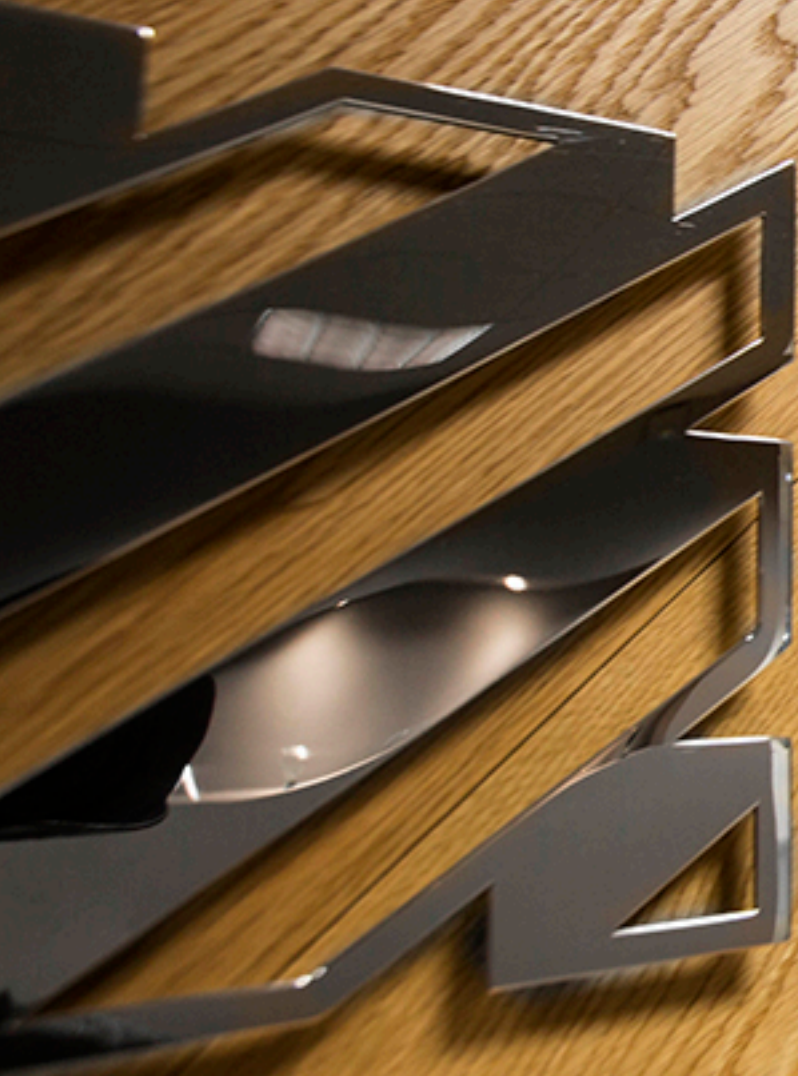


Forward-thinking
solutions to leverage
the fourth industrial
revolution

 **BIESSEGROUP**

Company presentation - June 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

Biesse Group

Who we are

 **BIESSE**GROUP

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 Sella".

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**.





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)

3,875

employees throughout
the world (temporary
workers included) are
our Human Capital
(March 2017 update)



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

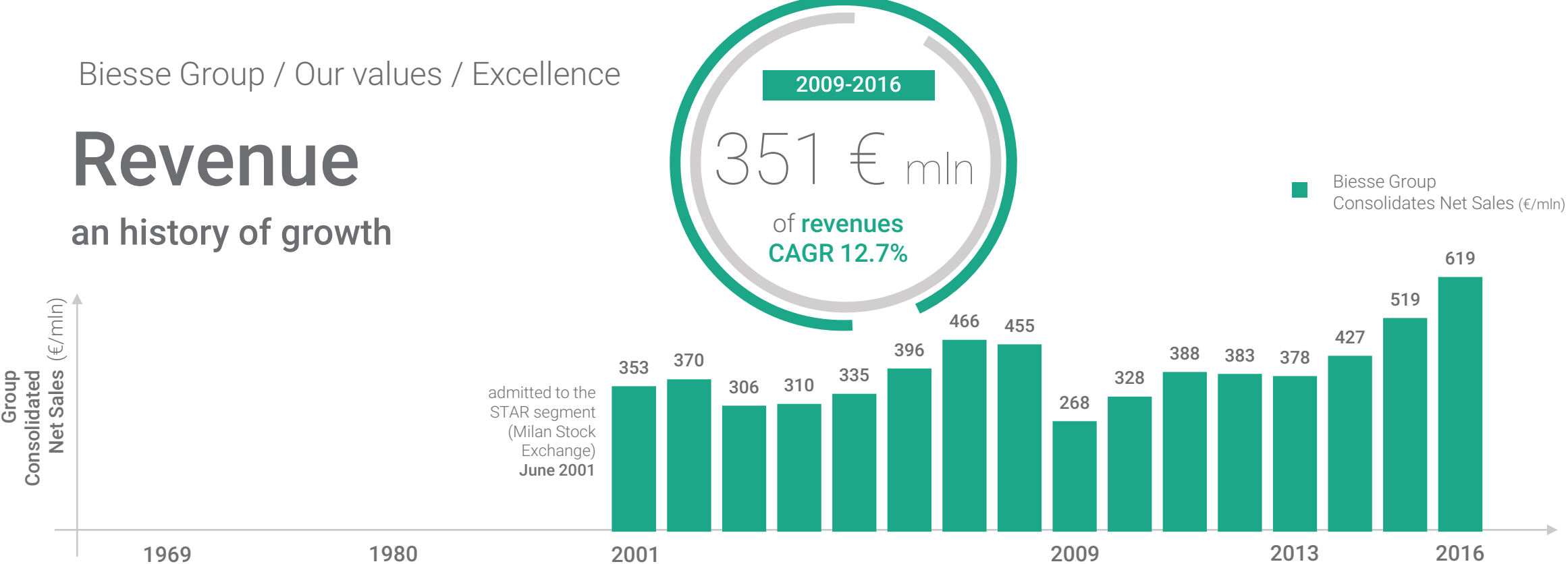
02

Cash

03

Revenue

an history of growth



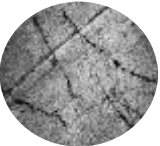
Wood



Glass



Mechatronics



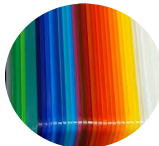
Stone



bSoft
(software)



