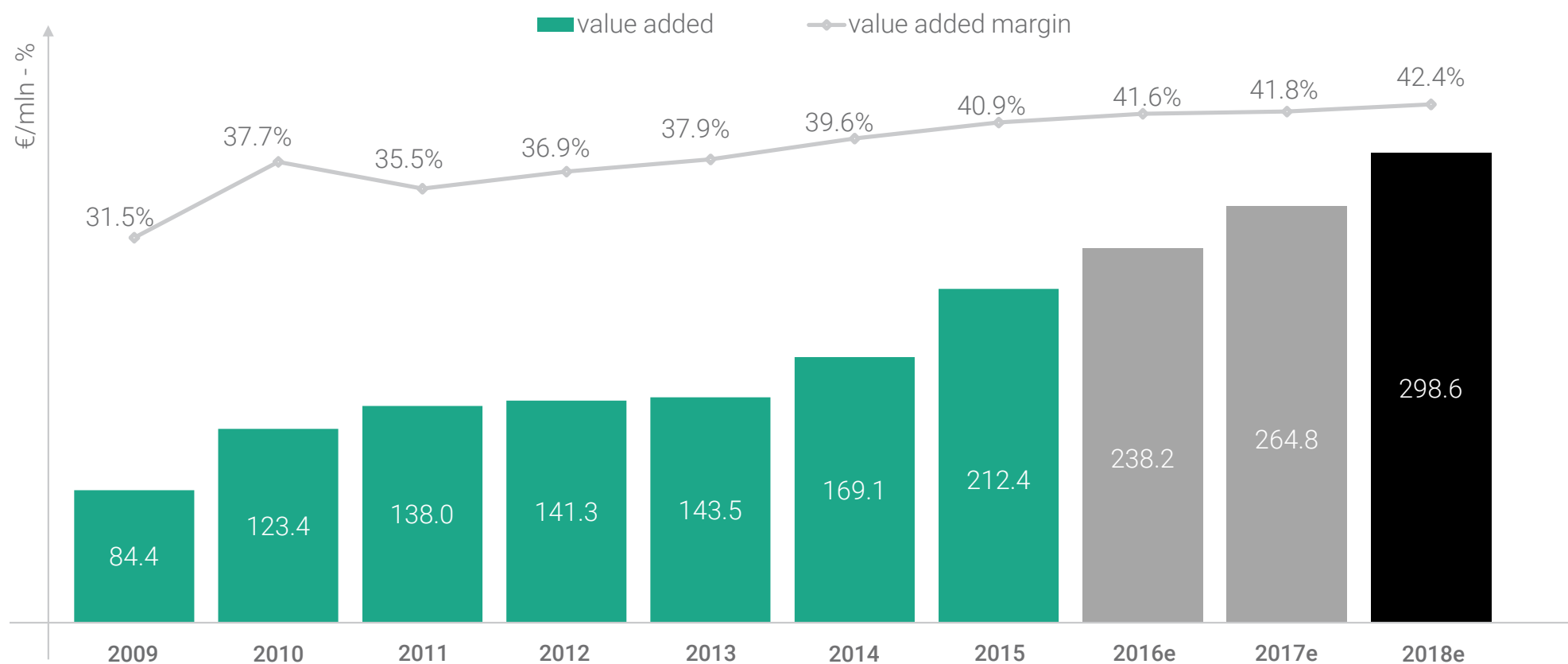
Figures Remind

Capex



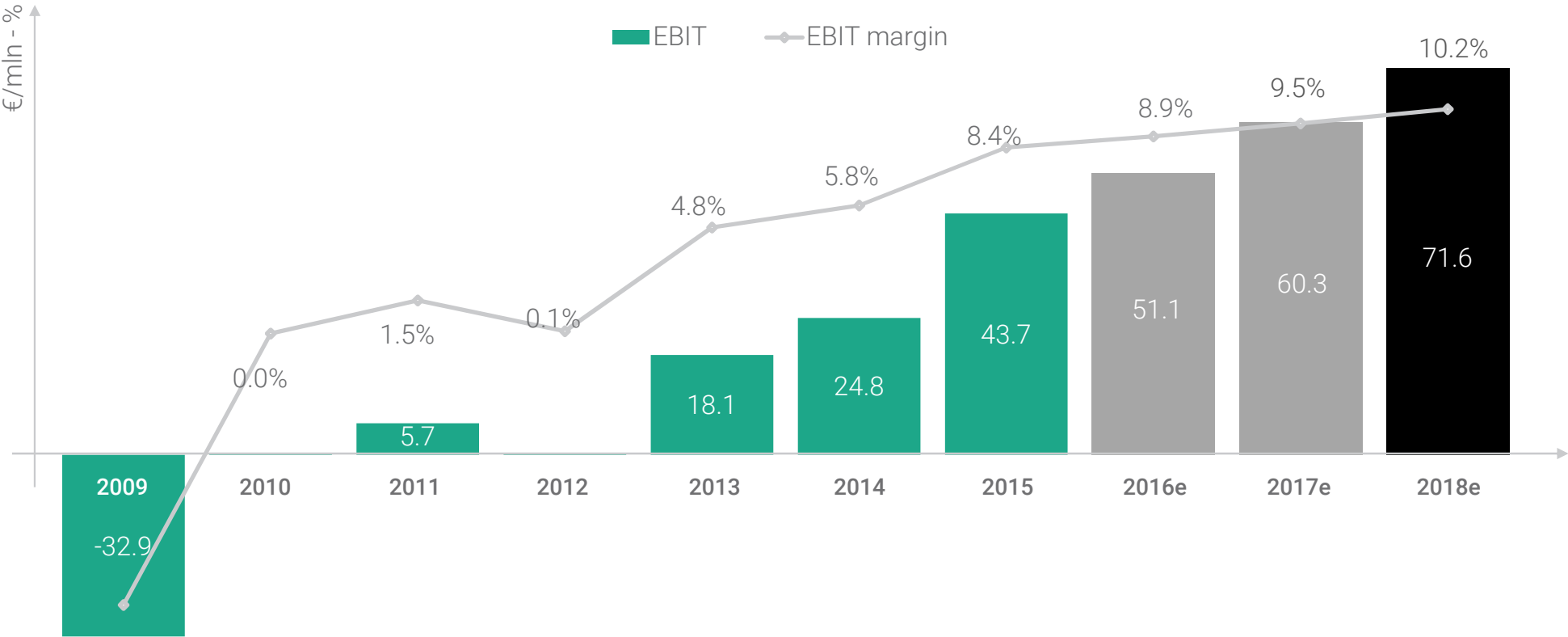
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