

Forward-thinking  
solutions to leverage  
the fourth industrial  
revolution

 **BIESSEGROUP**

**STAR Conference**

Milan, March 21<sup>st</sup> - 22<sup>nd</sup> 2017

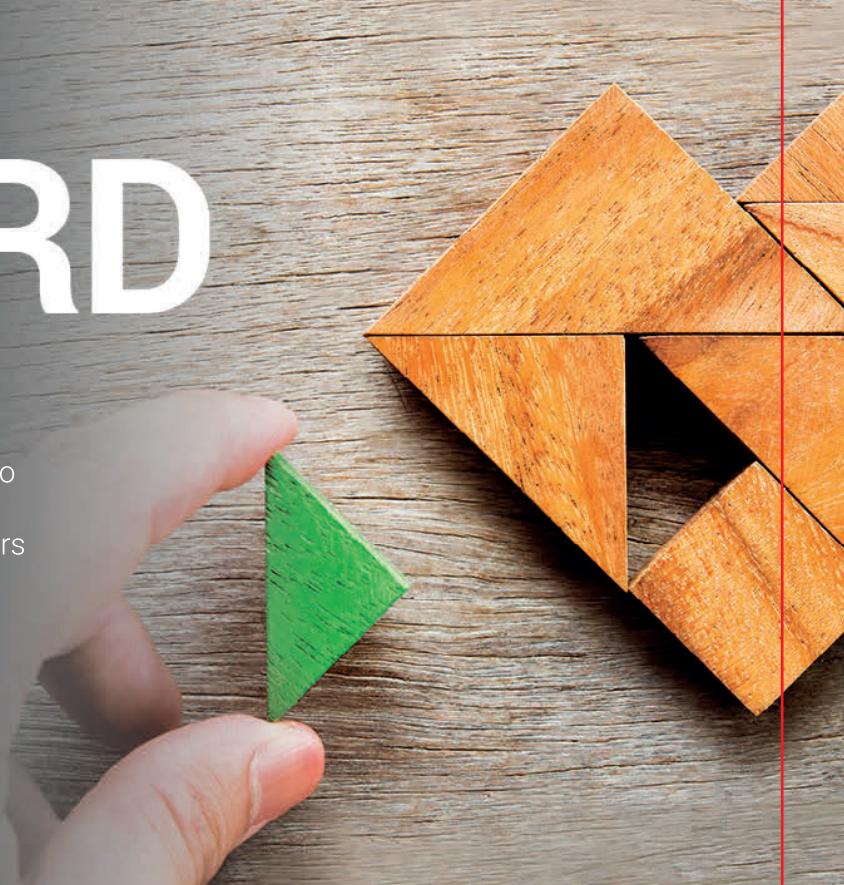


Biesse Group is a global leader in the technology for processing wood, glass, stone, advanced materials and metal. Founded in Pesaro in 1969 by Giancarlo Selci, the company has been listed on the Italian Stock Exchange (Star) since June 2001. Starting from October 2015 Biesse is included in the Mid-Cap segment.



# THINK FORWARD

THINKFORWARD is all about Biesse Group's ability to innovate and provide integrated solutions that are sophisticated but easy to use, allowing our customers to produce more, better and at a lower cost. It encourages us to look ahead before deciding how acting today.





 **BIESSE**GROUP

# Biesse Group

Who we are  
Our values  
Business Model



ROVER

# Who we are

Our purpose  
Our beliefs  
In  
How  
Where  
With  
We

# Our purpose

"...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 white ink on a dark grey background. The signature is cursive and reads "Giancarlo Biesse".

Founder and CEO

Biesse Group / Who we are

# 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**.



# N

We manufacture machines and components for wood, glass, stone, advanced materials and metal processing through specialised business units and 9 manufacturing sites in Italy and worldwide.

1

industrial  
group

6

business  
divisions

9

production  
sites





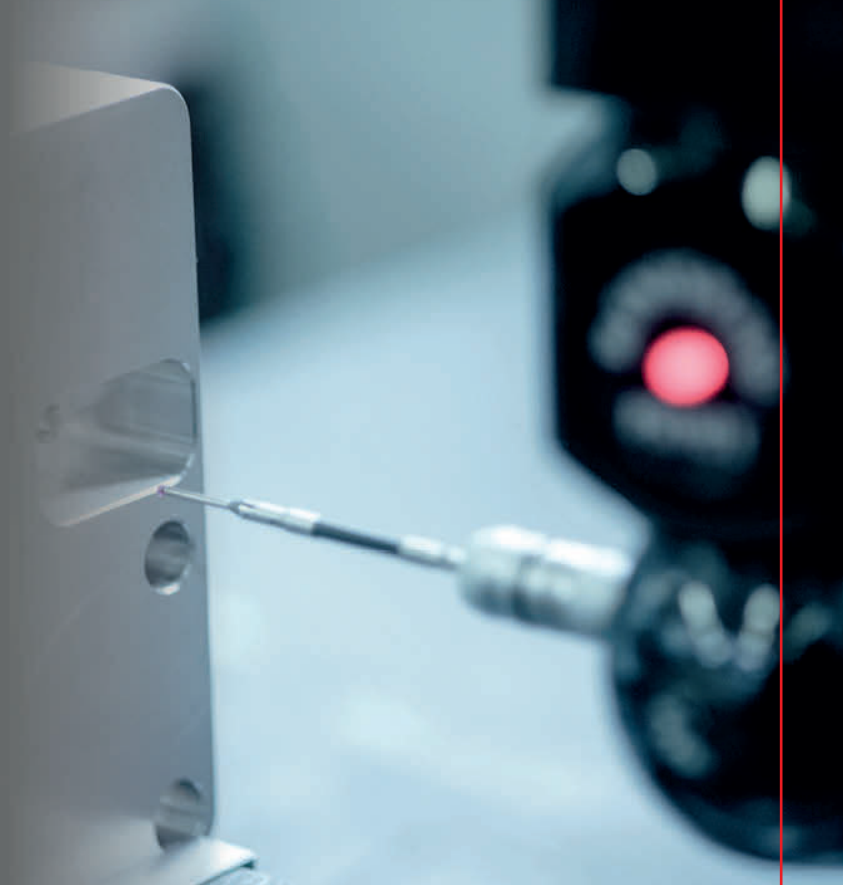
# HOW

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

More than

200

patents  
registered



# 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.

37

subsidiaries and  
representative  
offices

More than

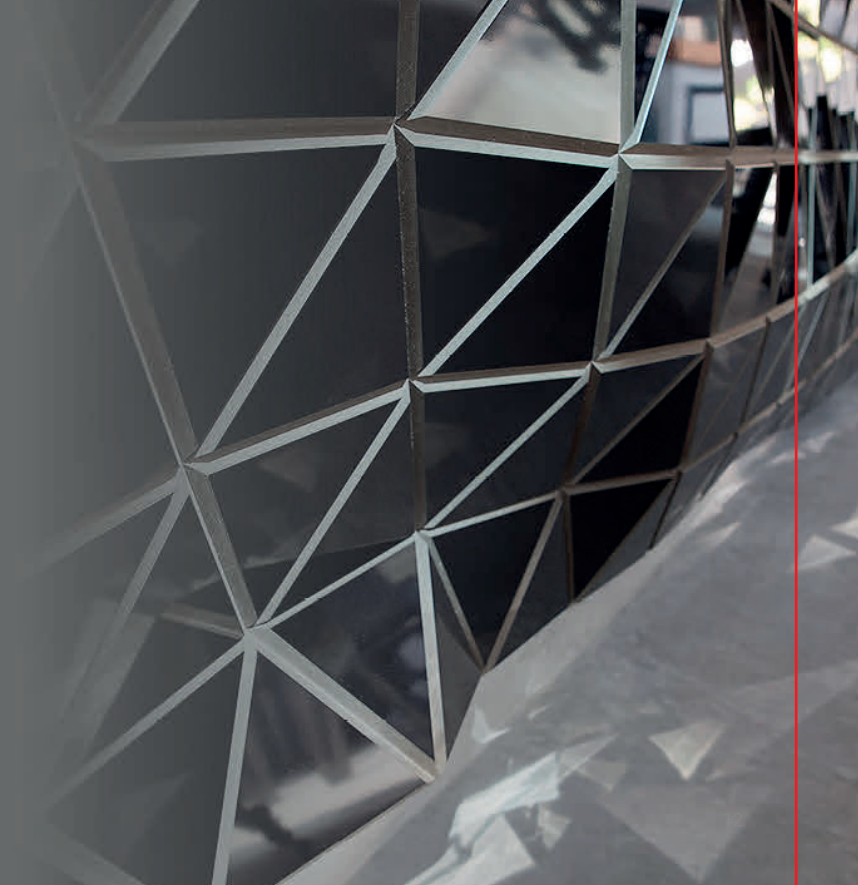
300

selected  
distributors



# WITH

Customers in 120 countries:  
manufacturers of furniture,  
design items and door/window frames,  
producers of elements for the building,  
nautical and aerospace industries.



# WE

*"Strength lies in differences, not in similarities"* (Stephen Covey)

3,800

employees throughout  
the world (temporary  
workers included) are  
our Human Capital



Biesse Group

# Our Values

 **BIESSE**GROUP

Innovation  
Reliability  
Excellence



# Innovation is our driving force

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

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

Biesse Group / Our values

# Reliability

## Our main principles

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

 **BIESSE**

# Excellence

A virtuous circle of excellence  
for a **constant growth**

Revenue

01

Profit

02

Cash

03

# Revenue

an history of growth



# Profit

## EBITDA

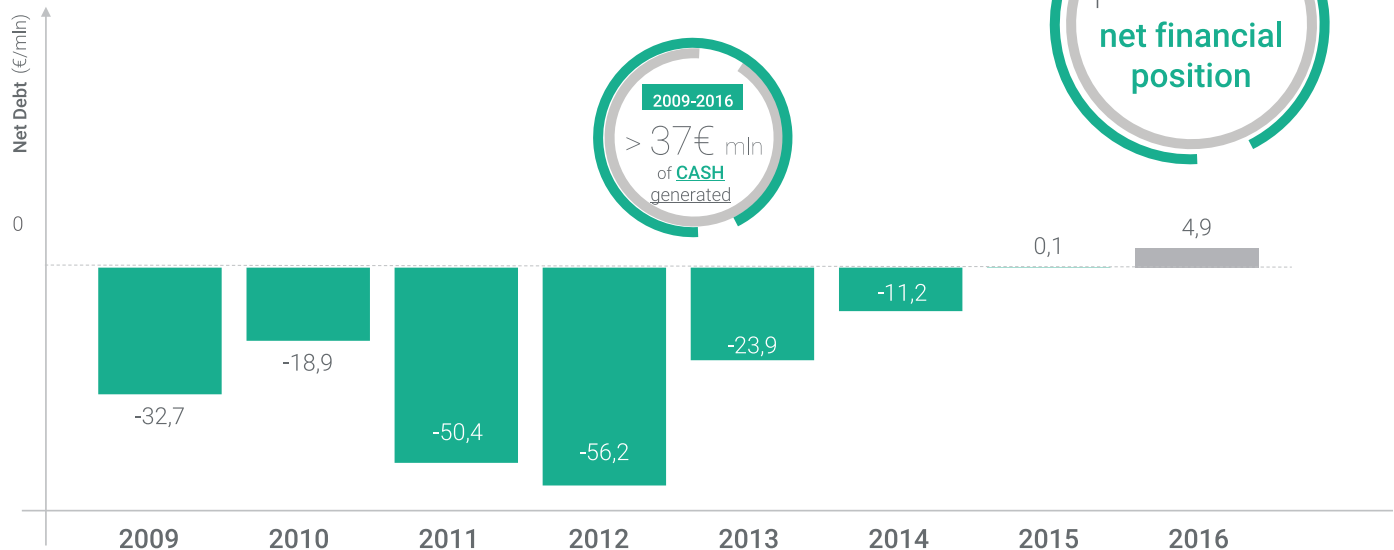




# Cash

## Net financial position

after dividends payment in 2014 - 2015 - 2016



# Business Model

Products  
Footprint  
Distribution  
Customers



# 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 advanced materials

02

## Systems

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

04

## Tooling

We manufacture custom made blends of diamonds and alloy tools for glass, stone and synthetic materials processing, which have been developed and field tested to meet customer requirements.

03

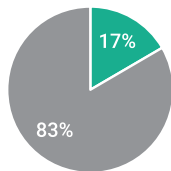
## Mechatronics

We design, manufacture and deliver high-tech mechanical and electronic components for machinery INDUSTRY 4.0 ready.

# Footprint

On consolidated Net Sales

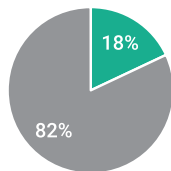
Sales breakdown by offering



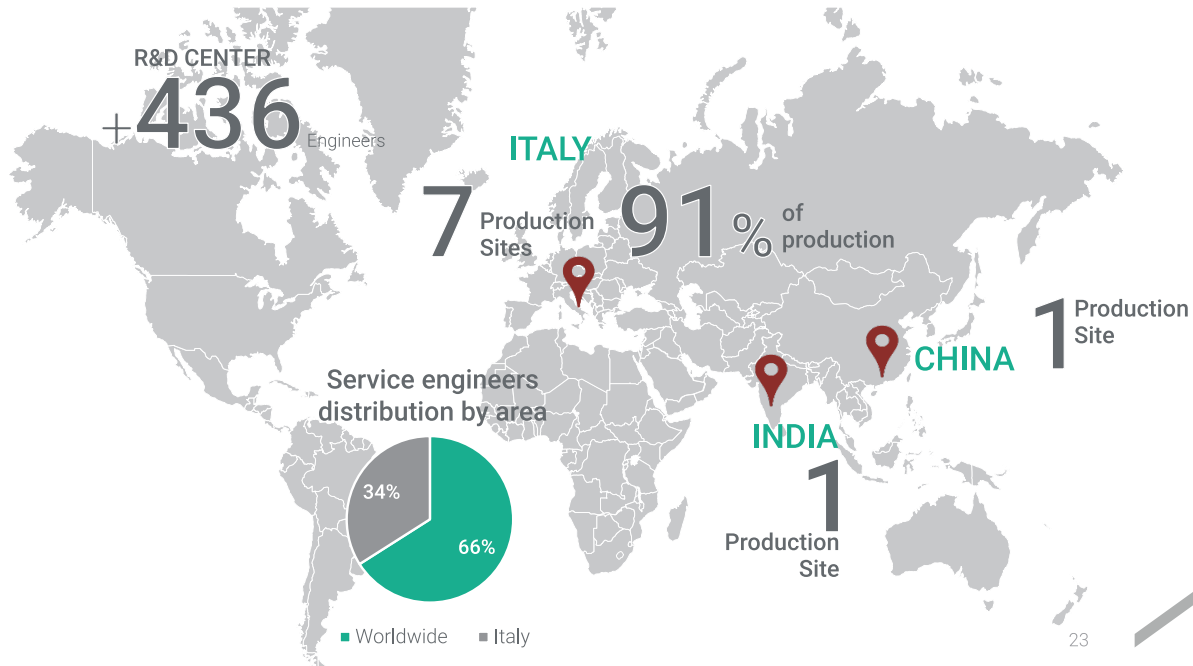
■ Service/Spare parts ■ Machinery

On Machineries sold

Sales breakdown by type



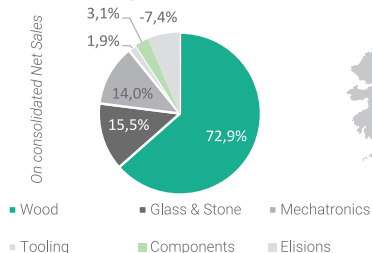
■ System ■ Stand Alone



# Distribution

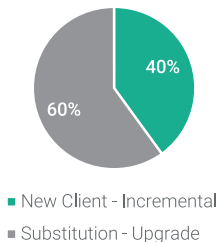
## Sales breakdown by division

On consolidated Net Sales

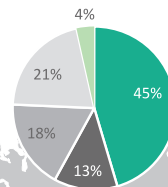


## Sales breakdown by Client Type

On Machineries sold



EXPORT  
around  
**85%**  
of Sales



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

## SUBSIDIARIES

**37** around the World

Each Subsidiary has its own Service Department

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

We deliver our solutions in more than  
**120**  
COUNTRIES

- Traders
- Subsidiary
- Headquarters

# Customers

## Segmentation

Joiners

Makers of large furniture items

Windows and doors

Wood building companies and manufacturers

Glass workers

Marble workers

Windows

Furniture

Kitchen manufacturers

Machinery producers:

Wood

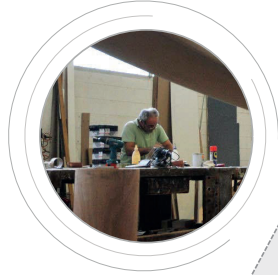
Aluminum

Plastic

Metal

Advanced Materials

# Customer Sales distribution 2016



**Small  
manufactures**

20  
(€/000)

average  
66  
(€/000)



**Large  
manufactures**

10.000 >  
(€/000)

**Wide Customer base**



# Where we are: **business plan update**

Strategy & Results  
Products  
Solutions  
Customer Experience



Where we are: business plan update

# Strategy & Results

 **BIESSE**GROUP

2016 successes  
Execution on track

# 2016 Successes

Net  
Sales

**618,5**  
€/mln

+19,1%  
on 2015

Net  
Result

**29,5**  
€/mln

+39,9%  
on same  
period 2015

Order  
Intake

**493,2**  
€/mln

+11,4%  
on same  
period 2015

Net  
Financial  
Position

**+4,9**  
€/mln

EBITDA

**75,8**  
€/mln

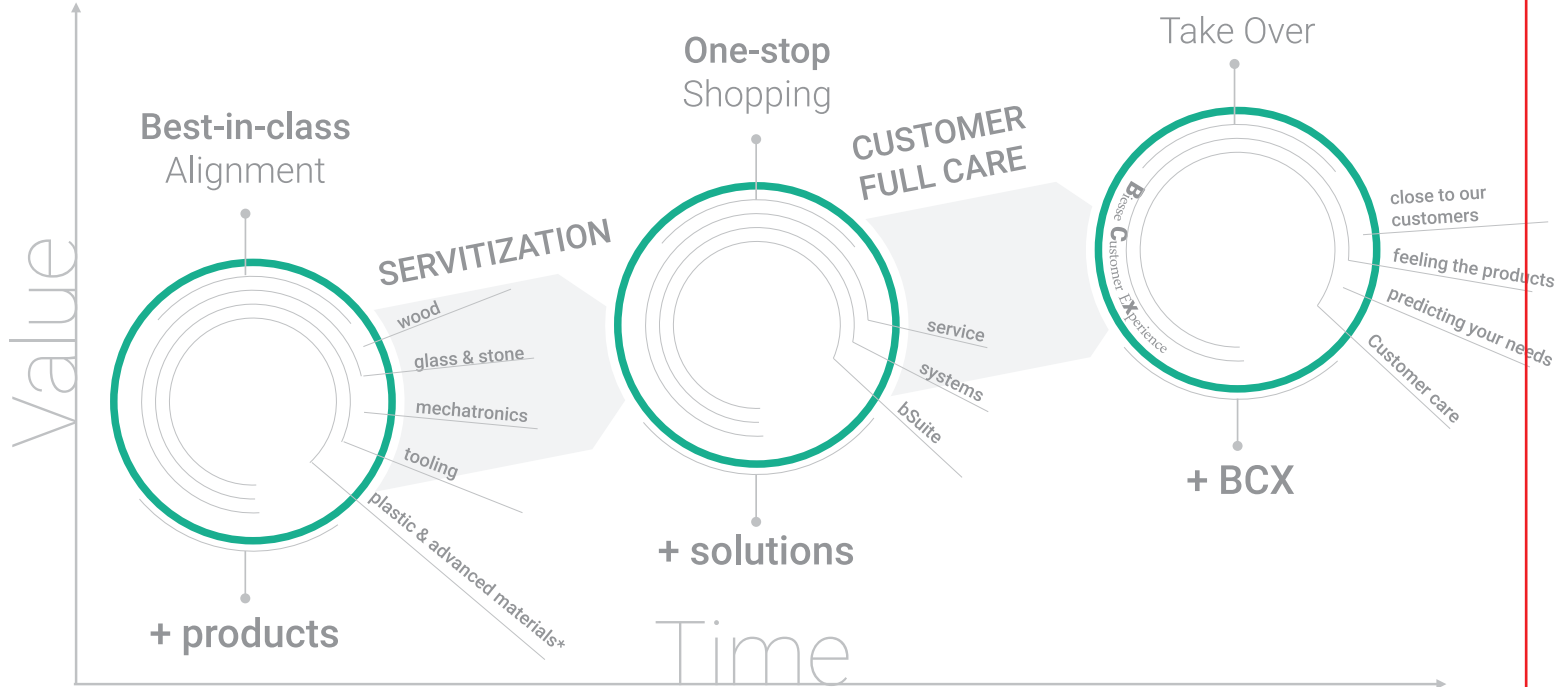
12,3%  
on Net Sales

EBIT

**55,1**  
€/mln

8,9%  
on Net Sales

# Execution on track

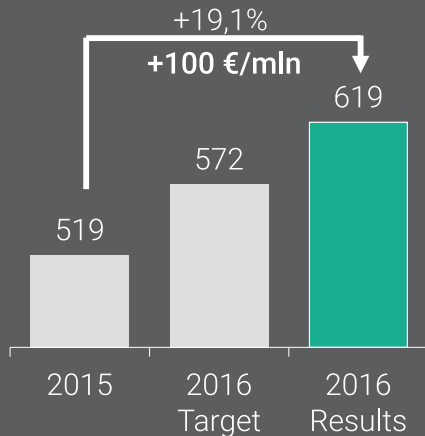


# Execution **on track**

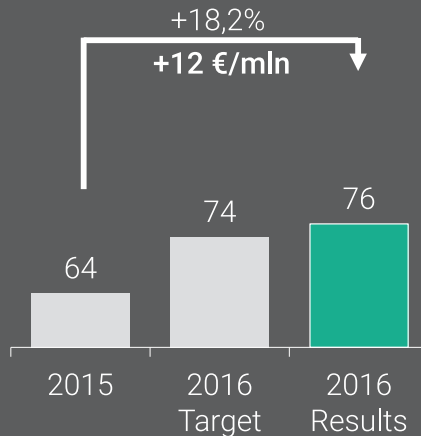
*Anticipating plan  
Execution*

*On track with plan  
Execution*

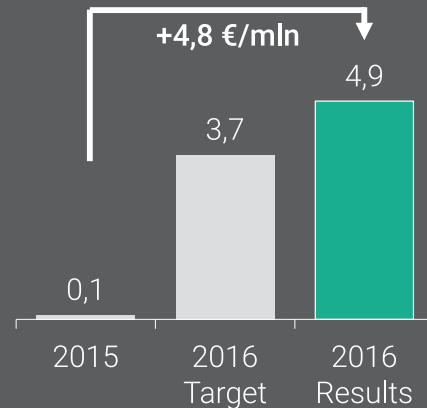
## Net Sales



## EBITDA



## N.F.P.



# Products

Exceeding targets

Wood

Housing

Glass & Stone

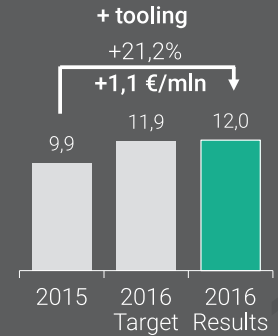
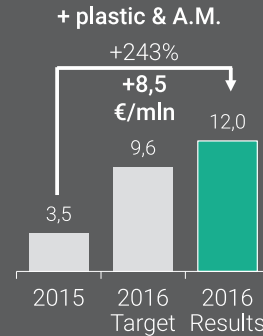
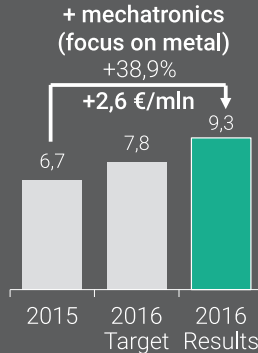
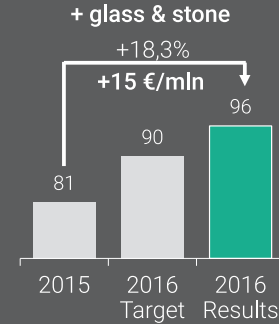
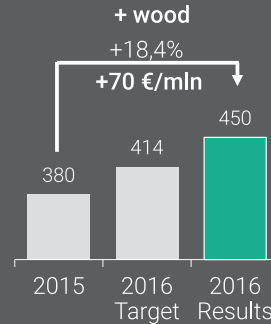
Mechatronics

Tooling

Advanced Materials

# Exceeding targets

Best-in-class  
Alignment





Where we are / Products

# Wood

## Technology news

Rover A Smart  
Rover K Smart  
Rover M5  
Brema Eko 2.2  
Selco WN 2  
Selco SK3  
Viet Opera R  
Stream AK  
Stream K  
Winner W4

# Housing

## Uniteam joined Biesse Group

Uniteam has specialized in the design and manufacture of multi-axis machines for wood construction materials, machining of advanced materials and a range of other special applications from automotive to prototyping.

**Working together to broaden their product range and to push territorial boundaries.**

Where we are / Products

# Housing

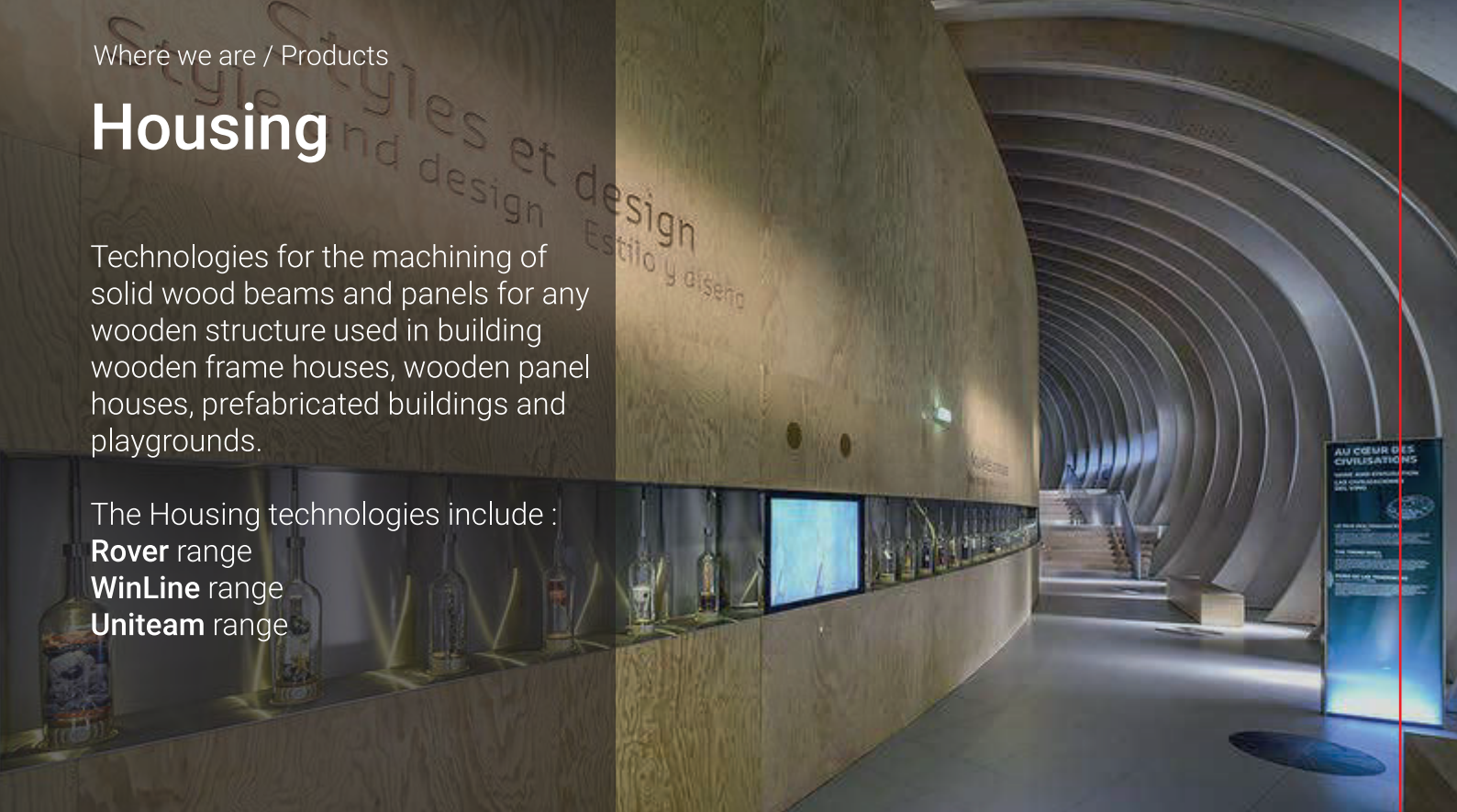
Technologies for the machining of solid wood beams and panels for any wooden structure used in building wooden frame houses, wooden panel houses, prefabricated buildings and playgrounds.

The Housing technologies include :

**Rover** range

**WinLine** range

**Uniteam** range





Where we are / Products

# Glass & Stone

## Technology news

### Glass

Master series - Glass  
Genius CT-RED series

### Stone

Master series - Stone  
Mastersaw 625 DT

 **BIESSE**GROUP



Where we are / Products

# Mechatronics

## Technology news

ES505

ES575

ES511

Electrospindles dedicated to **metal and composite material** processing on CNC machine tools