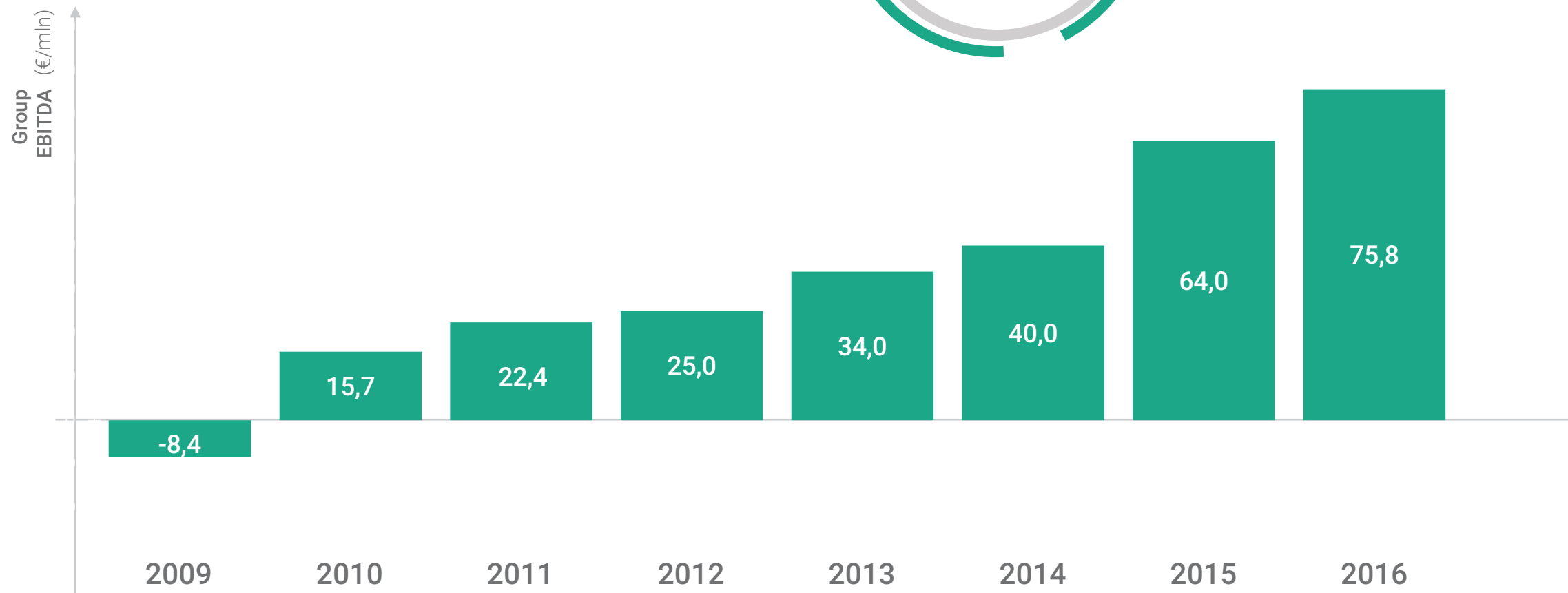
Metal



Plastic &
Advanced
Materials

Profit

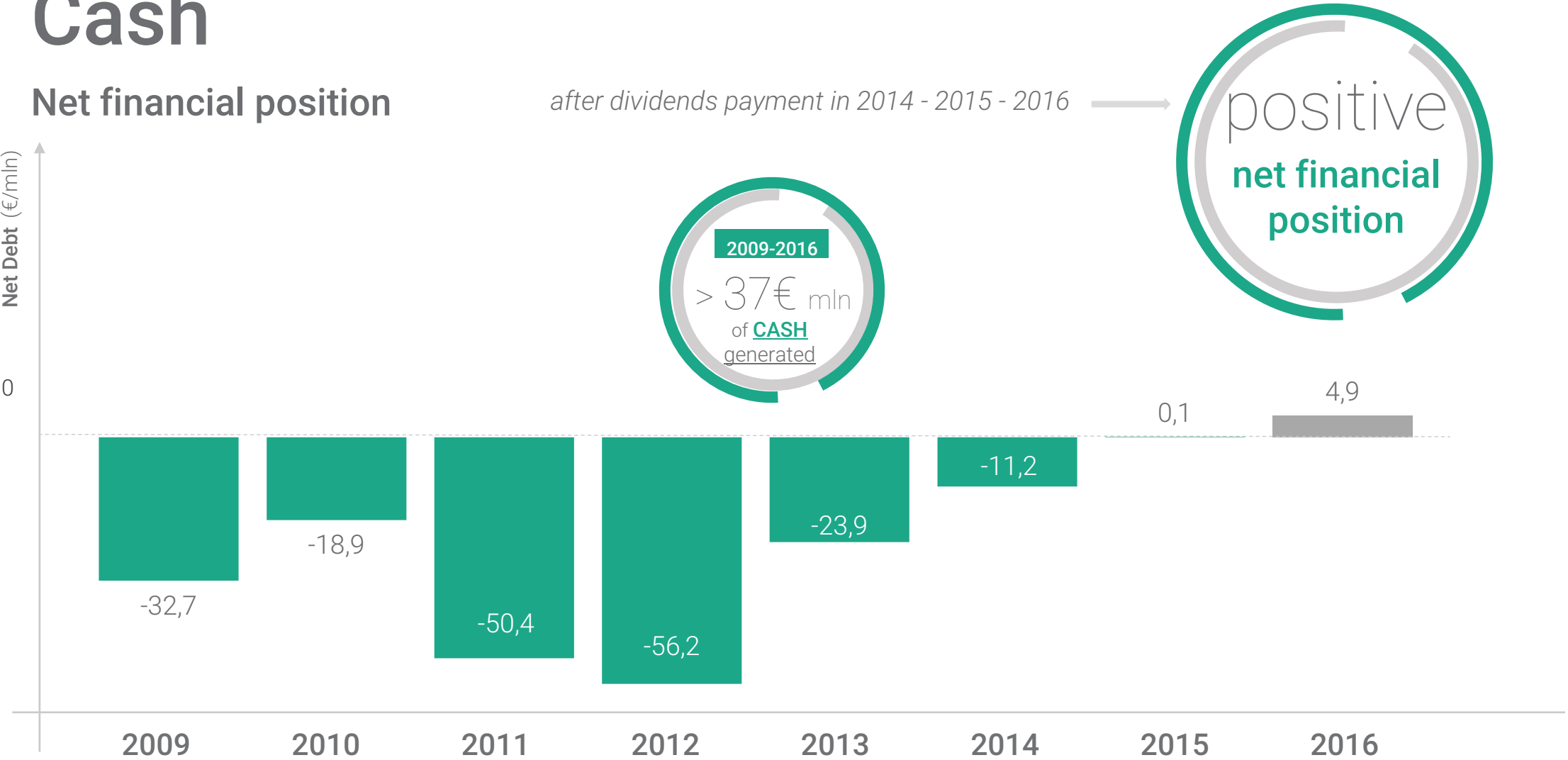
EBITDA



■ Biesse Group
EBITDA (€/mIn)

Cash

Net financial position



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

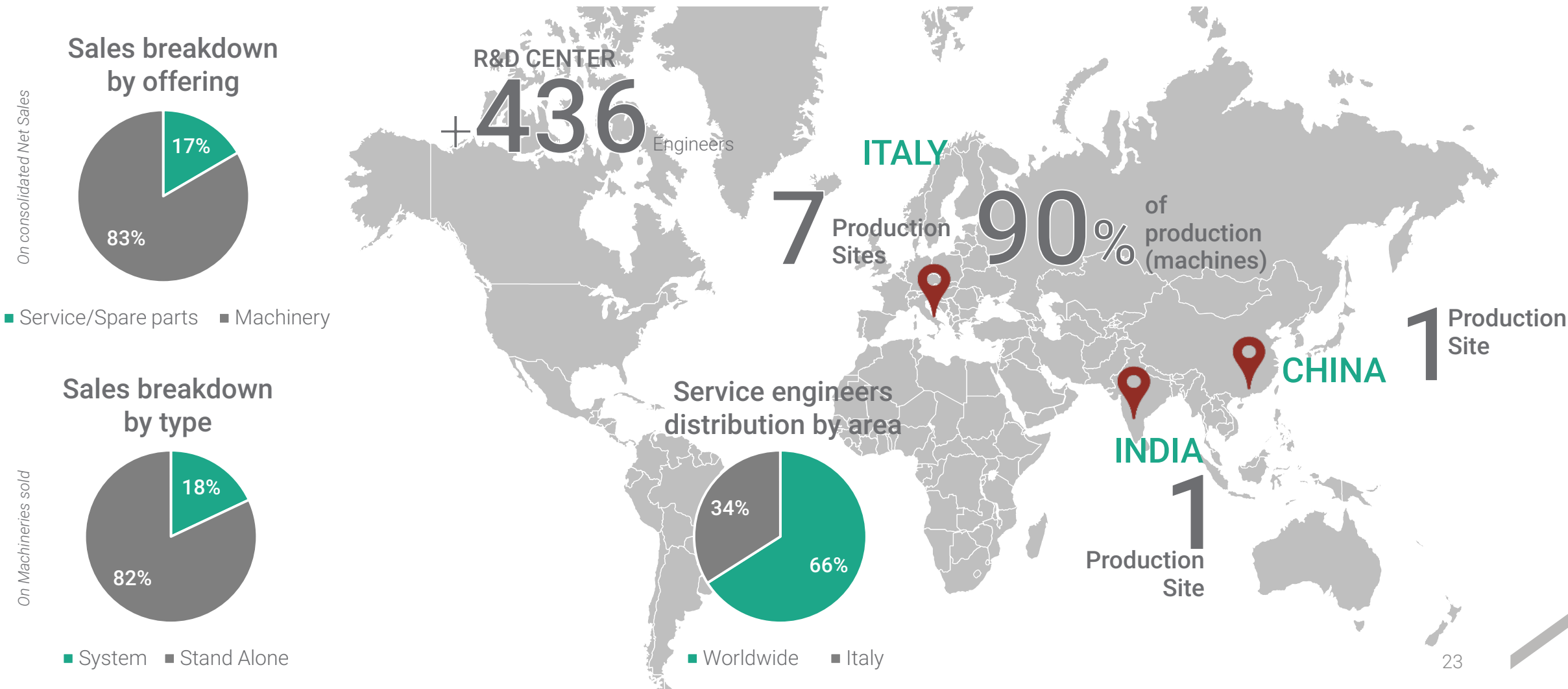
We manufacture custom made blends of diamonds and alloy tools for glass, stone and synthetic materials processing, which have been developed and field tested to meet customer requirements.