Value added



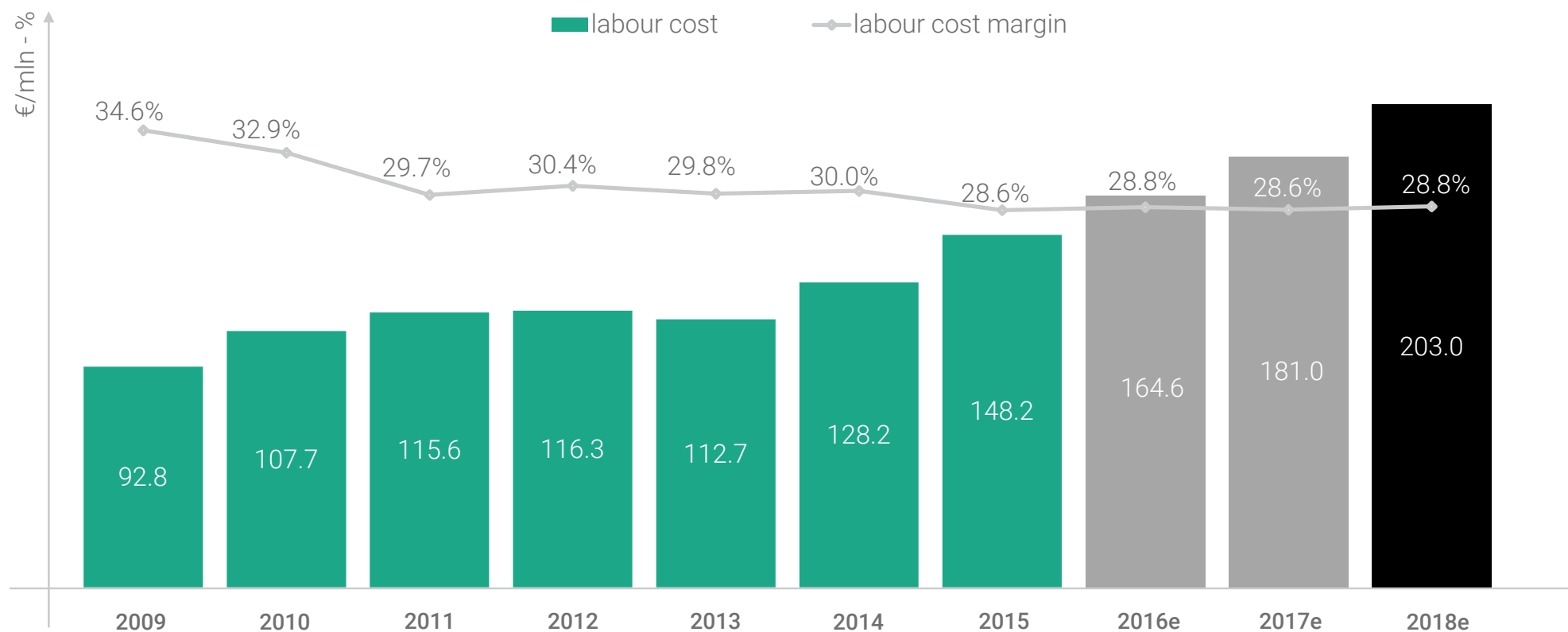
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Ebit