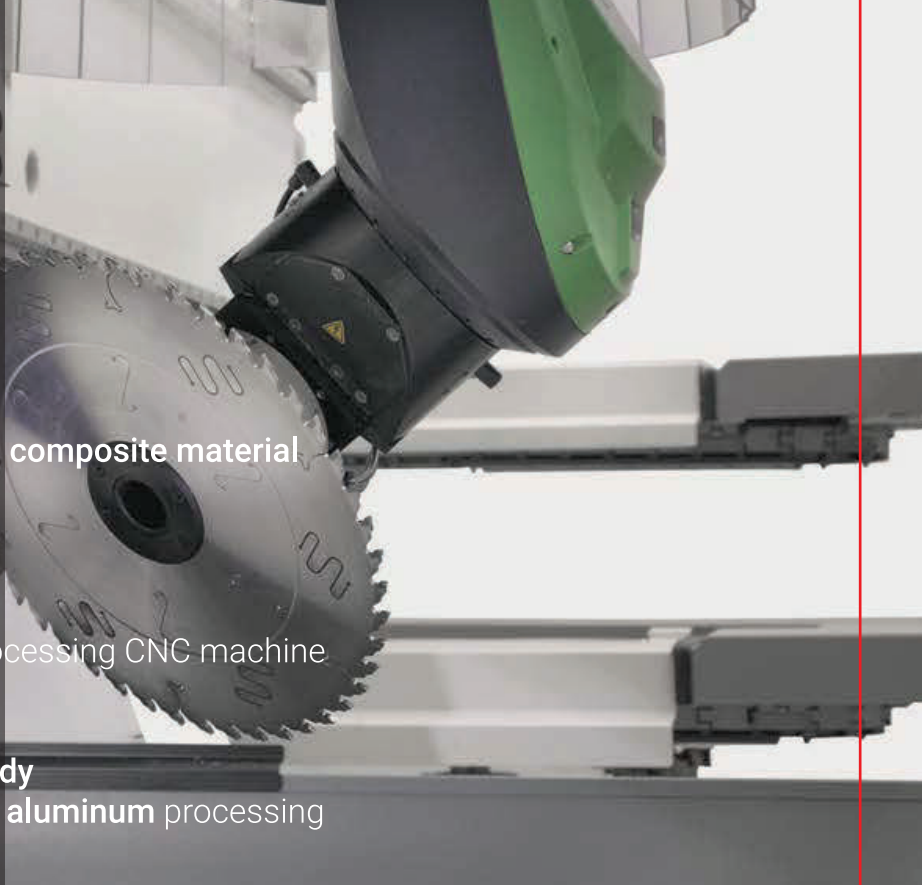
HS610

HS810

Two-Axis-heads dedicated to **metal** processing CNC machine tools

ES951 e-CORE range extension **IoT ready**

Electrospindles dedicated to **wood and aluminum** processing



Where we are / Products

# Tooling

## Technology news

Swave

KCX

DMV/504

New Flash

Tools for technical materials

 **BIESSEGROUP**

 **DIAMUT**

Where we are / Products

# Advanced Materials

## Technology news

Materia FC

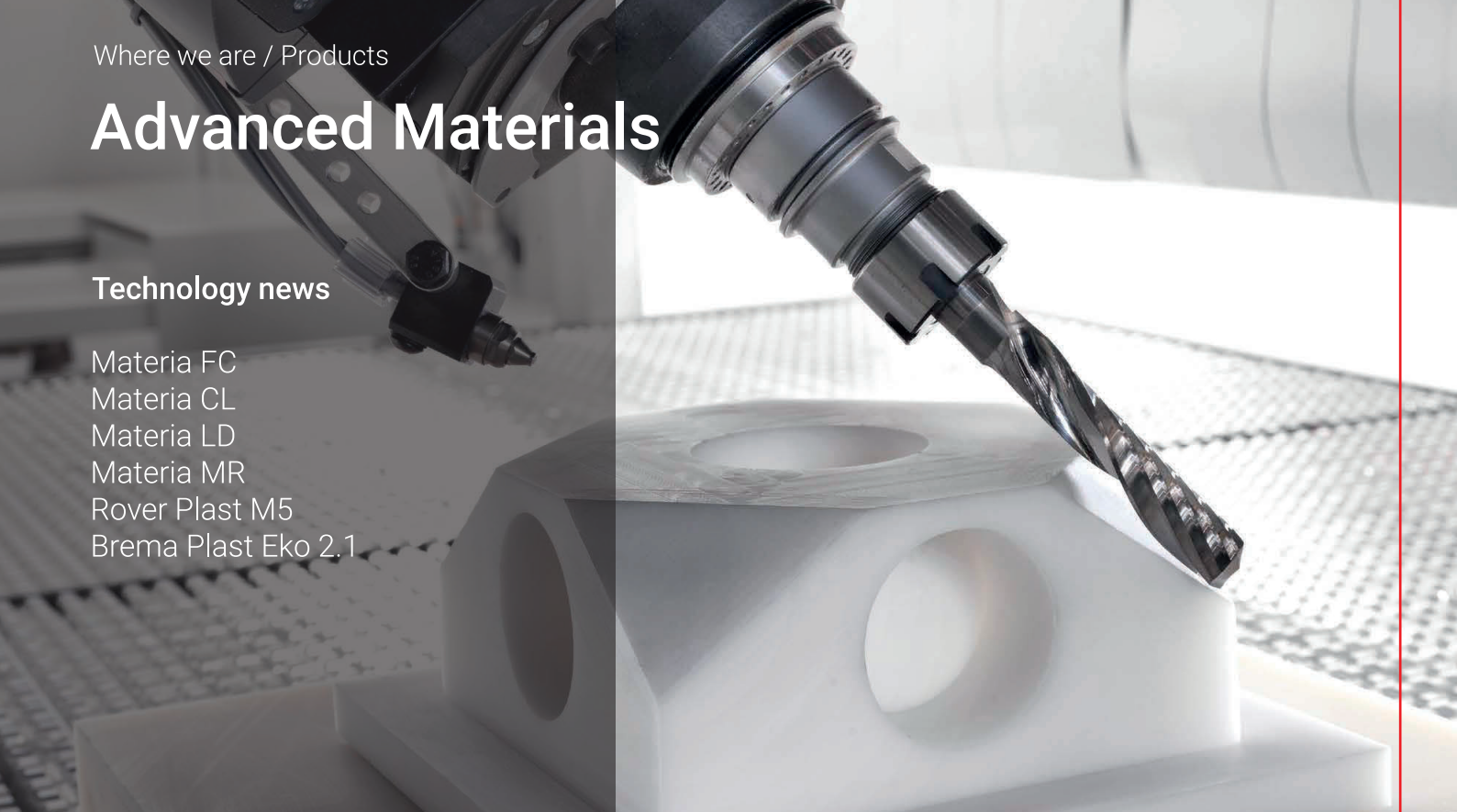
Materia CL

Materia LD

Materia MR

Rover Plast M5

Brema Plast Eko 2.1





Where we are: business plan update

# Solutions

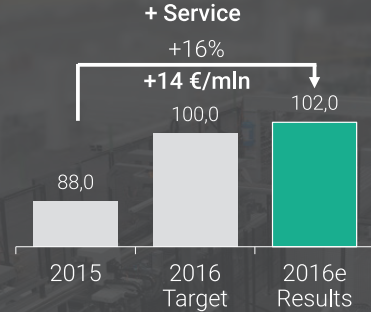
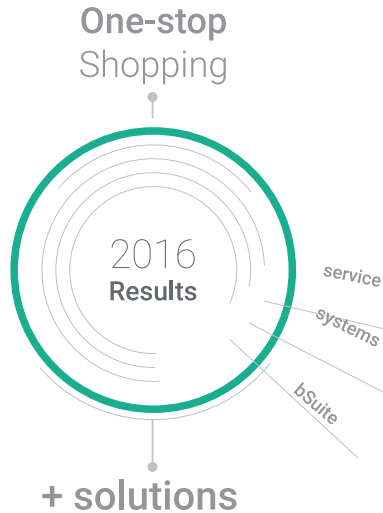
Exceeding targets

Service

Systems

bSuite achievements

# Exceeding targets

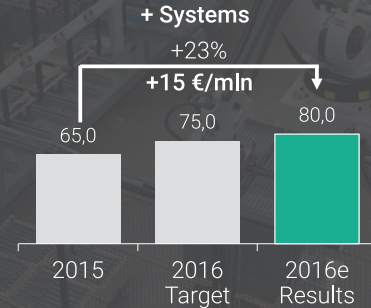


16,0%

System Incidence on  
Machine Sales in 2015

18,0%

System Incidence on  
Machine Sales in 2016



# Service

- + **Field engineers** in Italy and worldwide
  - + Certified dealer engineers
  - + Training course
- Technical service and spares on-site and 24/7 on-line.



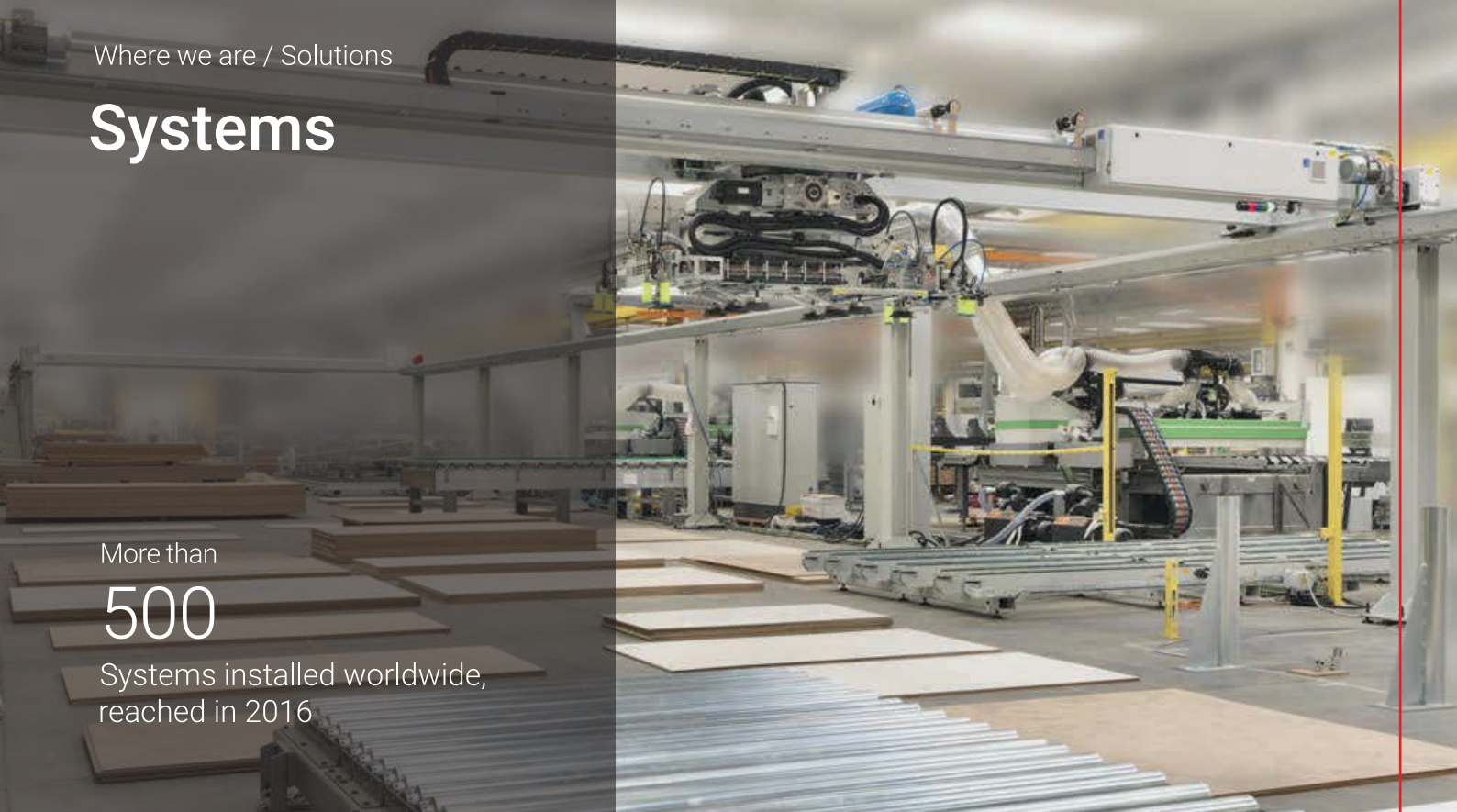
Where we are / Solutions

# Systems

More than

# 500

Systems installed worldwide,  
reached in 2016





# bSuite achievement

**A complete platform fully implemented**

The single, integrated platform to manage all machine processes has been **fully implemented on machines.**



Where we are: business plan update

# Customer Experience

Exceeding targets

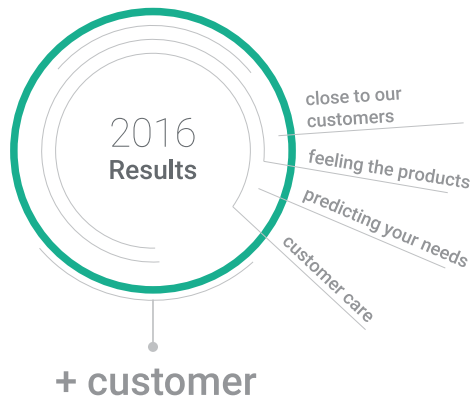
Close to customers

Feeling the products

Predicting customer needs

IIoT with Accenture & Microsoft

# Exceeding target



**Differentiation**  
Take Over

Revenues in **North America** in 2016

**+18,4** mln/€

Revenues in **ASIA** in 2016

**+26,7** mln/€

Revenues in **Western Europe** in 2016

**+72,6** mln/€

**+4**  
New Local  
Branches

**8.000**  
Demos in 2016

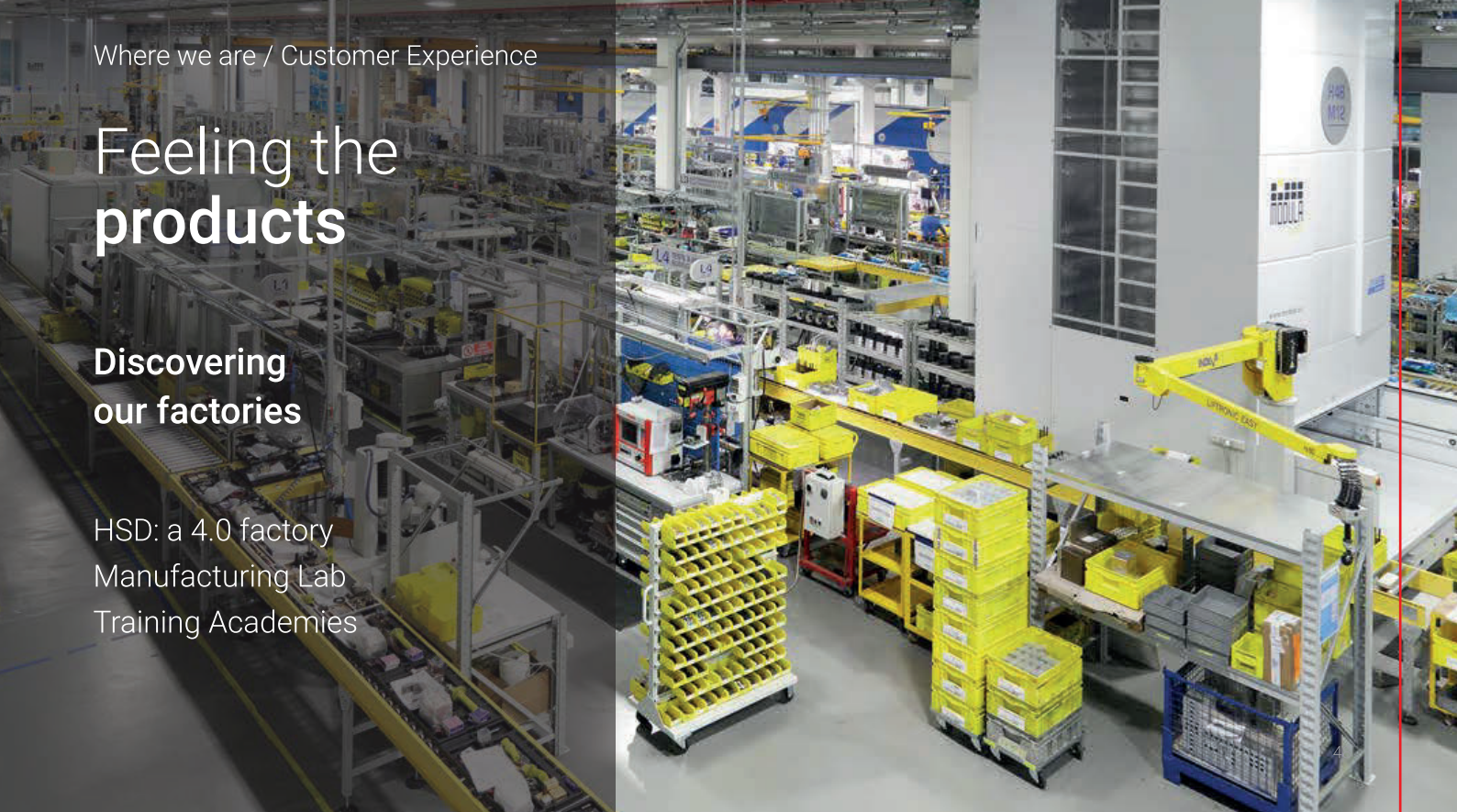


Where we are / Customer Experience

# Feeling the products

Discovering  
our factories

HSD: a 4.0 factory  
Manufacturing Lab  
Training Academies



Where we are / Customer Experience

 **BIESSE GROUP**

# Close to Customers

## New Technology Campus

April 2016

Charlotte NC, USA

Investing  
Expanding  
Customer care



Where we are / Customer Experience



Worldwide  
shows

56

Exhibitions

4

Inside events

38

one2one events & Tech Tour

Where we are / Customer Experience

**BIESSE**GROUP

# Institutional events

## Biesse Campus

Pesaro, Italy

April, 16<sup>th</sup> 2016

Major Customers

International Press

Institutional figures, with the special participation of the Minister Boschi



# Predicting Customer needs

A new step towards  
the Factory of the Future

*"For us 4.0 is not simply a number representing the so-called new industrial revolution, but a real commitment toward our customers to allow them, to achieve the highest level of efficiency"*

Federico Broccoli (Wood Division Director / Sales)



01  
Design



02  
Materials



03  
Production



04  
Shape &  
Installation

**Software**



**Materials Innovation**



**Digital Manufacturing  
Machines**



**Industry 4.0**

# IIoT with **Accenture & Microsoft**

Biesse is collaborating with Accenture & Microsoft on an **Industrial Internet of Things (IIoT)** project to deliver new services to its customers and augment the aftermarket business.

The flexible range of services serves to improve machine productivity and customer satisfaction by minimizing machine outages through predictive maintenance and in-depth analytics.

Based on the pilot's success, the company plans to roll out services encompassing 10,000 machines. Biesse's advanced IIoT capabilities delivers **more control over its machines and overall competitive differentiation.**



# Where we want to go: **2019 new targets**

Continuous Growth

More products

More solutions

More Customer

Experience





Where we want to go / Continuous Growth

# More products New target

Metal  
19 mIn€  
2019 Target

Advanced  
Materials  
30 mIn€  
2019 Target



**BIESSEGROUP**

9%

Wood Division Estimated  
CAGR 2017-2019

4%

Market Estimated  
CAGR 2017-2019

12%

G&S Division Estimated  
CAGR 2017-2019

7%

Market Estimated  
CAGR 2017-2019

11%

Mechatronics Division Estimated  
CAGR 2017-2019

5%

Market Estimated  
CAGR 2017-2019

12%

Tooling Division Estimated  
CAGR 2017-2019

92%

A.M. Division Estimated  
CAGR 2017-2019

Where we want to go / Continuous Growth

# More solutions

## New target



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

To increase our market share in the system solutions market.