03

Mechatronics

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

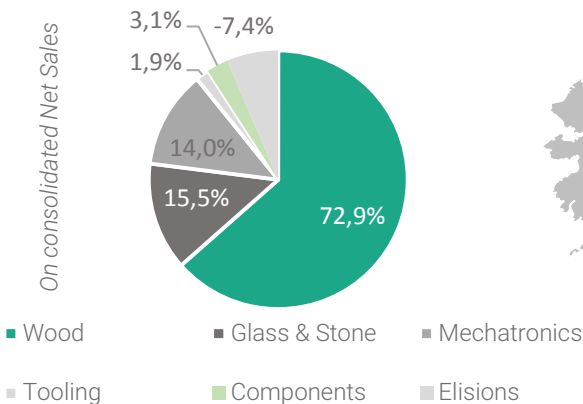
Footprint



Distribution

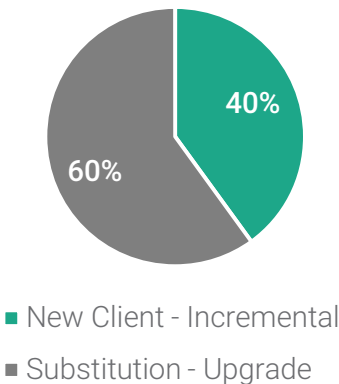
Sales breakdown
by division

On consolidated Net Sales

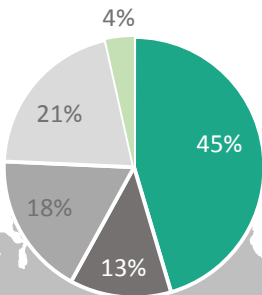


Sales breakdown
by Client Type

On Machines sold



EXPORT
around
85%
of Sales



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

- Traders
- Subsidiary
- Headquarters

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

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