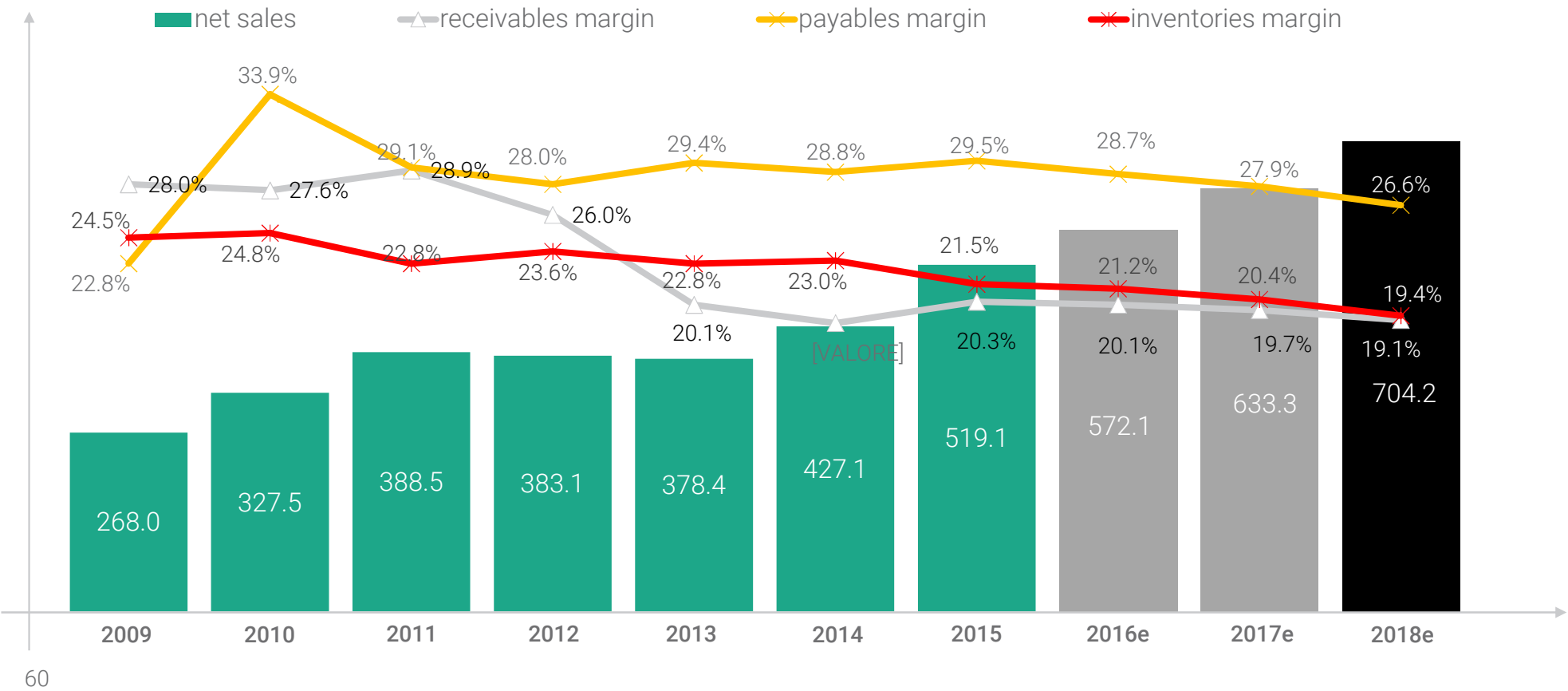
Figures Remind

Labour cost



Figures Remind

Receivables - Payables - Inventories



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