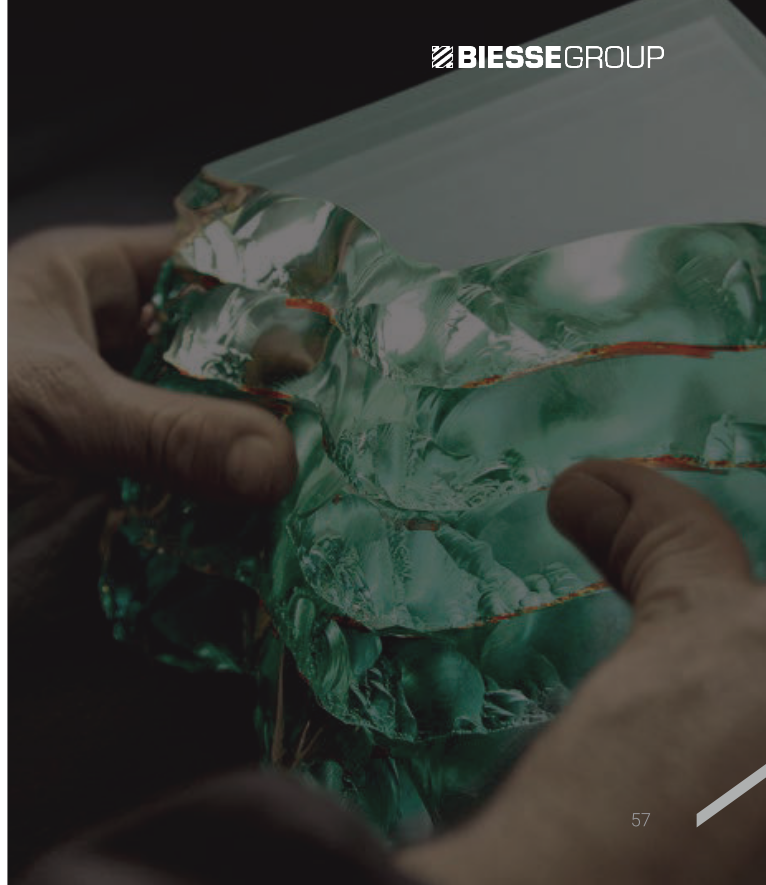
To improve our software to keep offering to our Customers endless possibilities.

Where we want to go / Continuous Growth

# BCx

## New targets

- ✓ Continue to increase our capillarity through **Subsidiaries and Distributors**
- ✓ Invest in the excellence of **Chinese and Indian** manufacturing plants
- ✓ Develop a unique Worldwide Biesse **Customer Experience**
- ✓ Improve our **Customer Care**
- ✓ Implement the **IIoT**



Where we want to go: 2019 new targets

# More Products

Markets & Targets

Wood

Housing

Glass & Stone

Mechatronics

Advanced Materials

# Wood - Market



## Outlook

Looking forward, we expect the market to continue grow at about 3.9 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 in Germany** (29.5% estimated market share) and **SCM in Italy** (7% estimated market share\*).

\*automatic machines

SCA  
Indústria de  
Móveis  
(Brasil)

Where we want to go / More Products

## Wood - Targets

9%

**G&S Division** Estimated  
CAGR 2017-2019

4%

**Market** Estimated  
CAGR 2017-2019

01

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

02

**Renovation** and **completion** of the range of machines

03

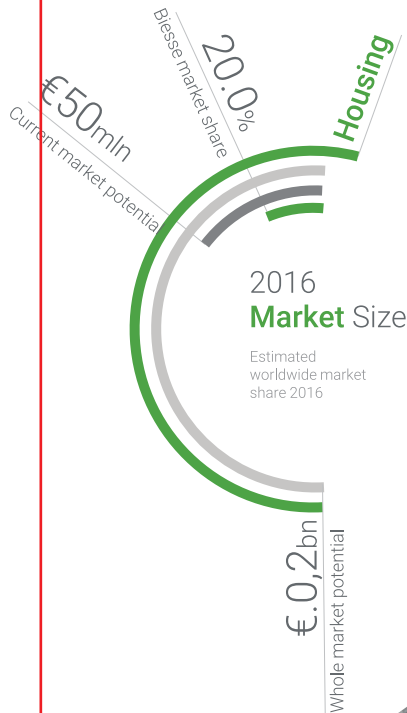
**Enhance R&D** for innovative solutions (technologies and new materials)

04

Expand the product range of **woodworking machines for the housing market**



# Housing - Market



## Outlook

Looking forward, we expect the market to continue grow more than the 3.9 times the reference sector average growth rate.

## Competitors

The competition in the market is consolidated. Main competitors are located in Germany and in Italy. The most important of these are **Hundegger** (the Market Leader), **HOMAG** and **Weinmann** in **Germany** and **SCM, Essetre** in **Italy**.

Musée du Vin  
et du Négoces  
(Bordeaux)



Where we want to go / More Products

# Housing - Target

11 €/mIn

**2019 Target** in wood  
construction

materials machines market

Biesse Group will further extend its product range, **increasing penetration** in the “**niche**” yet highly-strategic industry of **timber carpentry** (beams and structural façades).

01

Expand our offering in other **timber carpentry segments** (minor complexity and higher volumes)

02

Leverage on **Biesse capillarity** to boost sales and after-sales worldwide

# Glass - Market



## Outlook

In the near future, we anticipate that the glass processing market will grow at about 3.9 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**.

Ciudad de las  
Artes y las  
Ciencias,  
**Cerviglas**  
(Valencia)

Where we want to go / More Products

# Stone - Market



## Outlook

Looking to the future, as the in the wood sector, we expect the market to continue to grow at about 3.9 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**.

"Bicefalo  
marble  
sculpture  
**Marmi  
Fontanelli**

Where we want to go / More Products

# Glass & Stone Target

12%

**G&S Division** Estimated  
CAGR 2017-2019

7%

**Market** Estimated  
CAGR 2017-2019

 **BIESSEGROUP**

01

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

02

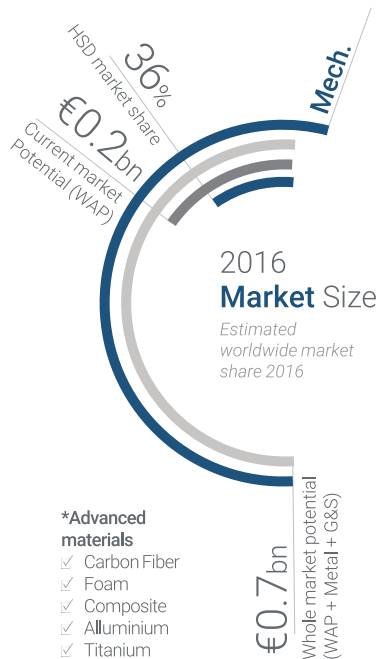
**Expand** our offering in **new product segments**

03

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

Where we want to go / More Products

# Mechatronics - Market



## 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 entered the metal spindles sector. Our main competitors are from Germany. They are **KESSLER**. **IBAG**. **GMN**. **WEISS** (Siemens). **FISHER** and **STEPTEC**.



Where we want to go / More Products

# Mechatronics Targets

11%

**Mechatronics Unit**  
Estimated  
CAGR 2017-2019

5%

**Market**  
Estimated  
CAGR 2017-2019

19 mln/€

**2019 target in  
metal sector**

01

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

02

**Reinforce the partnership** with our current customers

03

**Substantial market share improvement** into the metal sector by replicating our WAP standards of excellence in new sectors



Where we want to go / More 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 growth rate.

## Competitors

The advanced material processing machinery market is highly fragmented worldwide, main competitors are Geiss, HG Grimme, Belotti CMS Industrie, Breton, Mecanumeric, Multicam and Flow Corporation.



Where we want to go / More Products

# Advanced Materials\*



**\*Advanced materials**

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

**BIESSEGROUP**

01

Expand our **plastic working machineries** in order to meet the needs of the entire market.

02

**Extend our product range** drawing on the expertise of Uniteam to enhance its range of products and applications for machining **advanced composite materials** for several industries

application



Aerospace



Automotive



Marine



Packaging



Medical Devices



Renewable Energy



Defense and Ballistics



Visual communication

Where we want to go: 2019 new targets

# More Solutions

 **BIESSE**GROUP

2019 new targets

Service

Systems

bSuite

# 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 **proactive services**. On-site assistance
- ✓ **Spare Parts**: encourage a 24/7 assistance / no **down-time approach** with maintenance contracts / replacement parts warehouse with over 8.000 items
- ✓ **Continuous Training** : training dedicated to Biesse Field engineers, subsidiary and dealer personnel

Where we want to go / More Solutions

# Systems



We **increased** our market share becoming a **leading company** in the engineering solutions sector.

The **guiding strategy** of the Biesse Systems team is based on clear **key concepts**:

- ✓ Definite lead times
- ✓ Automation
- ✓ Stock Management
- ✓ Modularity
- ✓ Total Quality

# bSuite

1.0%

**Potential Software**  
Fees contribution to  
Net Sales

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.



Where we want to go: 2019 new targets

# Biesse Customer Experience

BCx

Close to customers

Feeling the products

Customer Services

IIoT: predicting your needs

Where we want to go / BCx

# Close to customers: Subsidiaries

To **expand our global presence** to be close to our customers.

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

Invest in new and innovative technological complexes, “**Biesse Campus**”, to better contain our expansion in selected areas:

- ✓ DACH (Germany-Austria-Switzerland)
- ✓ Middle East
- ✓ Oceania

03

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

Where we want to go / BCx

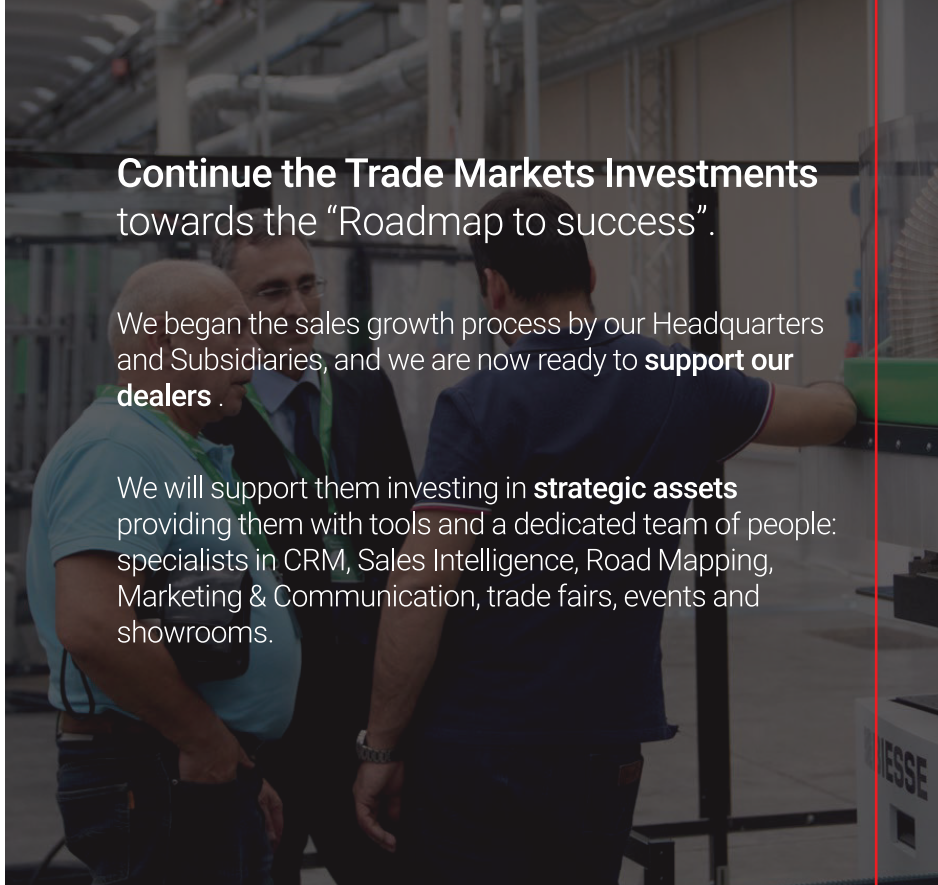
# Close to customers: **Trade Distribution 2.0**

To strengthen our **dealer network**

**Continue the Trade Markets Investments**  
towards the “Roadmap to success”.

We began the sales growth process by our Headquarters and Subsidiaries, and we are now ready to **support our dealers**.

We will support them investing in **strategic assets** providing them with tools and a dedicated team of people: specialists in CRM, Sales Intelligence, Road Mapping, Marketing & Communication, trade fairs, events and showrooms.



Where we want to go / BCx

# Close to customers: **India & China**

In addition to the Italian sites, we boost manufacturing sites in **India** and **China**, to better **satisfy Customer worldwide**.

The two sites, **Bangalore** and **Dongguan** manufacture a **portfolio Local4Global**, distributing their products worldwide.

01

Product Quality Made in Biesse

02

Local suppliers certified by Biesse Quality

03

Ongoing integration and training

20%

**2019 Target**  
production abroad quote

Where we want to go / BCx

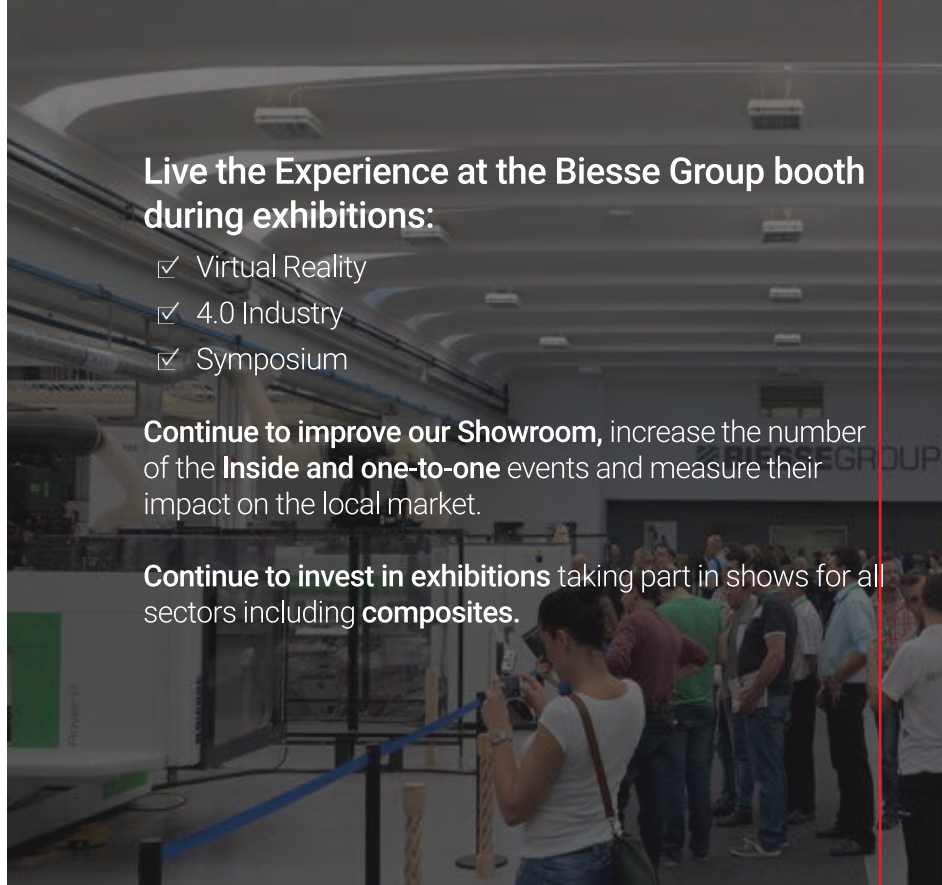
# Feeling the products

**Live the Experience at the Biesse Group booth during exhibitions:**

- ✓ Virtual Reality
- ✓ 4.0 Industry
- ✓ Symposium

**Continue to improve our Showroom**, increase the number of the **Inside and one-to-one** events and measure their impact on the local market.