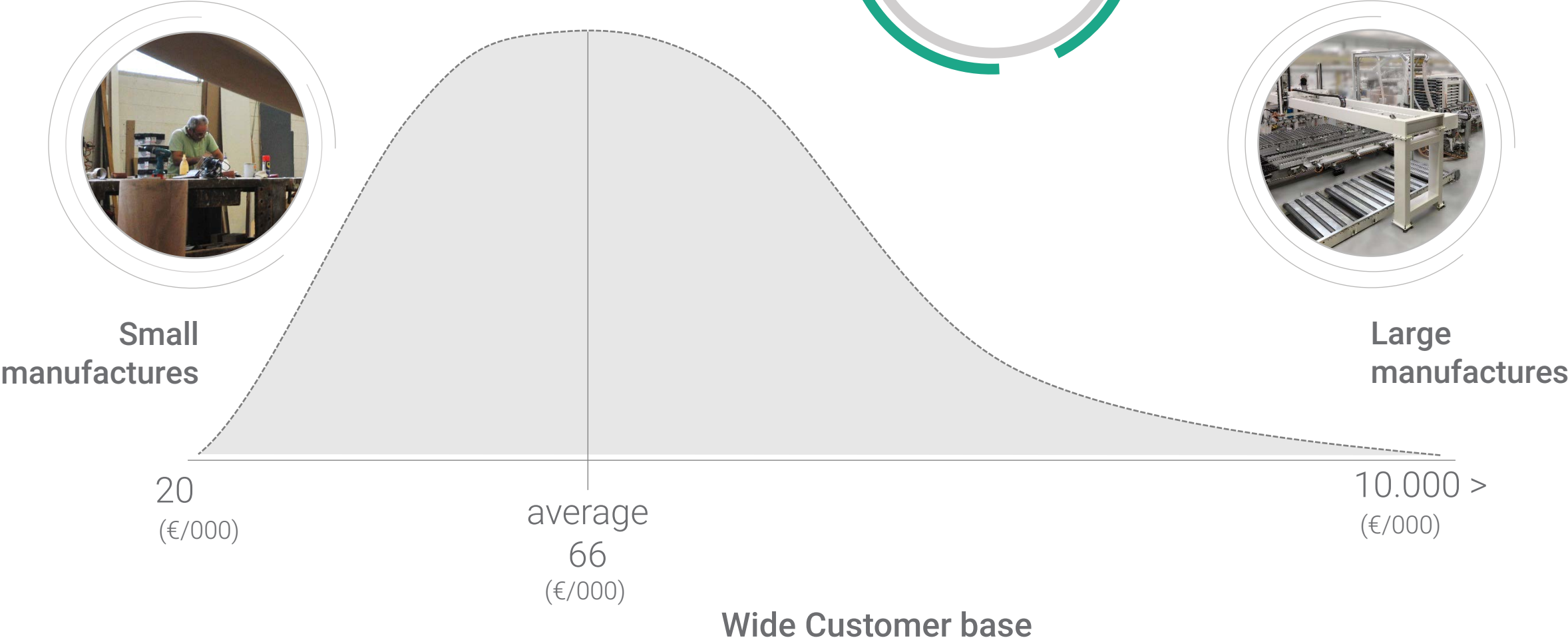
Aluminum

Plastic

Metal

Advanced Materials

Customer Sales distribution 2016



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

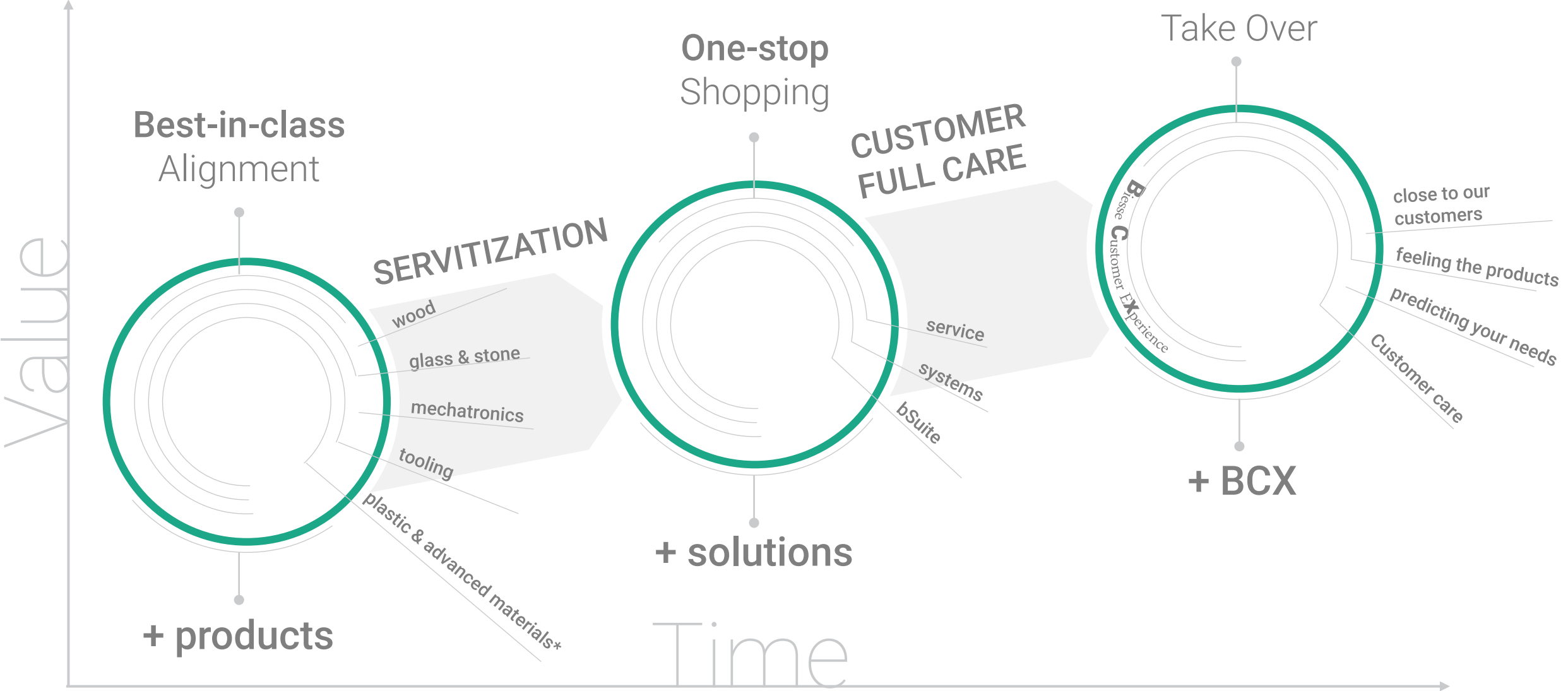
12,3%
on Net Sales

EBIT

55,1
€/mln

8,9%
on Net Sales

Execution on track

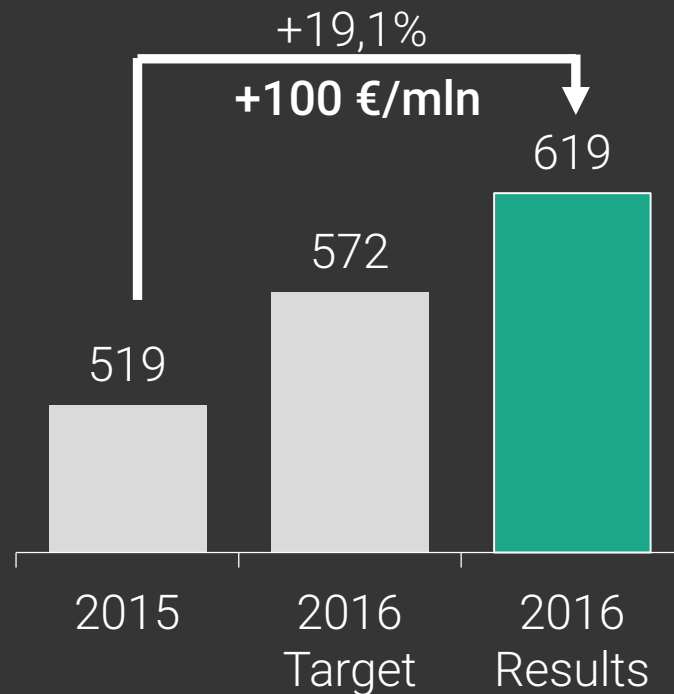


Execution on track

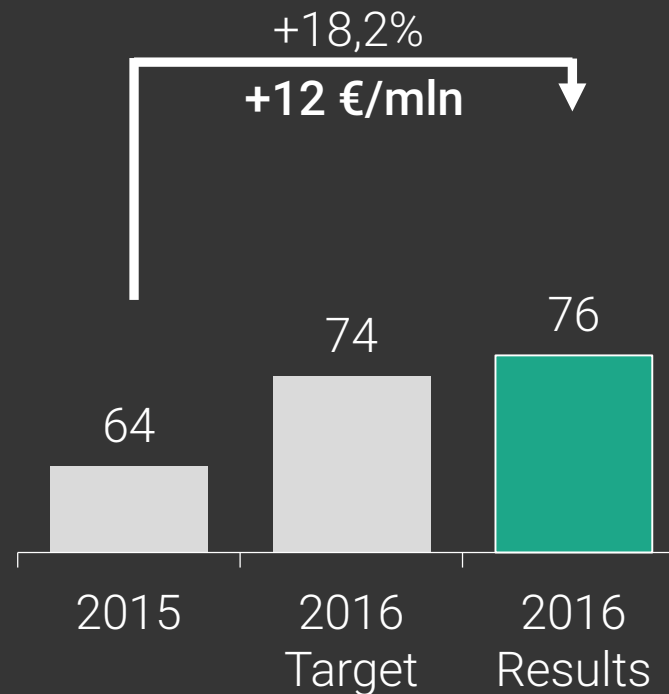
Anticipating plan
Execution

On track with plan
Execution

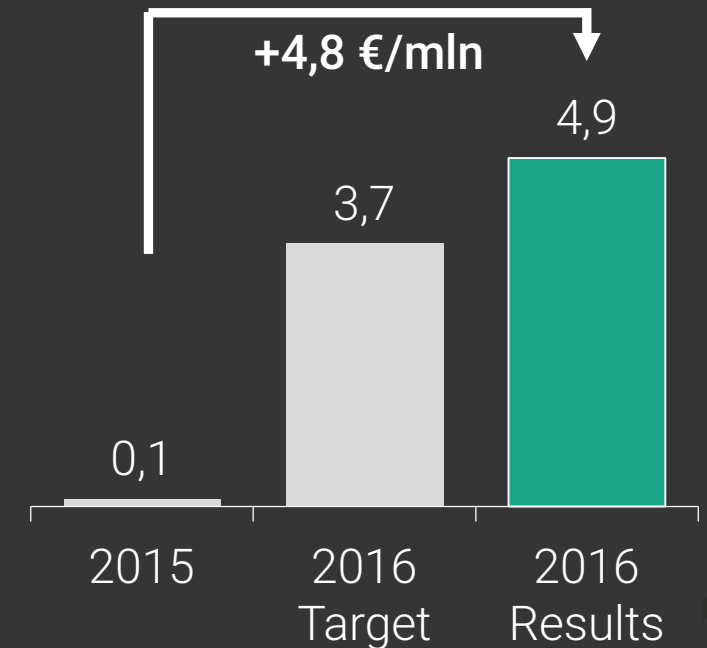
Net Sales



EBITDA



N.F.P.