**Continue to invest in exhibitions** taking part in shows for all sectors including **composites**.



# Biesse Group Collection

A **merchandising project** with an **online shop** to sell high quality **branded products** in order to:

Increase the **brand awareness**

Strengthen the **brand identity**

Increase the **Dealer and Customer loyalty**

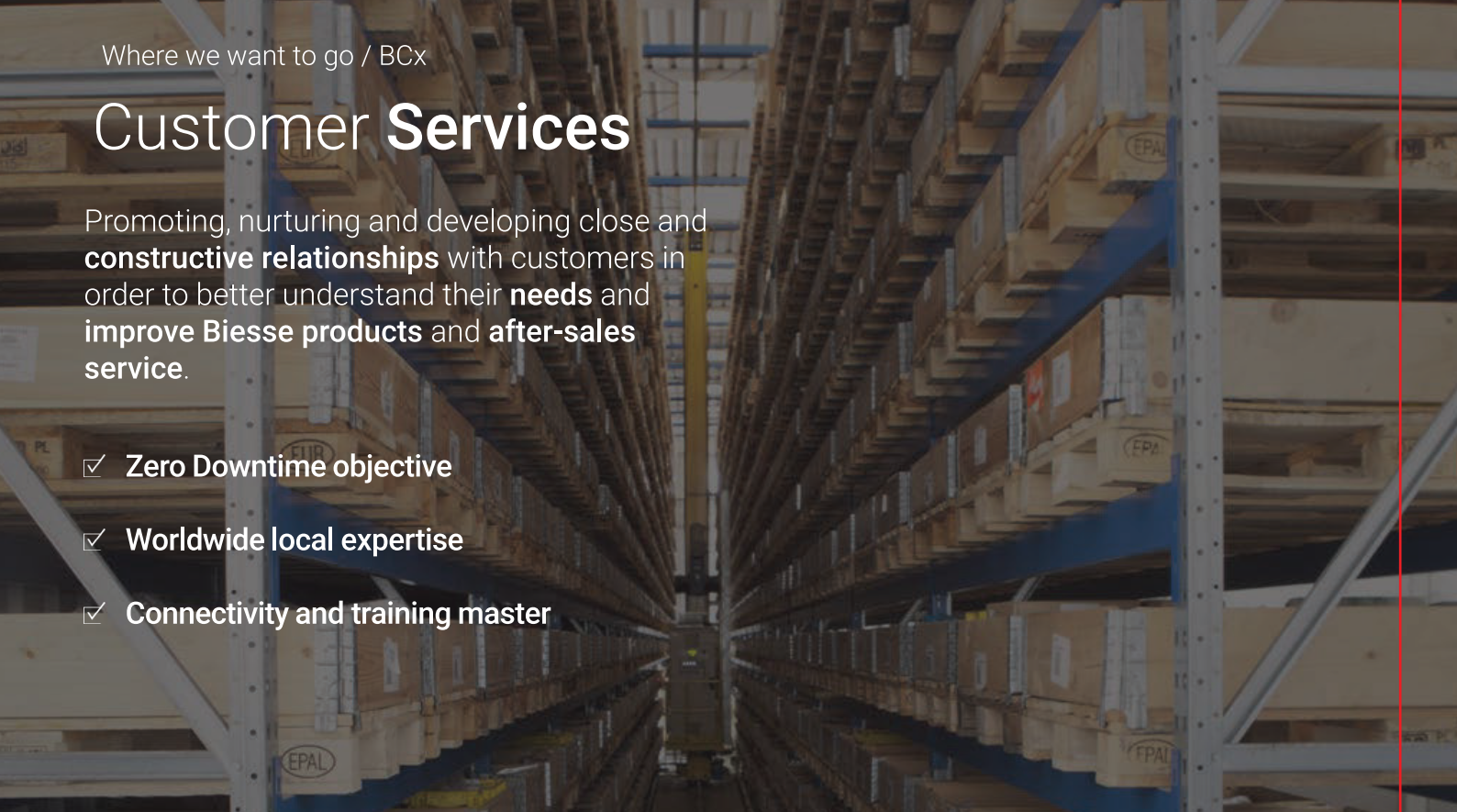
Renforce the **communication consistency**

Increase the individual **sense of belonging**

Available for Biesse Group employees as well.







Where we want to go / BCx

# Customer **Services**

Promoting, nurturing and developing close and **constructive relationships** with customers in order to better understand their **needs** and **improve Biesse products** and **after-sales service**.

- ✓ **Zero Downtime objective**
- ✓ **Worldwide local expertise**
- ✓ **Connectivity and training master**

Where we want to go / BCx

# Predict your needs: Ilot Hannover Messe 2017

A solid example of Biesse's ability to innovate

Biesse will participate in the Hannover Messe 2017, the most important trade fair for innovation anywhere in the world.

In collaboration with **Accenture and Microsoft** Biesse Group will present an icon for cutting edge Biesse technology, a Rover Machining Centre with its 5-axis electrospindle connected to the cloud.

 **BIESSE** GROUP





# Our present in figures - the 2016

R.O.E. tree

Orders

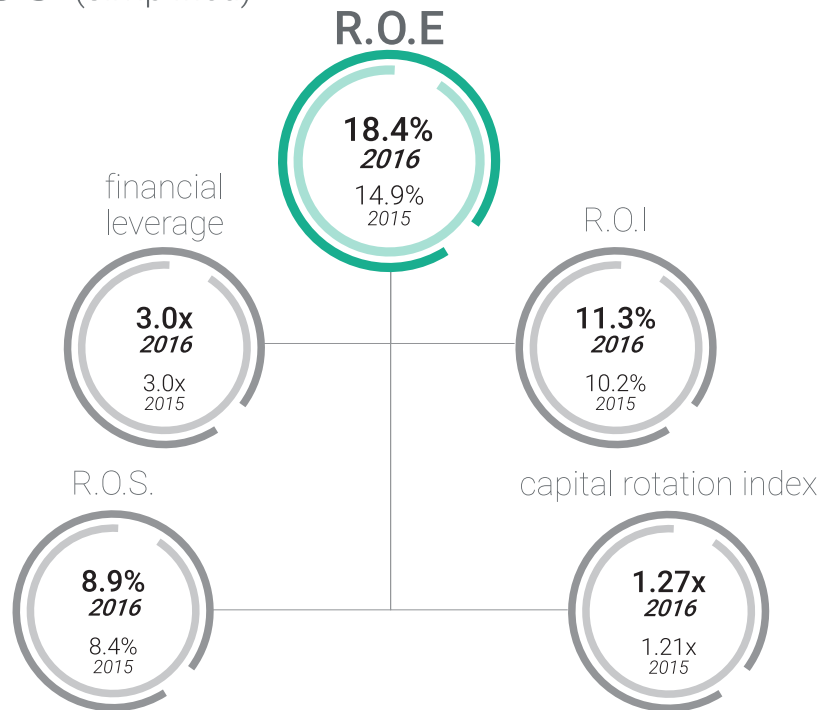
Revenue

Profit

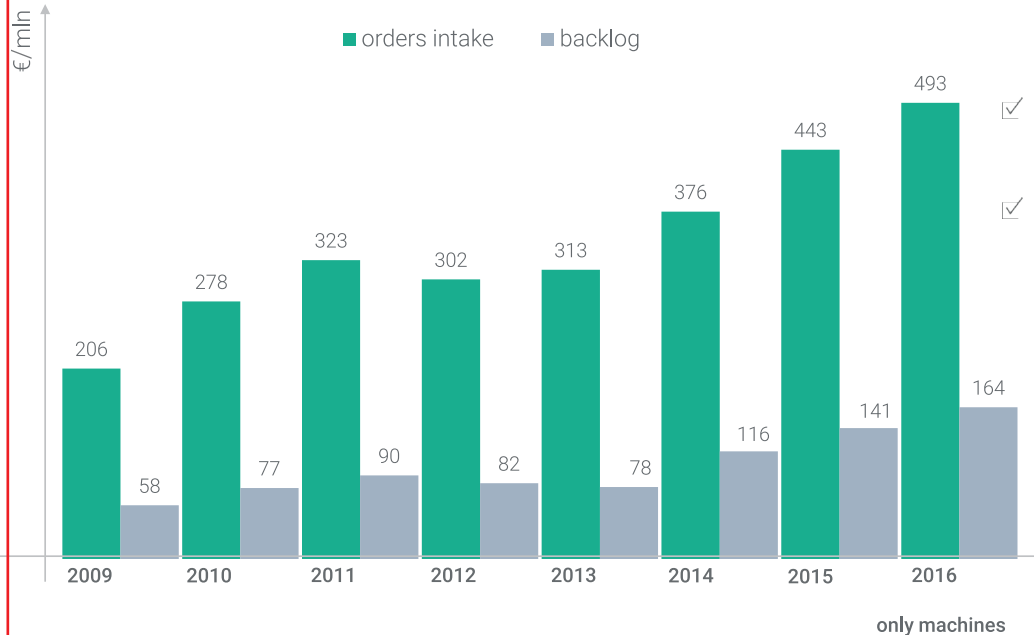
Cash



# R.O.E. tree (simplified)



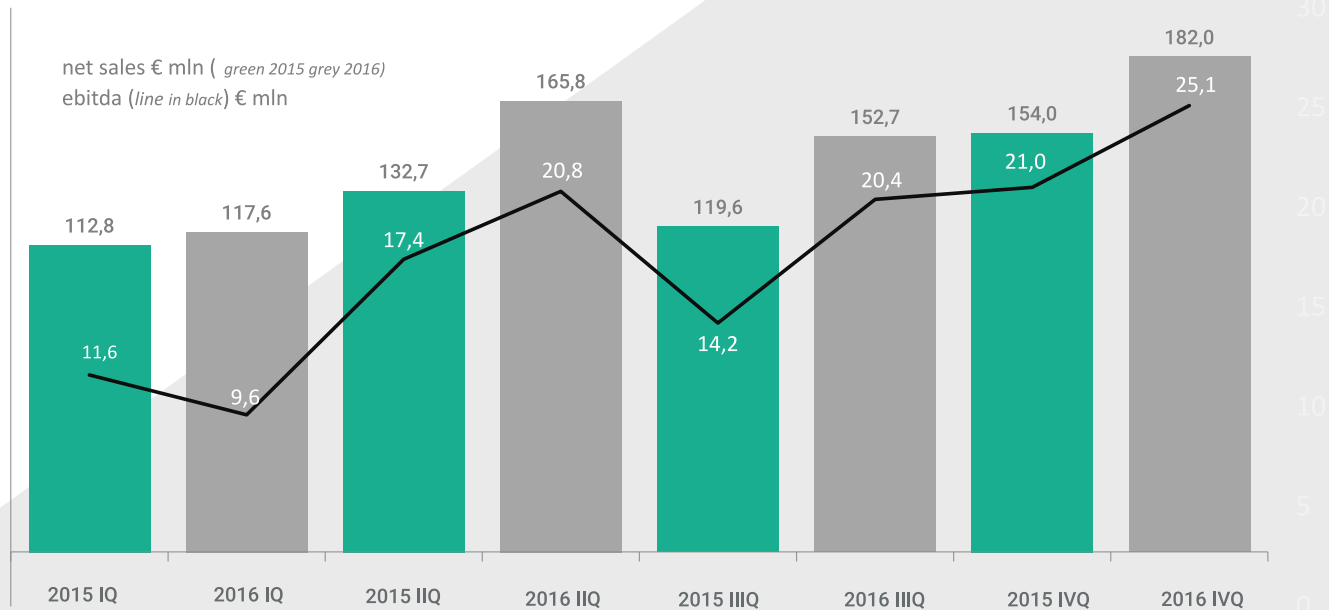
# Group orders intake & backlog



- ✓ 2016: Group orders intake\* **+11%**  
(vs. the same period 2015)
- ✓ 2016: Group backlog\* **+16%**  
(vs. the same period 2015)



# 2016 by quarters



# Extract of the P&L

€/mln	2013	2014	2015	2016
<b>Net sales</b>	378.4	427.1	519.1	618.5
<b>year -1</b>	<b>-1.2%</b>	<b>+12.9%</b>	<b>+21.5%</b>	<b>+19.1%</b>
Cost of good sold	155.9	177.6	206.1	245.1
	41.2%	41.6%	39.8%	39.7%
<b>Value added</b>	147.0	167.8	212.4	252.4
<b>%</b>	<b>38.8%</b>	<b>39.3%</b>	<b>40.9%</b>	<b>40.8%</b>
Labour cost	112.7	128.2	148.2	176.6
	29.8%	30.0%	28.6%	28.6%
overhead	81.8	91.0	104.7	124.5
	21.6%	21.3%	20.2%	20.1%
<b>EBITDA</b>	34.3	39.6	64.1	75.8
<b>%</b>	<b>9.1%</b>	<b>9.3%</b>	<b>12.4%</b>	<b>12.3%</b>
<b>EBIT</b>	18.1	24.8	43.7	55.1*
<b>%</b>	<b>4.8%</b>	<b>5.8%</b>	<b>8.4%</b>	<b>8.9%</b>
<b>Net result</b>	<b>6.4</b>	<b>13.8</b>	<b>21.1</b>	<b>29.5</b>

\*after non recurring items

# Operating **Net Working Capital**

€/mln	2013	2014	2015	2016
Inventories % net sales	22.8%	23.0%	21.5%	21.1%
Receivables % net sales	20.1%	18.9%	20.3%	20.8%
Payables % net sales	29.4%	28.8%	29.5%	31.1%
<b>Operating Net Working Capital</b>	<b>51.4</b>	<b>55.6</b>	<b>63.4</b>	<b>66.9</b>
<b>% net sales</b>	<b>13.6%</b>	<b>13.0%</b>	<b>12.2%</b>	<b>10.8%</b>

# Cashflow - Net Debt

€/mln	2013	2014	2015	2016
<b>Gross Cashflow</b> % net sales	52.0 <b>13.8%</b>	38.3 <b>9.0%</b>	46.3 <b>8.9%</b>	46.6 <b>7.5%</b>
Investments % net sales	-19.8 5.2%	-20.8 4.9%	-25.2 4.9%	-32.0 5.2%
<b>Net Cashflow</b> % net sales	32.2 <b>8.5%</b>	17.5 <b>4.1%</b>	21.1 <b>4.1%</b>	14.6 <b>2.4%</b>
dividends		-4.8 0.18 per share	-9.8 0.36 per share	-9.8 0.36 per share
Δ Net Debt		12.7	11.3	4.8
<b>N.F.P.</b>	<b>-23.9</b>	<b>-11.2</b>	<b>0.1</b>	<b>4.9</b>

# People distribution (without interim people)

\* including Uniteam people (nr. 57)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>Production</b> % of total people	965 41%	1.250 46%	1.265 45%	1.175 44%	1.201 42%	1.335 42%	1.482 41%
<b>Service &amp; After sale</b> % of total people	568 24%	577 21%	574 21%	613 22%	628 22%	690 22%	803 22%
<b>R&amp;D</b> % of total people	293 12%	316 12%	338 12%	321 12%	361 13%	383 13%	436 12%
<b>Sales &amp; Marketing</b> % of total people	340 13%	361 13%	364 13%	351 13%	439 15%	495 15%	587 16%
<b>G &amp; A</b> % of total people	202 9%	233 9%	242 9%	235 9%	252 9%	273 9%	310 8.5%
<b>ITALY</b> % of total people	1.660 70%	1.656 61%	1.646 59%	1.547 57%	1.605 56%	1.780 56%	2.009 56%
<b>OUTSIDE ITALY**</b> % of total people	708 30%	1.081 39%	1.136 41%	1.148 43%	1.276 44%	1.396 44%	1.609 44%
<b>TOTAL</b>	<b>2.368</b>	<b>2.737</b>	<b>2.782</b>	<b>2.695</b>	<b>2.881</b>	<b>3.176</b>	<b>3.618*</b>

# People distribution

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
<b>ITALY</b> % of total people	1.660 70%	1.656 61%	1.646 59%	1.547 57%	1.605 56%	1.780 56%	2.009 56%
<b>OUTSIDE ITALY**</b> % of total people	708 30%	1.081 39%	1.136 41%	1.148 43%	1.276 44%	1.396 44%	1.609 44%
<b>TOTAL</b>	<b>2.368</b>	<b>2.737</b>	<b>2.782</b>	<b>2.695</b>	<b>2.881</b>	<b>3.176</b>	<b>3.618</b>

vs Dec 2015: **+442** (13.9%)

vs Dec 2014: **+737** (25.6%)

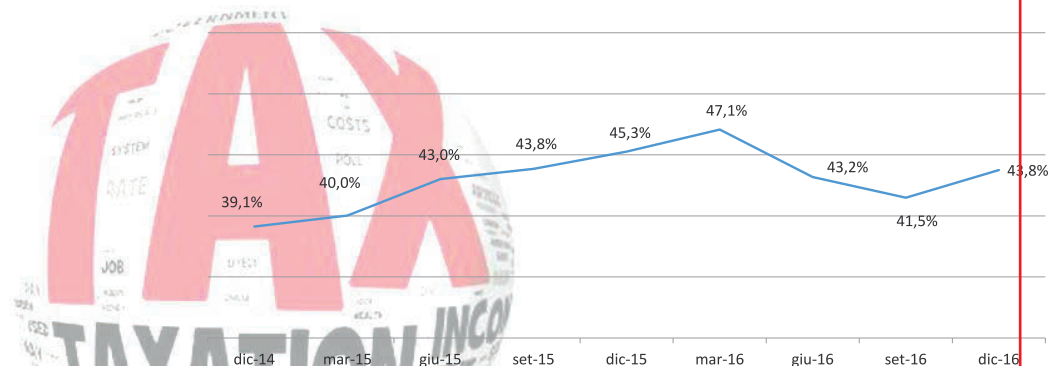
vs Jun 2016: **+159** (4.6%)

interim people at the end of Dec 2016: 181  
(112 at the end of 2015)