Where we are: business plan update

Products

Exceeding targets

Wood

Housing

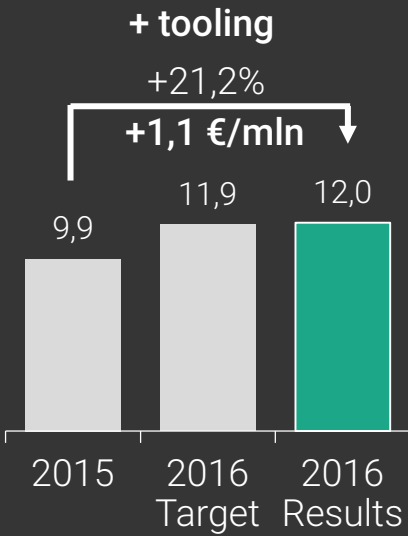
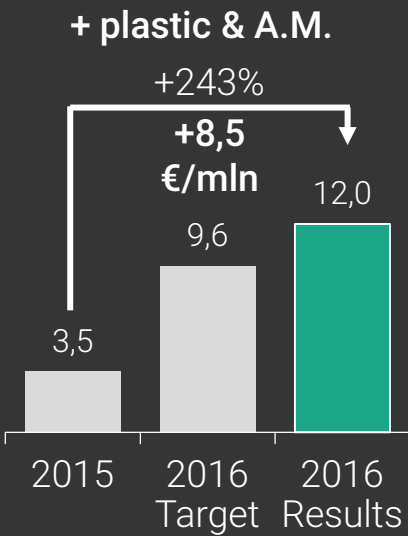
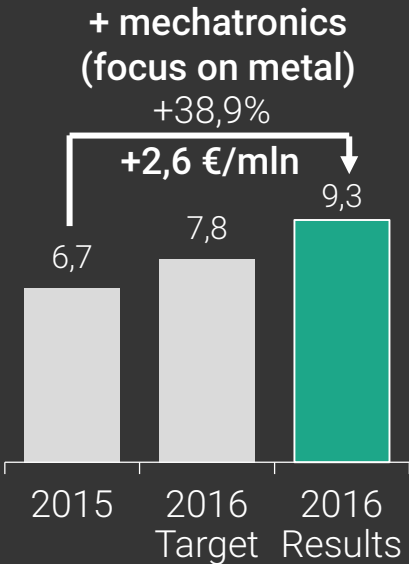
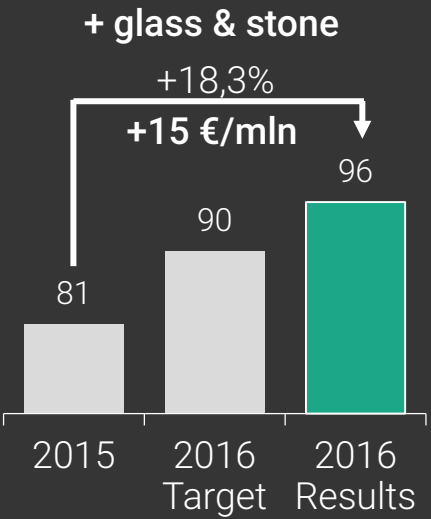
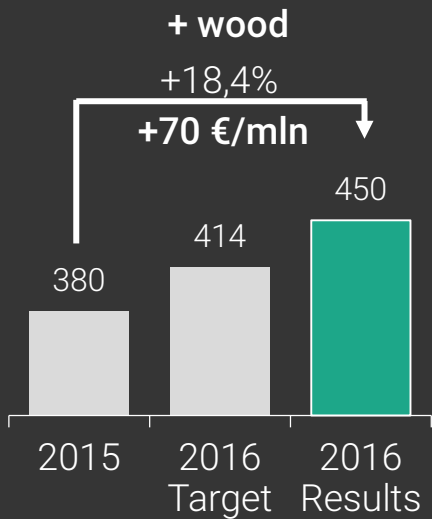
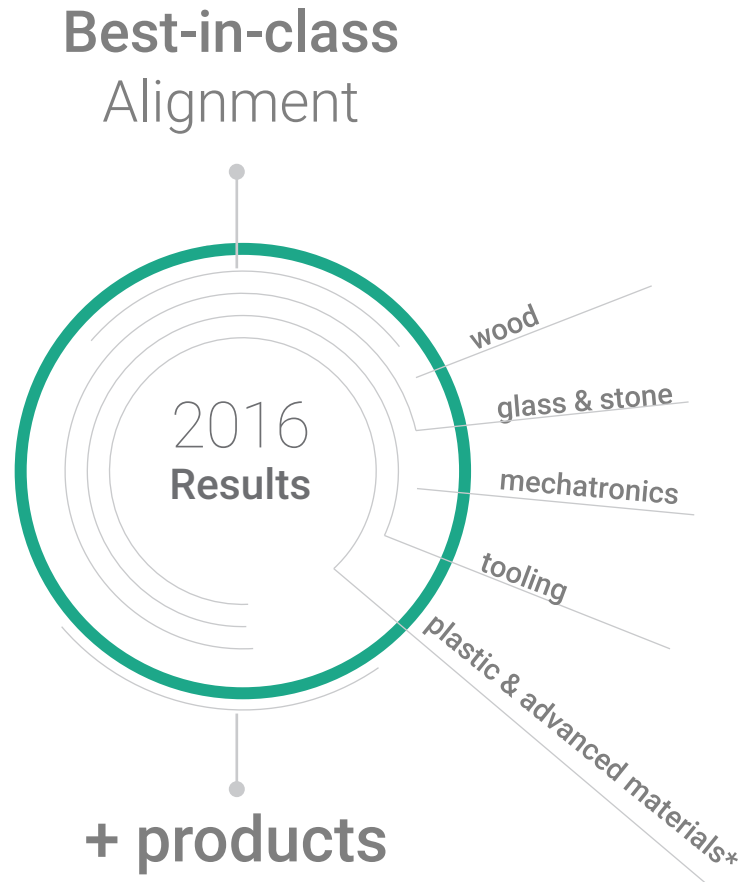
Glass & Stone

Mechatronics

Tooling

Advanced Materials

Exceeding targets



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

Where we are / Products

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.