3.799



# Tax rate



€/mln	FY 2015	FY 2016	IH 2016
taxes	17.4	22.9	9.1
Net Result	21.1	29.5	11.9
tax rate	45.3%	43.8%	43.2%

projected average tax rate for the 3 years plan 35%

Patent Box & IRES reduction can impact totally for approx 6.5% the tax rate D.T.A. (China) can't be used

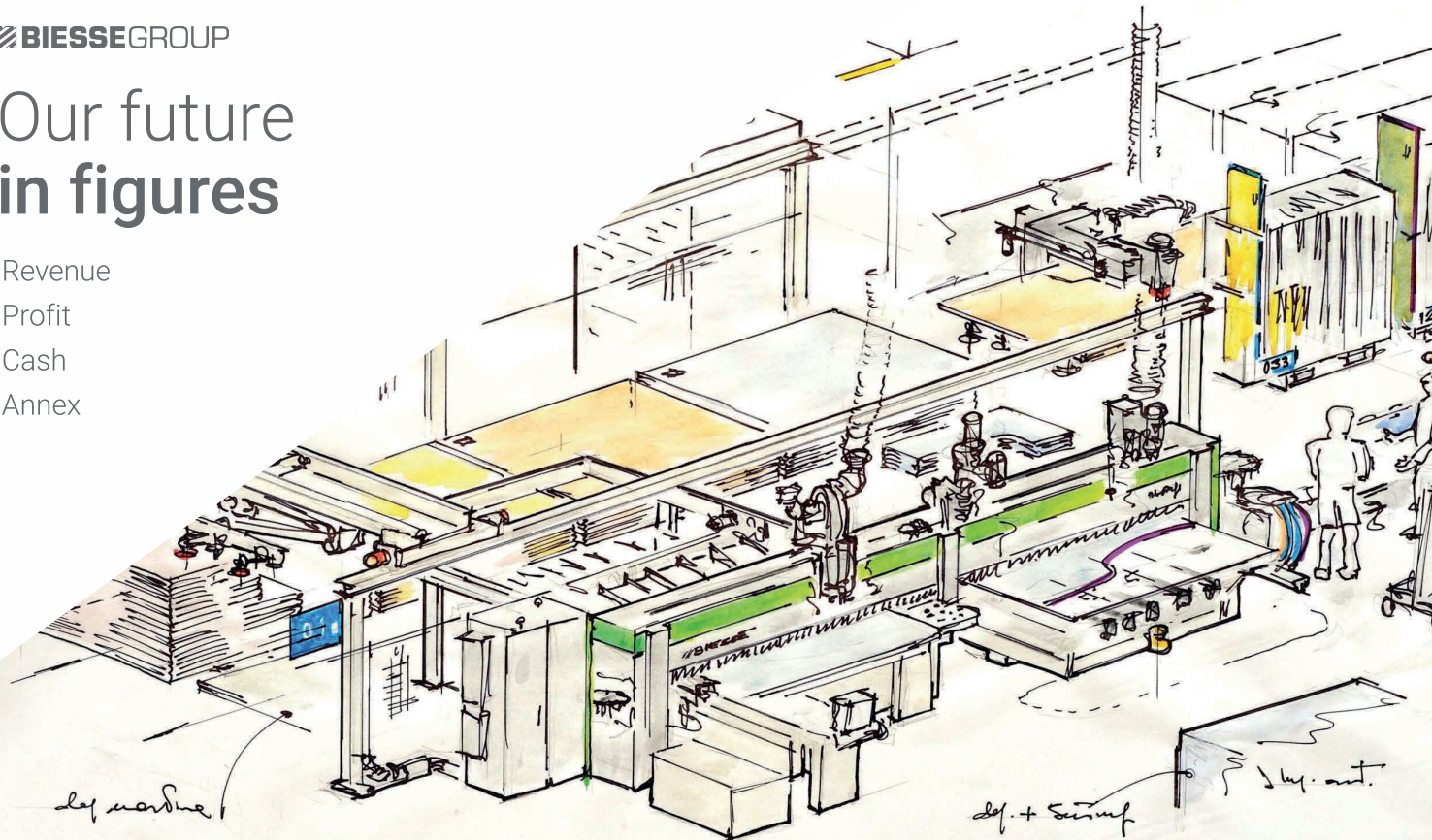
# Our future in figures

Revenue

Profit

Cash

Annex



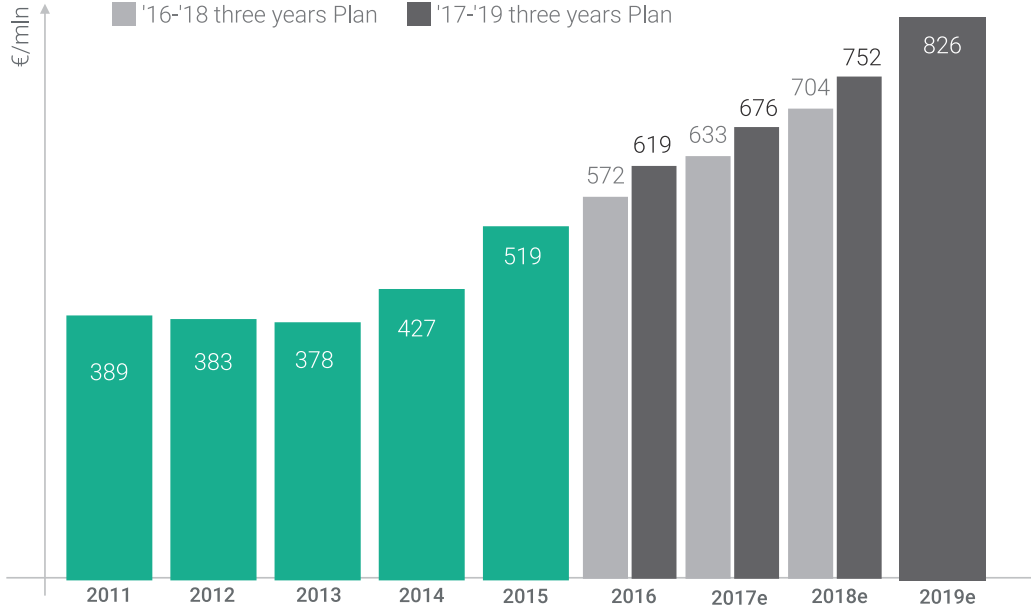
def. machine

def. + Scrup

def. aut.

Our future in figures

# Net Sales - Anticipating plan execution



**Confirming** the growth path to consolidate our **leadership**

- ✓ In 2016 **we went beyond our targets**, anticipating plan execution
- ✓ We yearn to achieve **higher targets in 2019** leveraging on our strategy: more products, more solutions, more customers

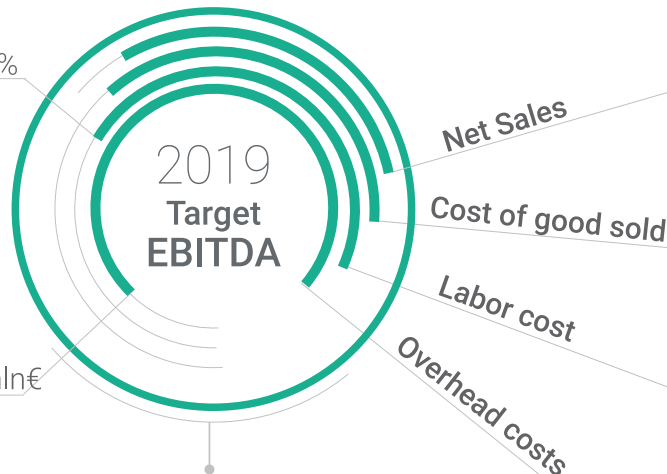
Our future in figures

# Stabilize Profitability

EBITDA  
Margin

**12,8** %

2019 Target



EBITDA

**105** mln€

2019 Target

**Secure our positioning  
among the market leaders**

**10,1** %

Net sales  
CAGR 2017-2019

- ✓ **Continue our growth path**

**39** %

Target COGS  
incidence on Net Sales

- ✓ **Optimize our production cost**

**<30** %

Target Labor Cost  
incidence on Net Sales

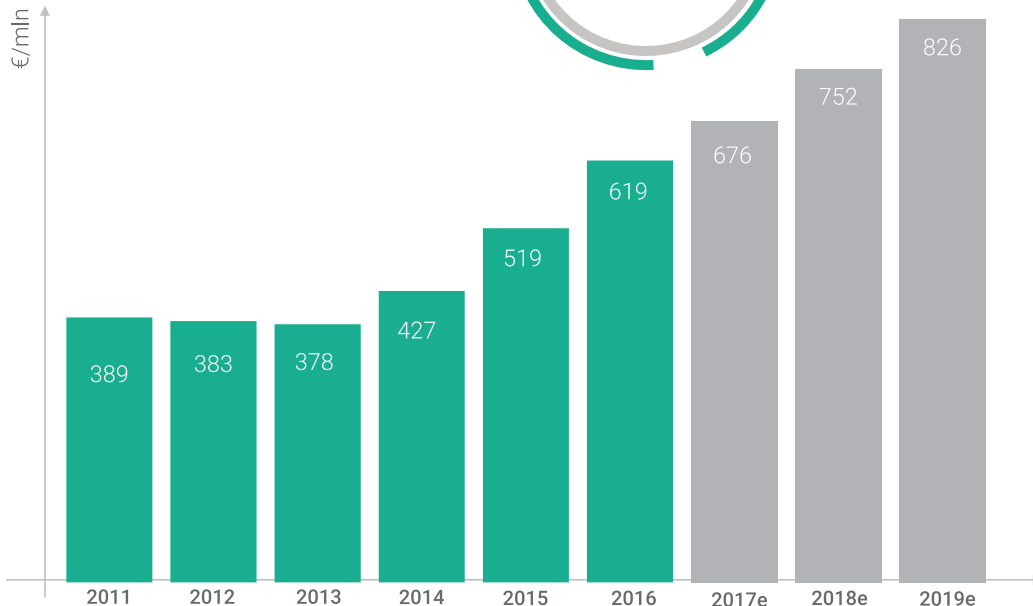
- ✓ **Invest in human resources** and capabilities as growth driver, **controlling incidence** on net sales

**<20** %

Target Overhead Cost on  
Incidence on Net Sales

- ✓ **Optimize** Overhead cost

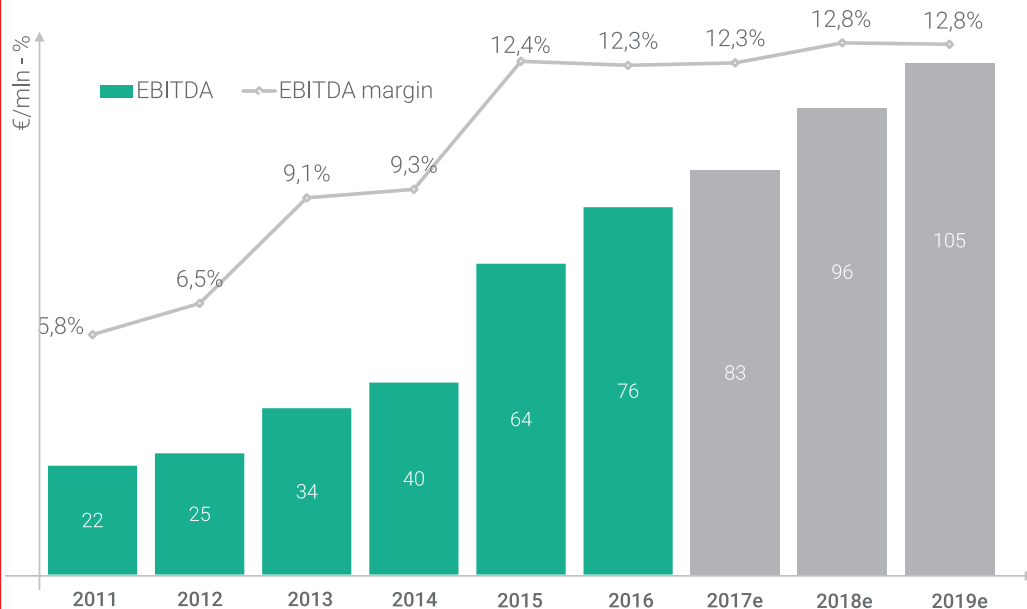
# Net Sales



Continuing to pursue an **organic growth.**

- ✓ **Increasing our sales force.** subsidiaries, agents and distributors **worldwide**
- ✓ Growing **not only in the woodworking** machine sector, but also in the areas of glass, stone, mechatronics and advanced materials especially considering the after-sales services
- ✓ Continuing to **diversify into new sectors:** advanced materials and metal working

# Ebitda

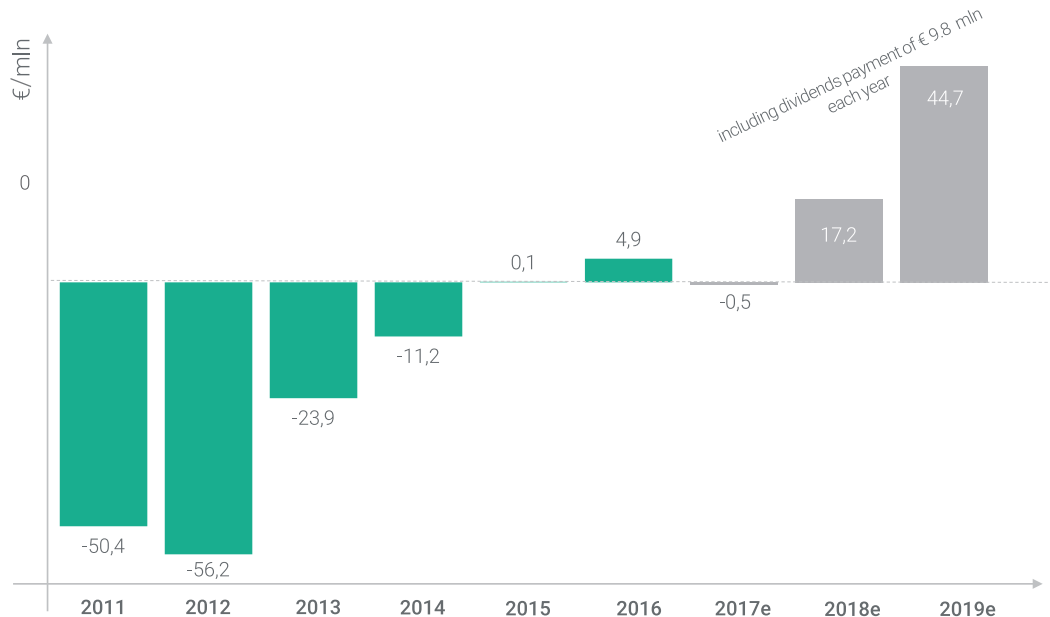


## Generation of value.

- ✓ **Decreasing incidence of COGS** on Net Sales through world production optimization and efficiency
- ✓ Maintaining **Labour Cost** incidence on Net Sales **below 30%**
- ✓ Maintaining **Overhead** incidence on Net Sales well **below 20%**



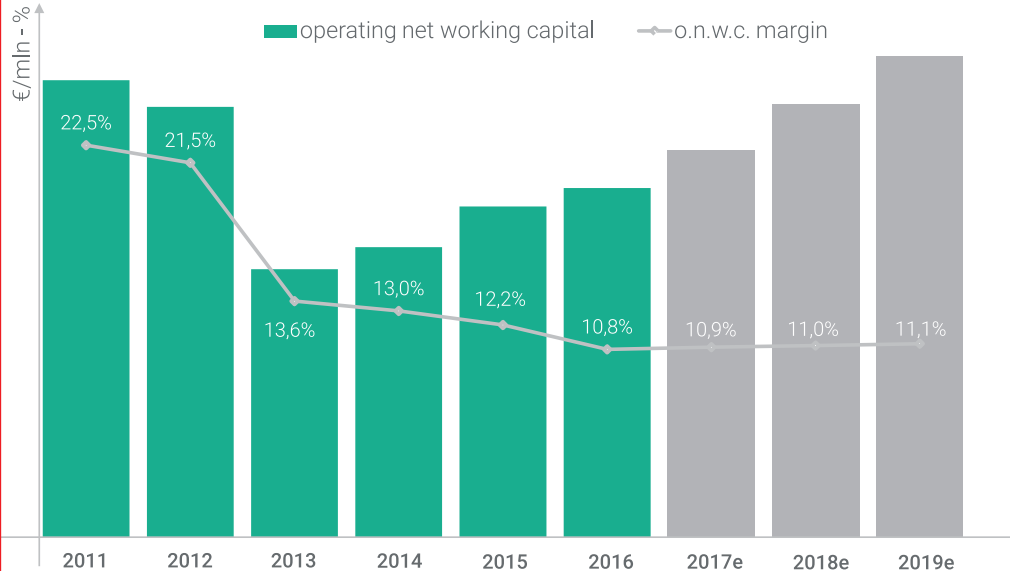
# Net Financial Position



## Positive cash flow

- ✓ Starting point: **positive Net Financial Position** at the end of 2016
- ✓ Continuing to invest in **R&D** around **2%** of **Net Sales**
- ✓ **Cash Flow** finances the projected increasing CAPEX to support our growth forecast
- ✓ Paid yearly **dividends** (since 2014 for tree years) for a total amount of > € 24 mln

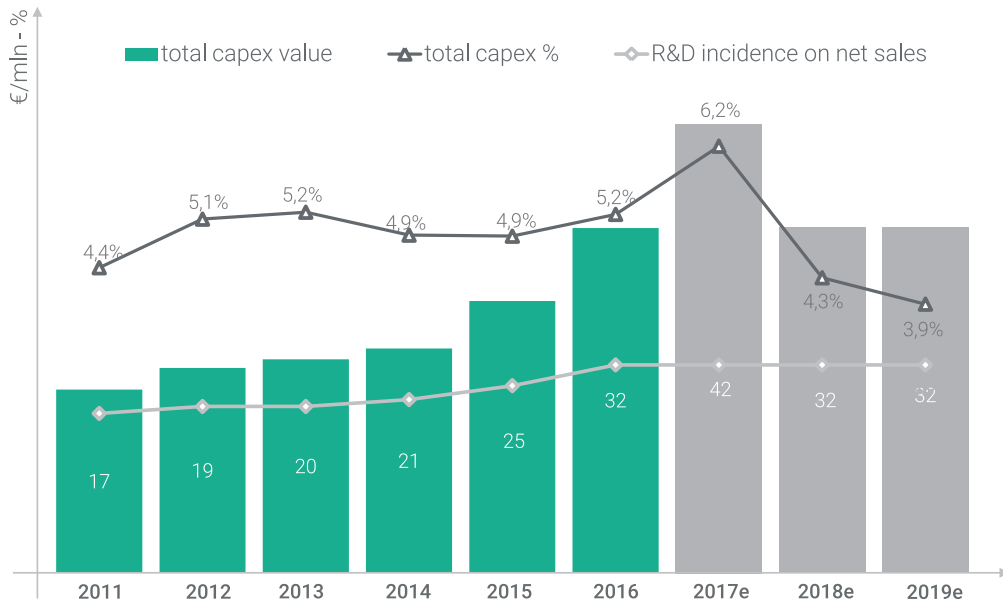
# Operating Net Working Capital



**Control** our  
Operating Net  
Working Capital.

- ✓ Maintaining **Operating Net Working Capital** incidence on Net Sales well **below 12%**
- ✓ Maintaining our Group **inventories** below **21%** incidence on Net Sales
- ✓ Maintaining our Group **DSO** around **60 -65 days**
- ✓ Maintaining our Group **DPO** around **100-110 days**

# Capex\*



\*Potential growth strategy through M&A not included

**Continue our growth path through investments.**

**2017e**

tangible: € 24.4 mln

intangible: € 17.2 mln

main investments drivers:

- ✓ **Indian** Manufacturing Site
- ✓ **Chinese** durable goods investments (KOREX)
- ✓ **Mechatronics** Italian plant (HSD S.p.A.) components production machines
- ✓ **Metal Working** (internal phase): improvement of the components production
- ✓ **I.T.:** digital factory – PLM & CRM – Oracle implementation
- ✓ **R&D constant investment.** around 2% on net sales every year

# Capex: **tangibles**



- ✓ **Indian** Manufacturing Site widening to meet the projected productive expansion



- ✓ **Chinese** Production Site upgrade and durable goods investments (KOREX) CNC lathe, vertical and horizontal working center machines

## TANGIBLE ASSETS

# Continue our growth path through investments



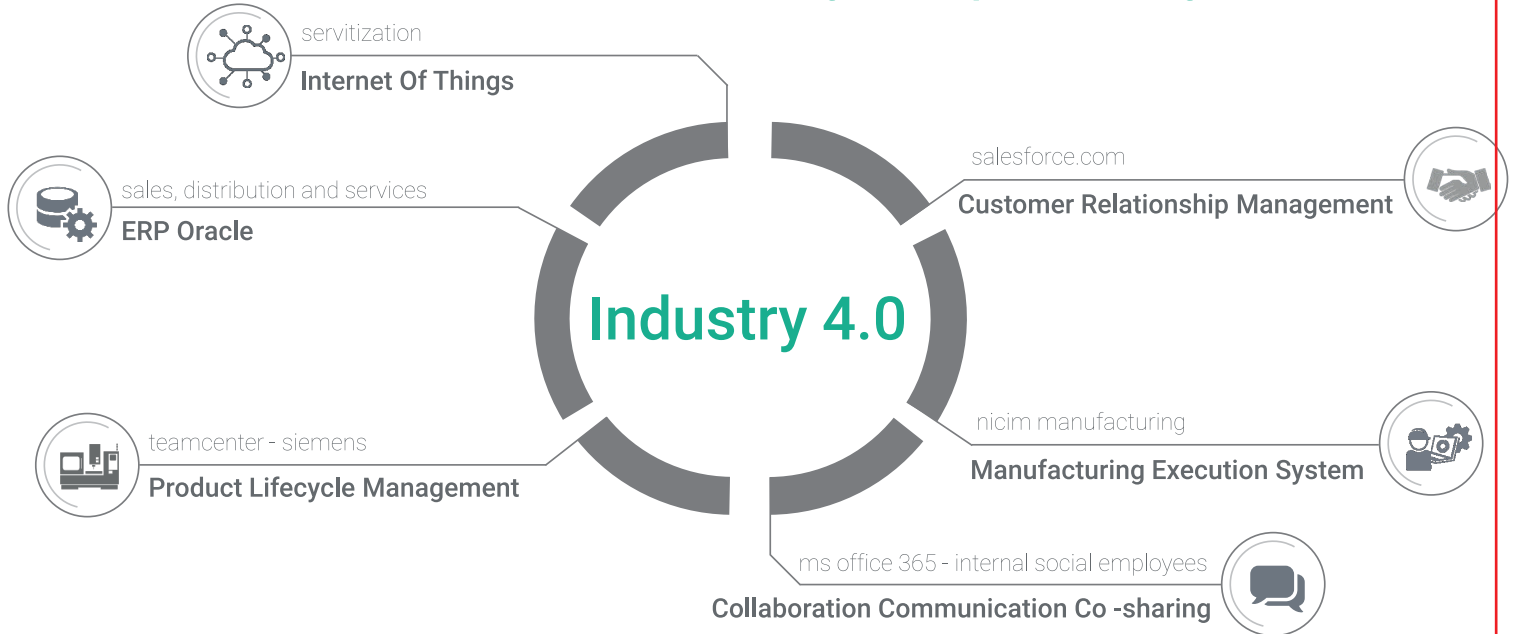
- ✓ **Mechatronics** Italian plant (HSD S.p.A.) components production machines (rotary tables) + american subsidiary new site (HSD U.S.A. subsidiary)



- ✓ **Metal working** (internal phase): improvement of the components production – durable goods investments,

# Capex: intangibles

continue our growth path through investments



## Extract of the P&amp;L

€/mIn	2013	2014	2015	2016		2019e	Targets
<b>Net sales year -1</b>	378.4 -1.2%	427.1 +12.9%	519.1 +21.5%	618.5 +19.1%	CAGR 10.1	825.7	
Cost of good sold	155.9 41.2%	177.6 41.6%	206.1 39.8%	245.1 39.6%		322 39.0%	
<b>Value added</b>	147.0	167.8	212.4	252.4		347.3	
%	<b>38.8%</b>	<b>39.3%</b>	<b>40.9%</b>	<b>40.8%</b>	CAGR 11.2	<b>42.1%</b>	
Labour cost	112.7 29.8%	128.2 30.0%	148.2 28.6%	176.69 28.6%		241.9 29.3%	< 30% incidence
overhead	81.8 21.6%	91.0 21.3%	104.7 20.2%	124.5 20.1%		159.4 19.3%	< 20% incidence
<b>EBITDA</b>	34.3	39.6	64.1	75.8		105.4	
%	<b>9.1%</b>	<b>9.3%</b>	<b>12.4%</b>	<b>12.3%</b>	CAGR 11.6	<b>12.8%</b>	
<b>EBIT</b>	18.1	24.8	43.7	55.1*		78.7	
%	<b>4.8%</b>	<b>5.8%</b>	<b>8.4%</b>	<b>8.9%</b>	CAGR 12.6	<b>9.5%</b>	

\*after non recurring items



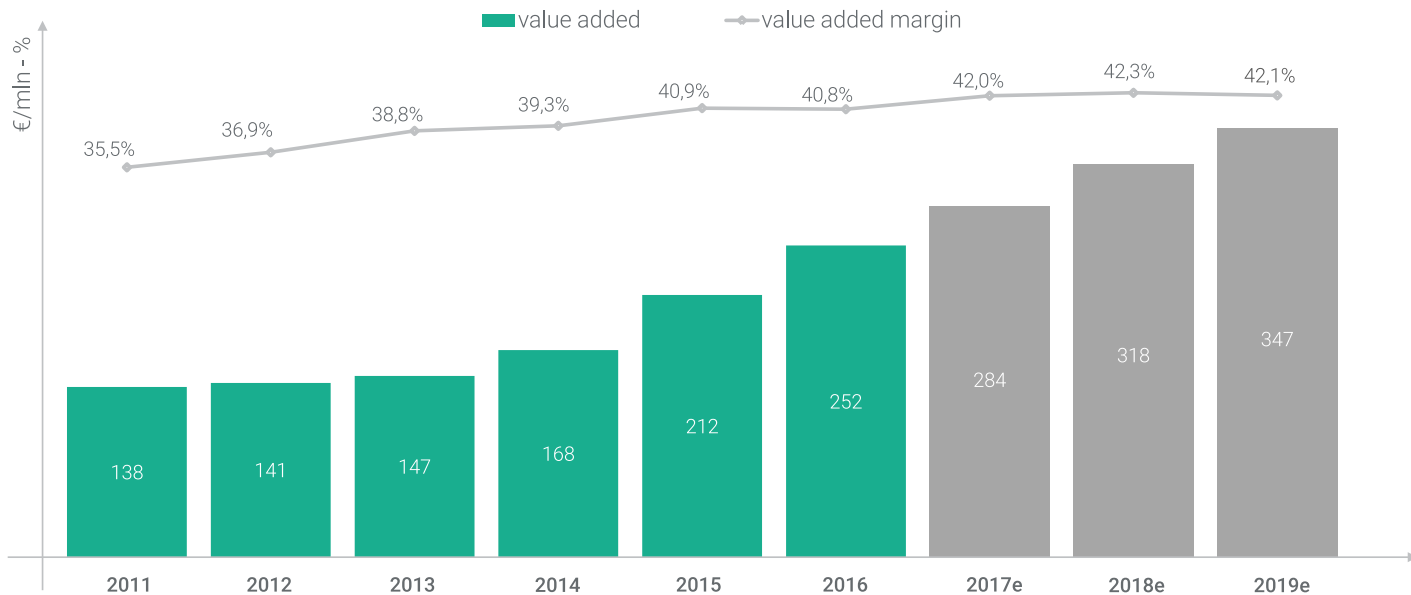
# Operating **Net Working Capital**

€/mln	2013	2014	2015	2016	2019e	Targets
Inventories % net sales	22.8%	23.0%	21.5%	21.1%	20.2%	<21%
Receivables % net sales	20.1%	18.9%	20.3%	20.8%	20.6%	DSO 60-65 days
Payables % net sales	29.4%	28.8%	29.5%	31.1%	29.7%	DPO 100-110 days
Operating Net Working Capital	51.4	55.6	63.4	66.9	92.0	
% net sales	13.6%	13.0%	12.2%	10.8%	11.1%	

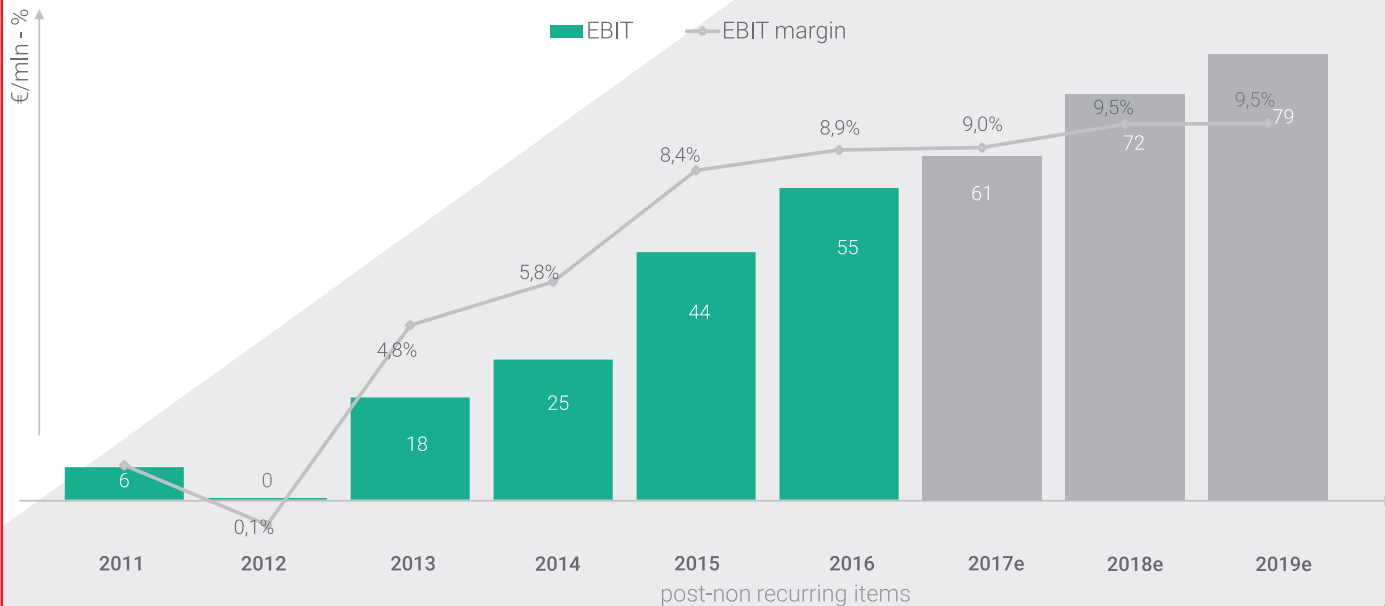
# Cashflow - Net Debt

€/mln	2013	2014	2015	2016	2019e
<b>Gross Cashflow</b>	52.0	38.3	46.3	46.6	69.3
% net sales	13.8%	9.0%	8.9%	7.5%	8.4%
<b>Investments</b>	-19.8	-20.8	-25.2	-32.0	-32.0
% net sales	5.2%	4.9%	4.9%	5.9%	3.9%
<b>Net Cashflow</b>	32.2	17.5	21.1	14.6	37.3
% net sales	8.5%	4.1%	4.1%	2.4%	4.5%
dividends		-4.8 0.18 per share	-9.8 0.36 per share	-9.8 0.36 per share	-9.8 0.36 per share
Δ Net Debt		12.7	11.3	4.8	
<b>Net Debt</b>	<b>-23.9</b>	<b>-11.2</b>	<b>0.1</b>	<b>4.9</b>	<b>44.7</b>