 **BIESSEGROUP**

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

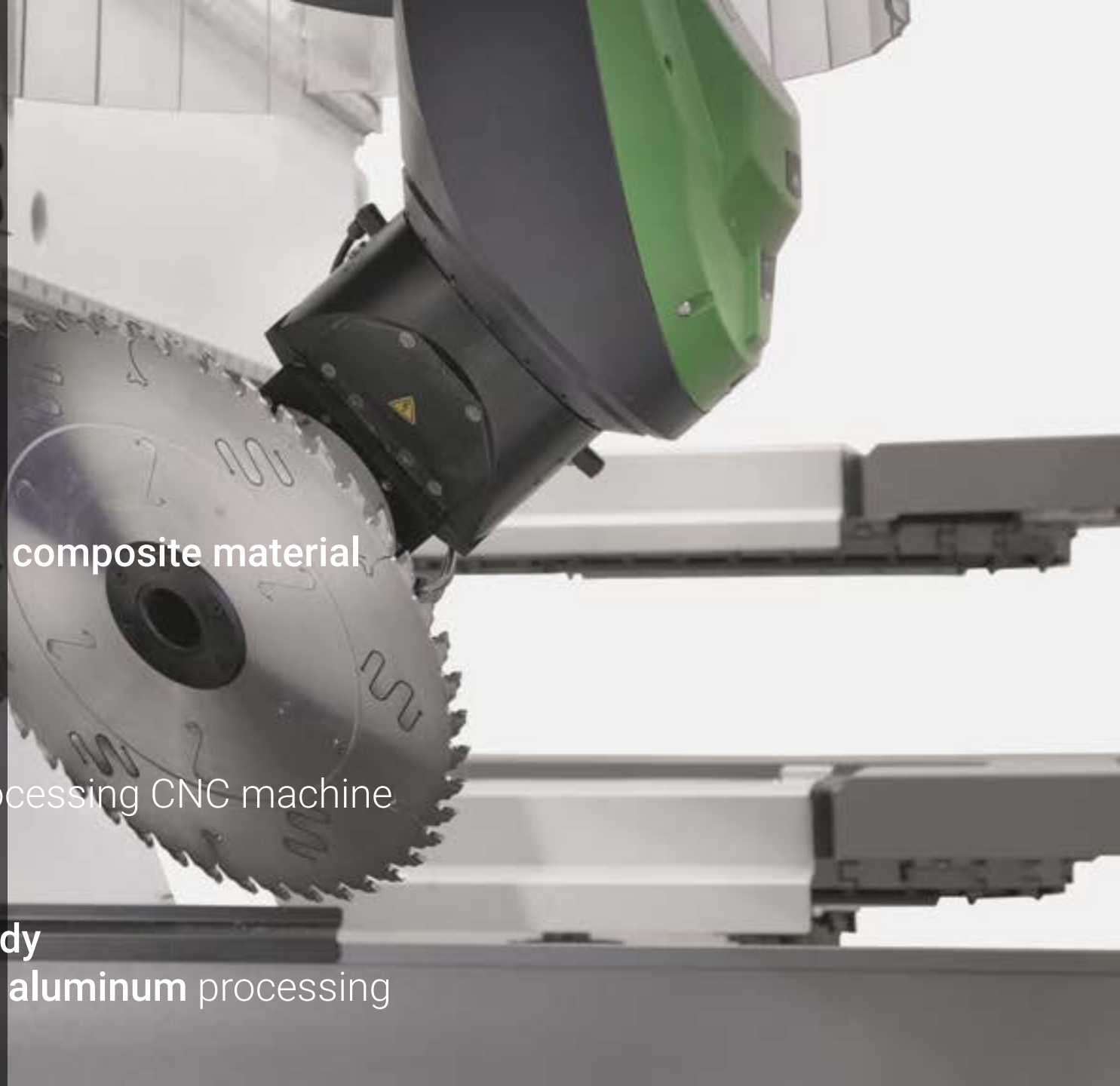
HS610

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

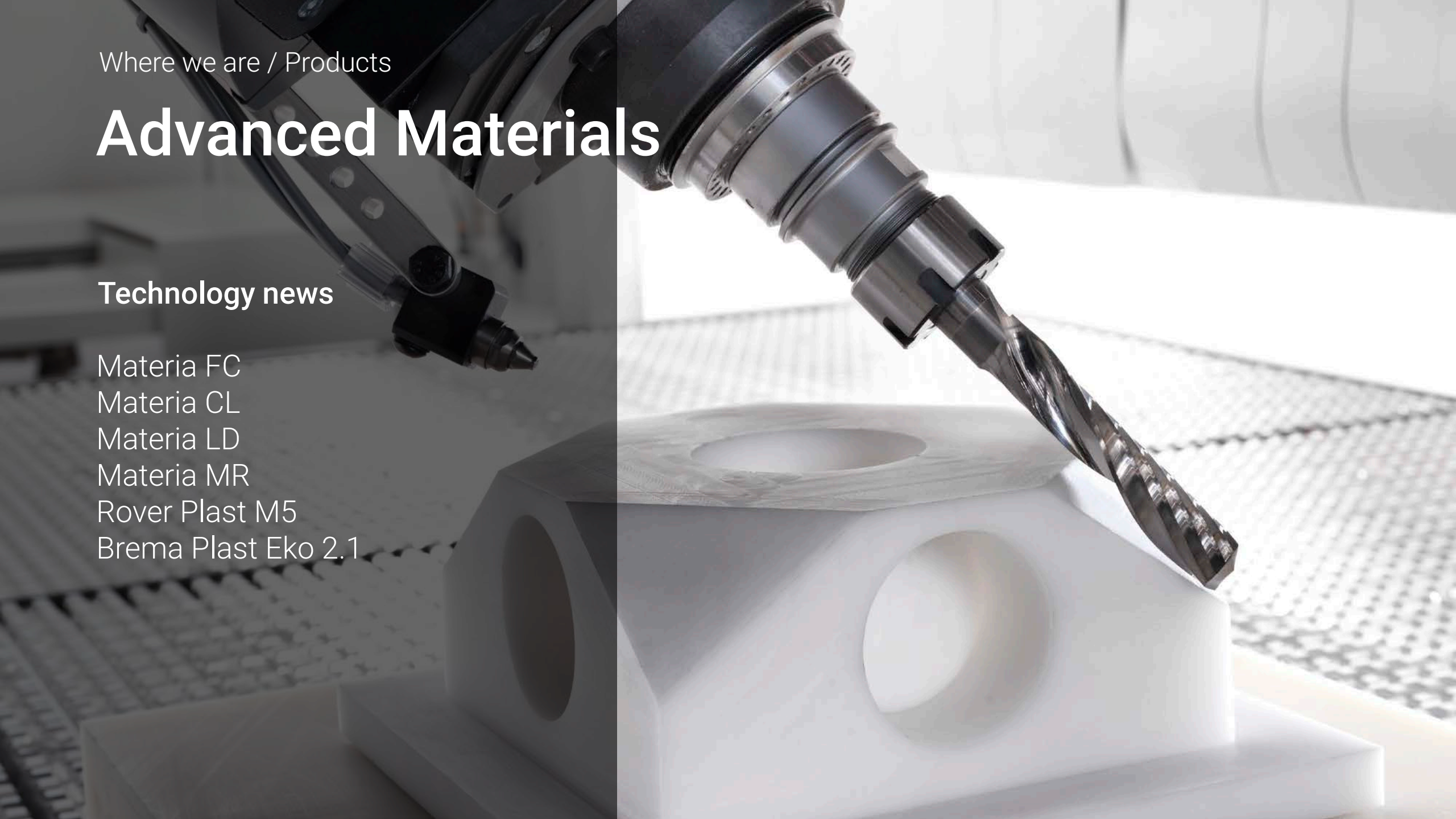
DMV/504

New Flash

Tools for technical materials

 **BIESSE**GROUP

 **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

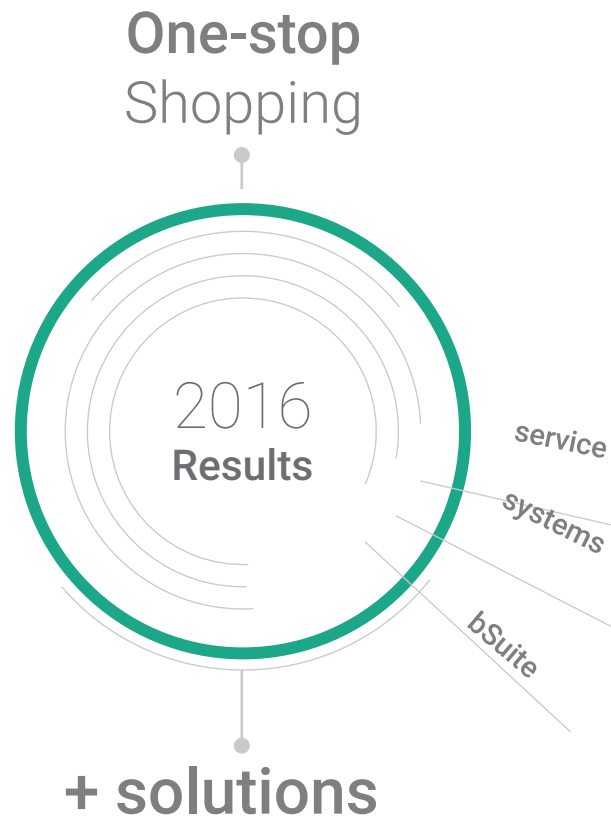
Service

Systems

bSuite achievements

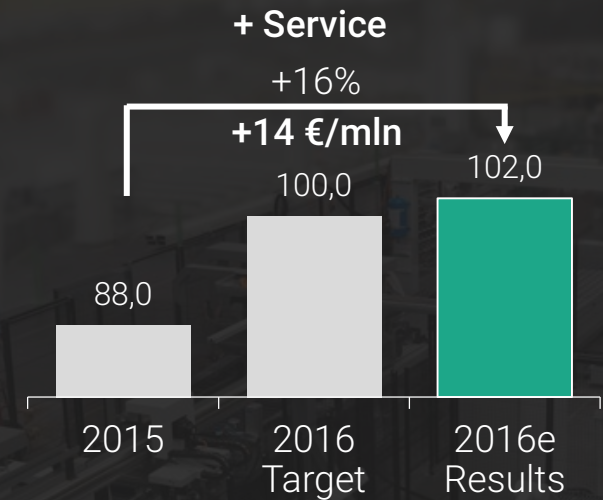
Where we are / Solutions

Exceeding targets



102 €/mIn

Service Sales
In 2016

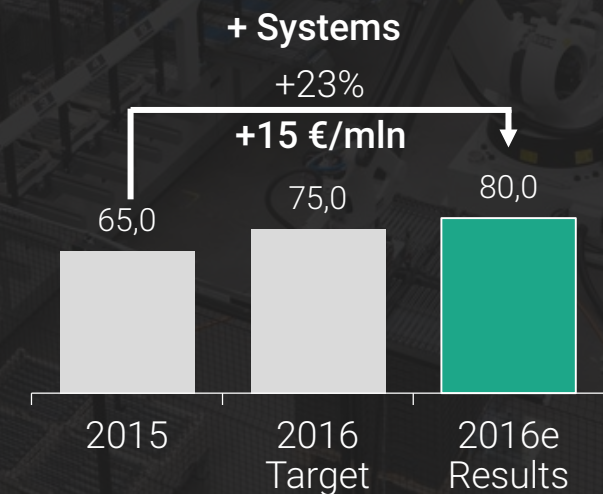


16,0%

System Incidence on
Machine Sales in 2015

18,0%

System Incidence on
Machine Sales in 2016



Where we are / Solutions

 **BIESSEGROUP**

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

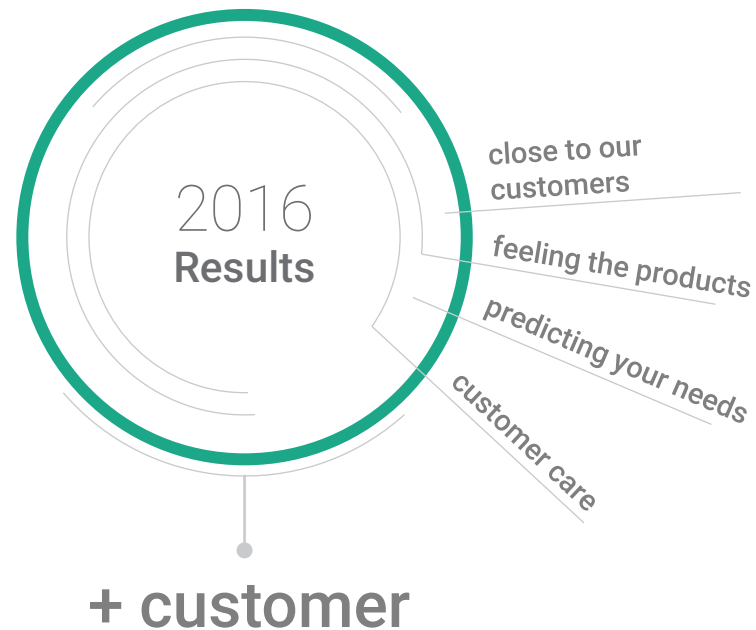
Close to customers

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

 **BIESSEGROUP**

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

 **BIESSEGROUP**

Institutional events

Biesse Campus

Pesaro, Italy

April, 16th 2016

Major Customers

International Press

Institutional figures, with the special participation of the Minister Boschi



Where we are / Customer Experience

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)



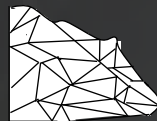
01
Design



02
Materials



03
Production



04
Shape &
Installation

Software



Materials Innovation



**Digital Manufacturing
Machines**



Industry 4.0

IloT with **Accenture & Microsoft**

Biesse is collaborating with Accenture & Microsoft on an **Industrial Internet of Things (IloT)** 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 IloT capabilities delivers **more control over its machines and overall competitive differentiation.**

I.I.o.T. - service transformation

Sensors and devices fitted into machines enable in depth analysis to be **carried out** and viewed via control panels on **mobile devices**

CNC I.I.o.T. Service Pack

- ✓ Priority service and extended coverage
- ✓ Continuous connection with the Biesse control center
- ✓ Direct monitoring of machine performance through a dedicated app
- ✓ Analysis of machine stoppages, remote diagnostics and fault prevention
- ✓ On site functional checks and technical inspections within the warranty period

At the end the service transformation is:

Significant benefit

- Optimization of efficiency and of operating quality
- Net reductions in repairs times
- Better accuracy in predicting machine stoppage
- Remote software updates

1h

maximum time taken
to deal with an instance
of machine stoppage

80%

reduction in the time
required for the diagnostic
process

50%

overall reduction in
downtime

partnership with Accenture and cloud services
provided by Microsoft through their
AZURE platform