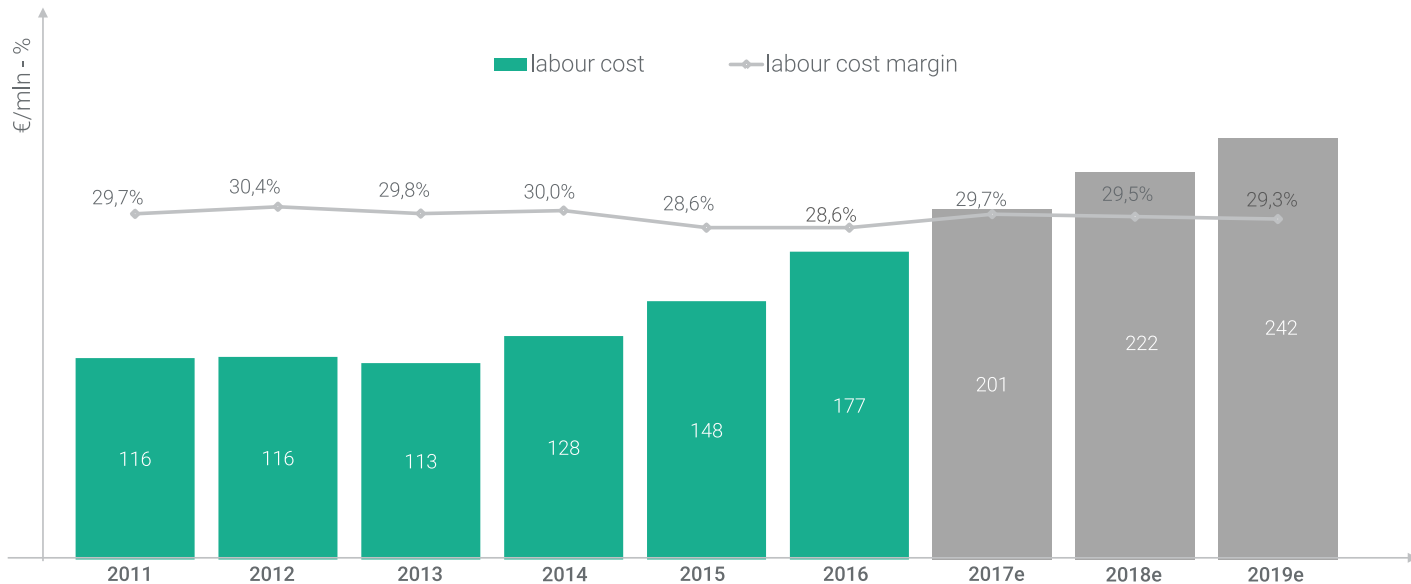
# Value added



# Ebit



# Labour cost

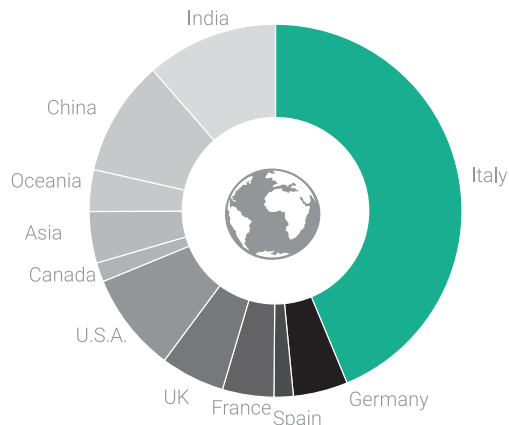


# People **evolution**

	FY 2016	FY 2017e	%
<b>Production</b>	1.482	1,574	+ 6.2
<b>Service &amp; After sale</b>	803	934	+16.3
<b>R&amp;D</b>	436	495	+13.5
<b>Sales &amp; Marketing</b>	587	676	+15.2
<b>G &amp; A</b>	310	324	+4.5
<b>ITALY</b>	2.009	2,166	+ 7.8
<b>OUTSIDE ITALY</b>	1.609	1,837	+ 14.2
<b>TOTAL</b>	<b>3.618</b>	<b>4,003</b>	<b>+10.6</b>

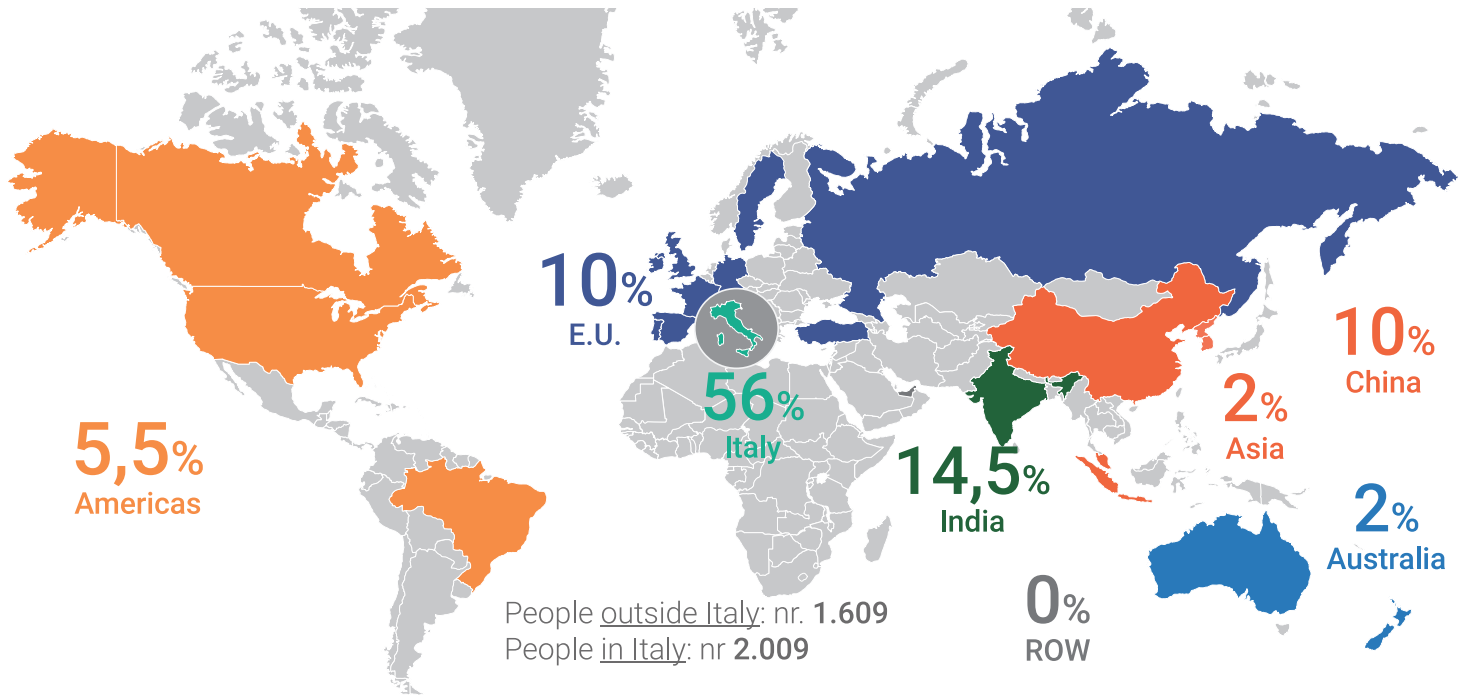
the labour cost increase is **EURO 25.1 mln** vs 2016 (**29.7%** 2017 incidence against net sale vs 28.5% in 2016)

**Increase by countries**

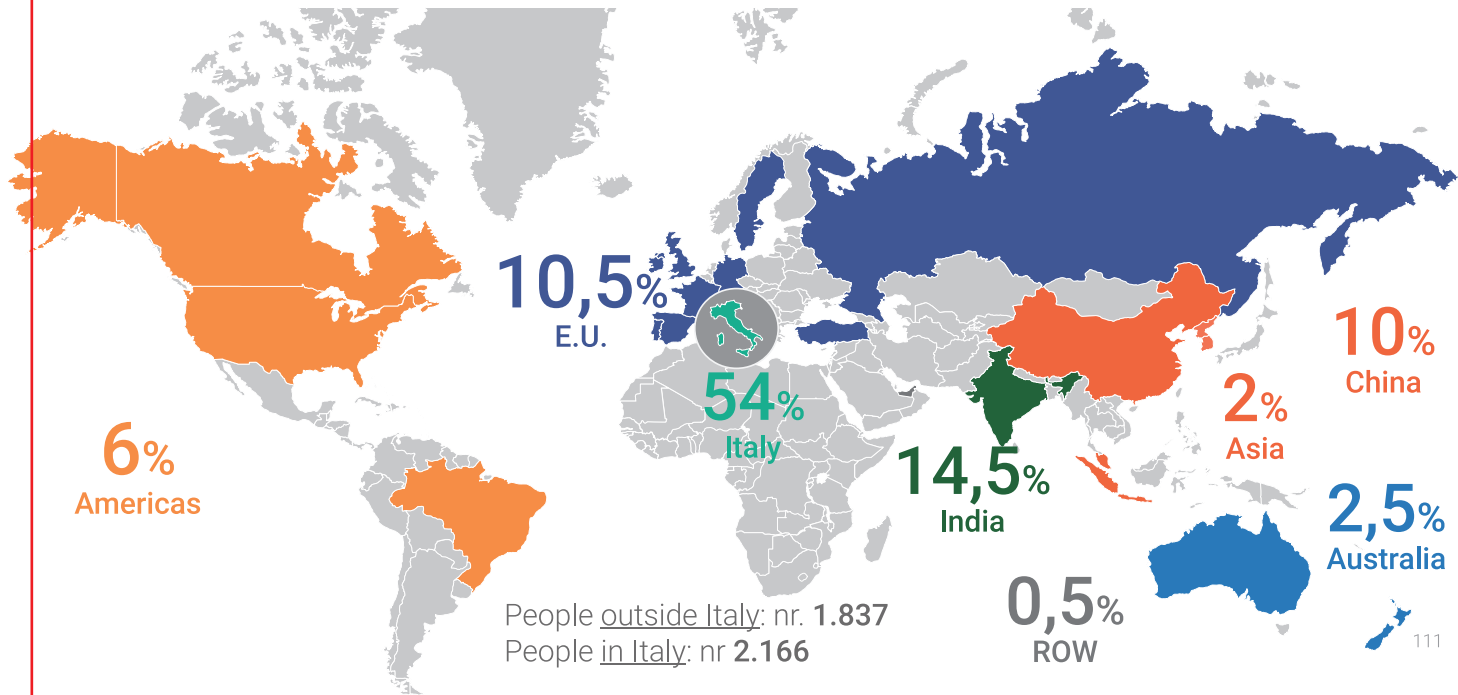




# People **distribution** by main countries - 2016

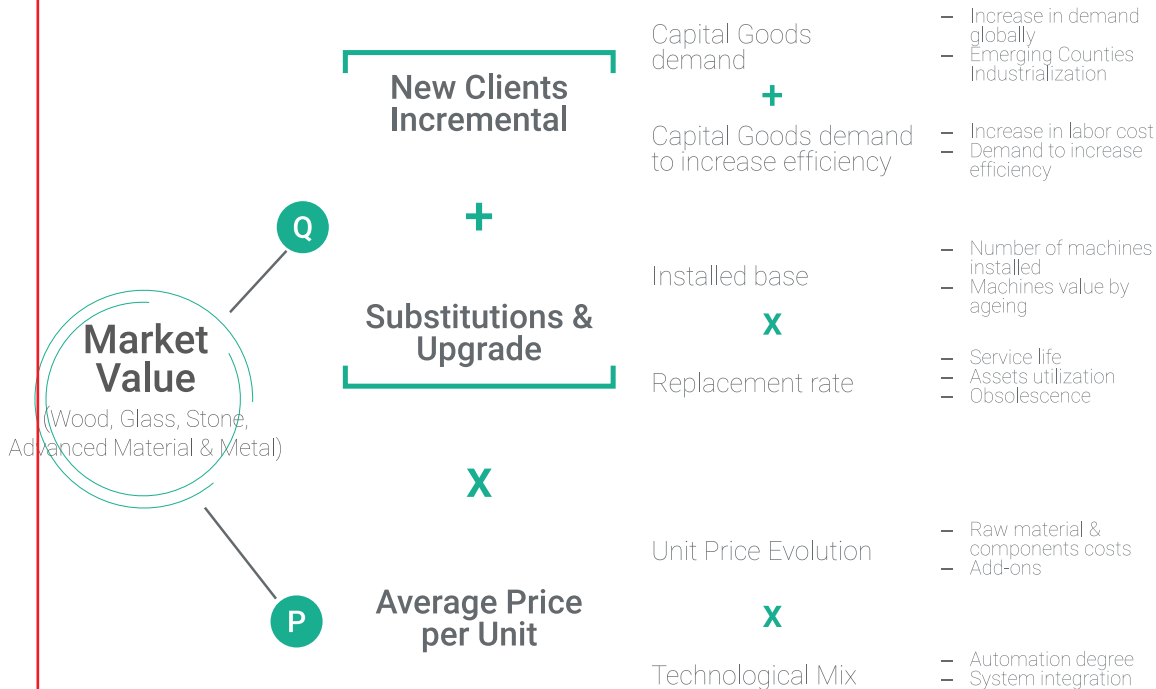


# People **distribution** by main countries – 2017e

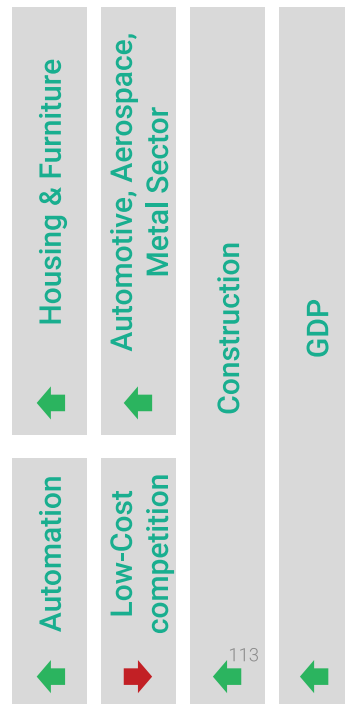


# Annex

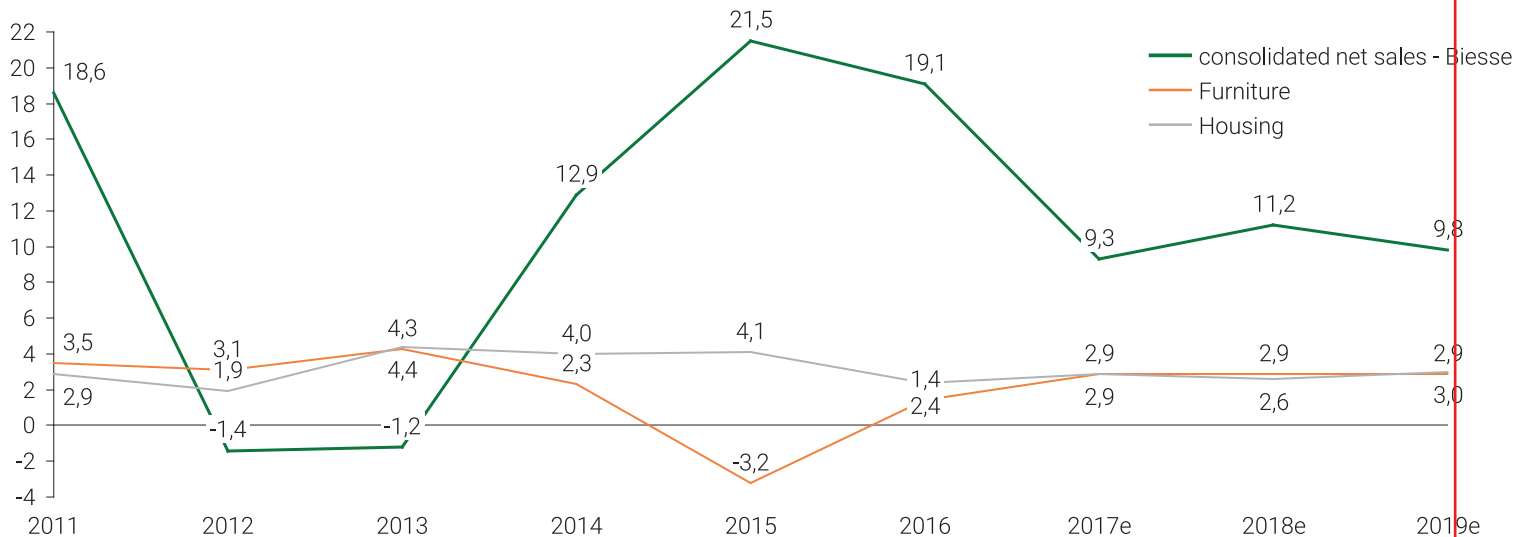
# Machines Market Value



## Drivers and impact



# Housing - Furniture



**3.9** Historical correlation index (since 2004)

# Housing & Furniture - **Beta**



world furniture & housing average 2017-2019: **+2.9%**

historical correlation index (2004-2016): **3.9**

**THEORETICAL BIESSE GROW RATE: 11.3%**

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- ✓ This presentation has been prepared by Biesse S.p.A. for information purposes only and for use in presentations of the Group's results and strategies.
- ✓ 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.
- ✓ Statements contained in this presentation, particularly the ones regarding any Biesse S.p.A. possible or assumed future performance, (business plan) are or may be forward looking statements and in this respect they involve some risks and uncertainties.
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