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 mln€
2019 Target

Advanced
Materials
30 mln€
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

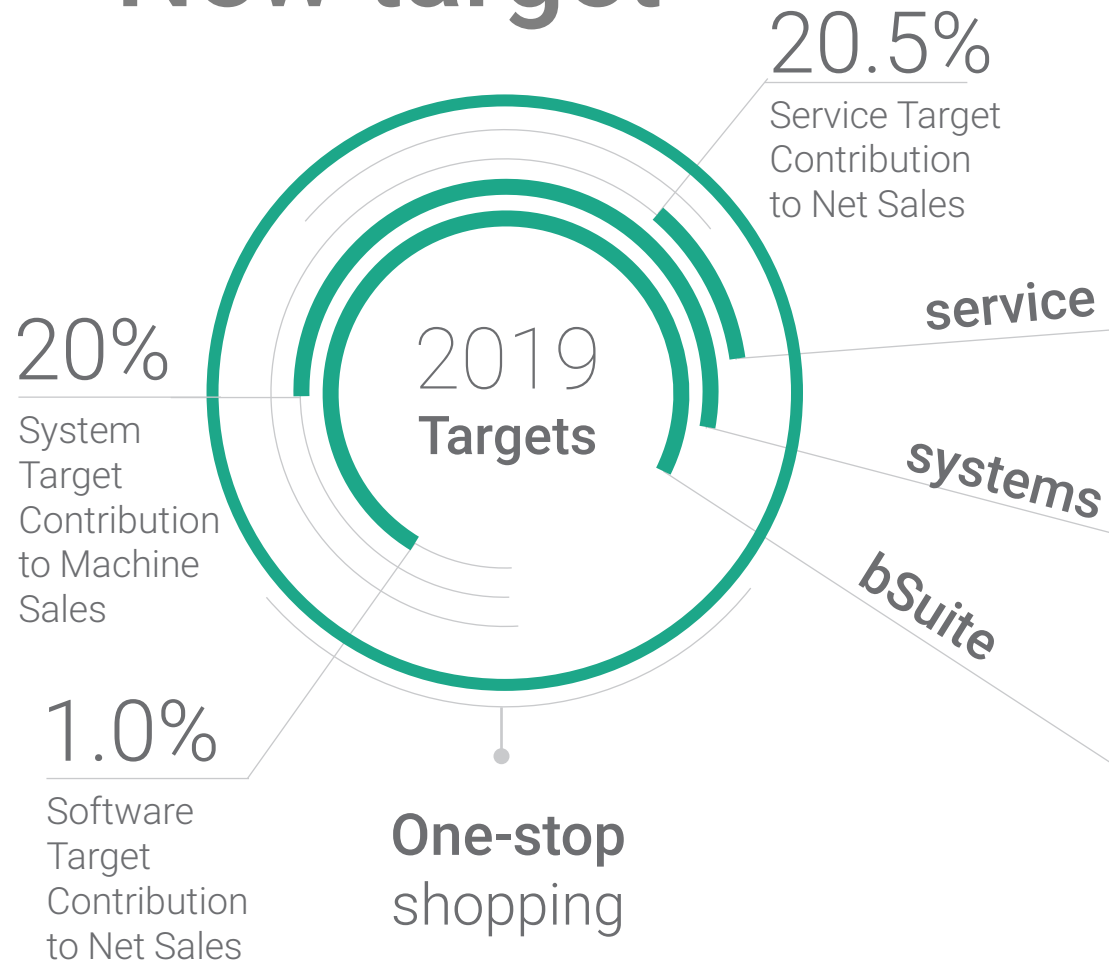
92%

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

 **BIESSE**GROUP

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

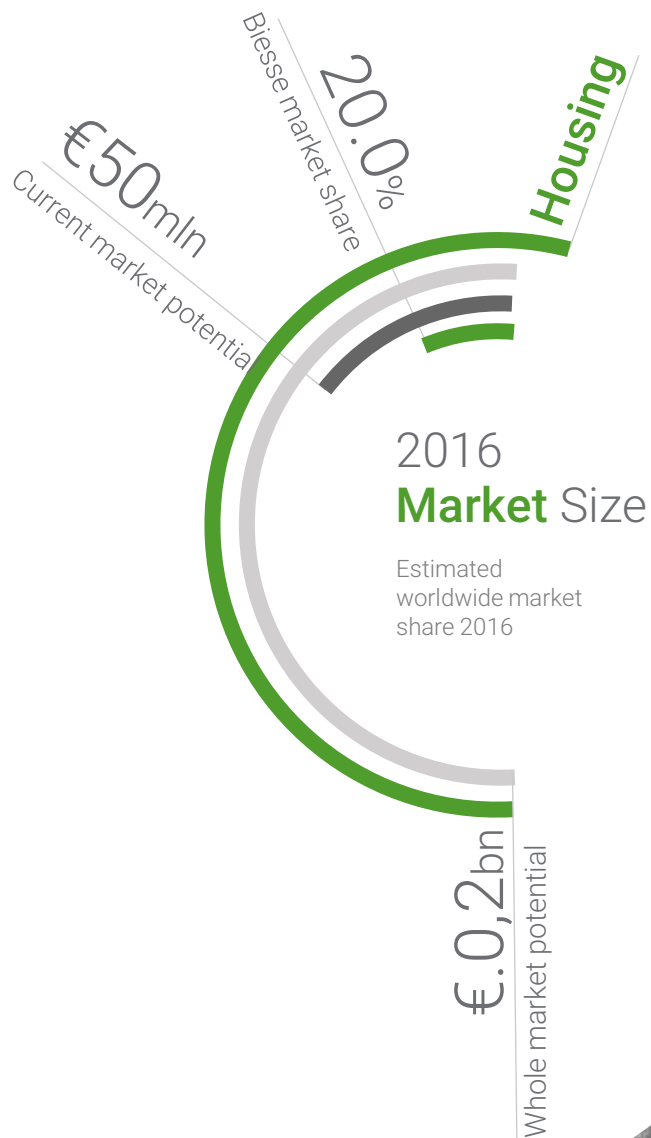
03

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 Négoc
(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



***Advanced materials**

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

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 grow 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

Where we want to go / More Solutions

bSuite

1.0%

Potential Software
Fees contribution to
Net Sales

BIESSEGROUP

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

 **BIESSE**GROUP

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

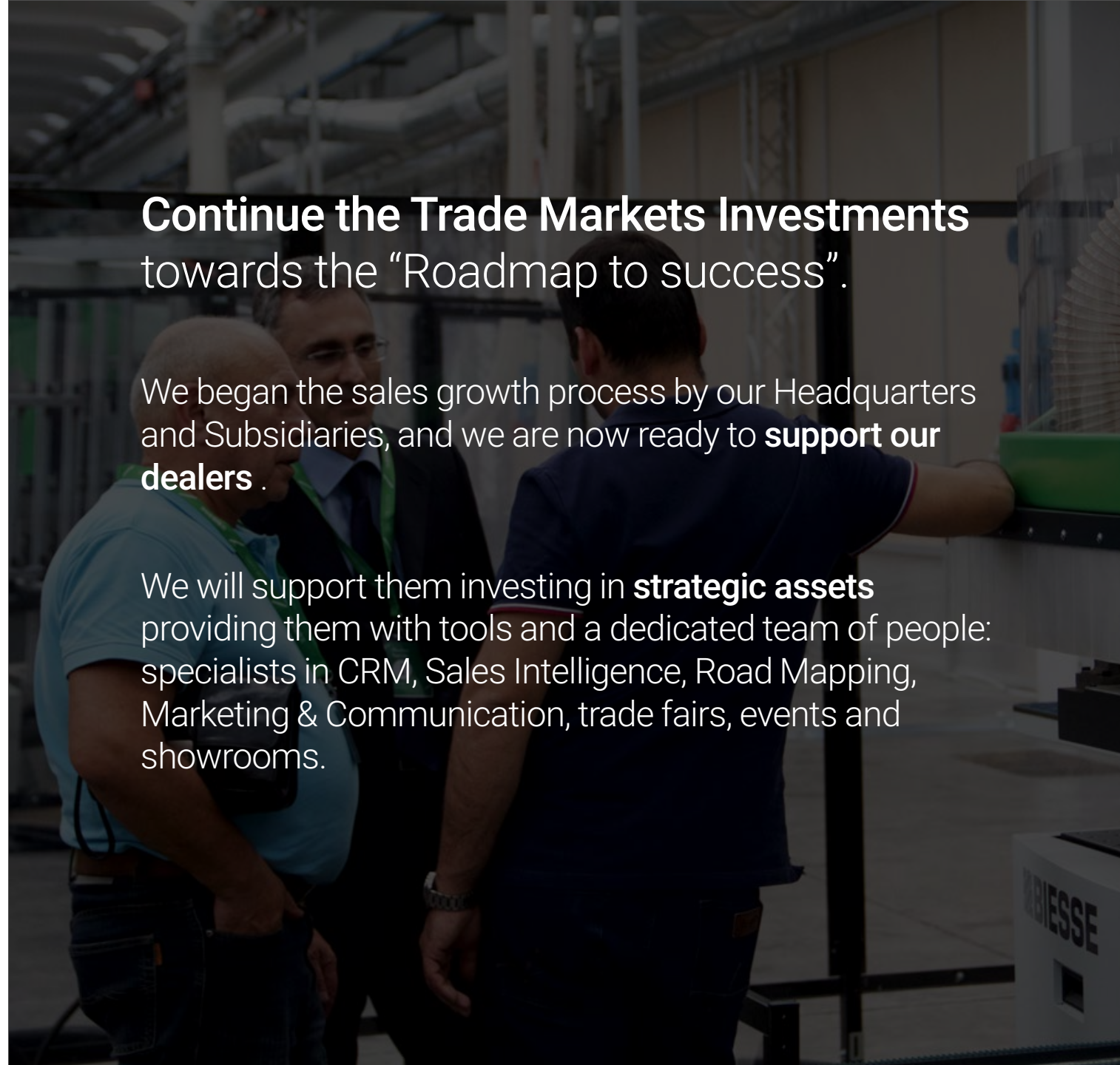
Close to customers: **Trade Distribution 2.0**

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

15%

2019 Target (machines)
production abroad quote

Where we want to go / BCx

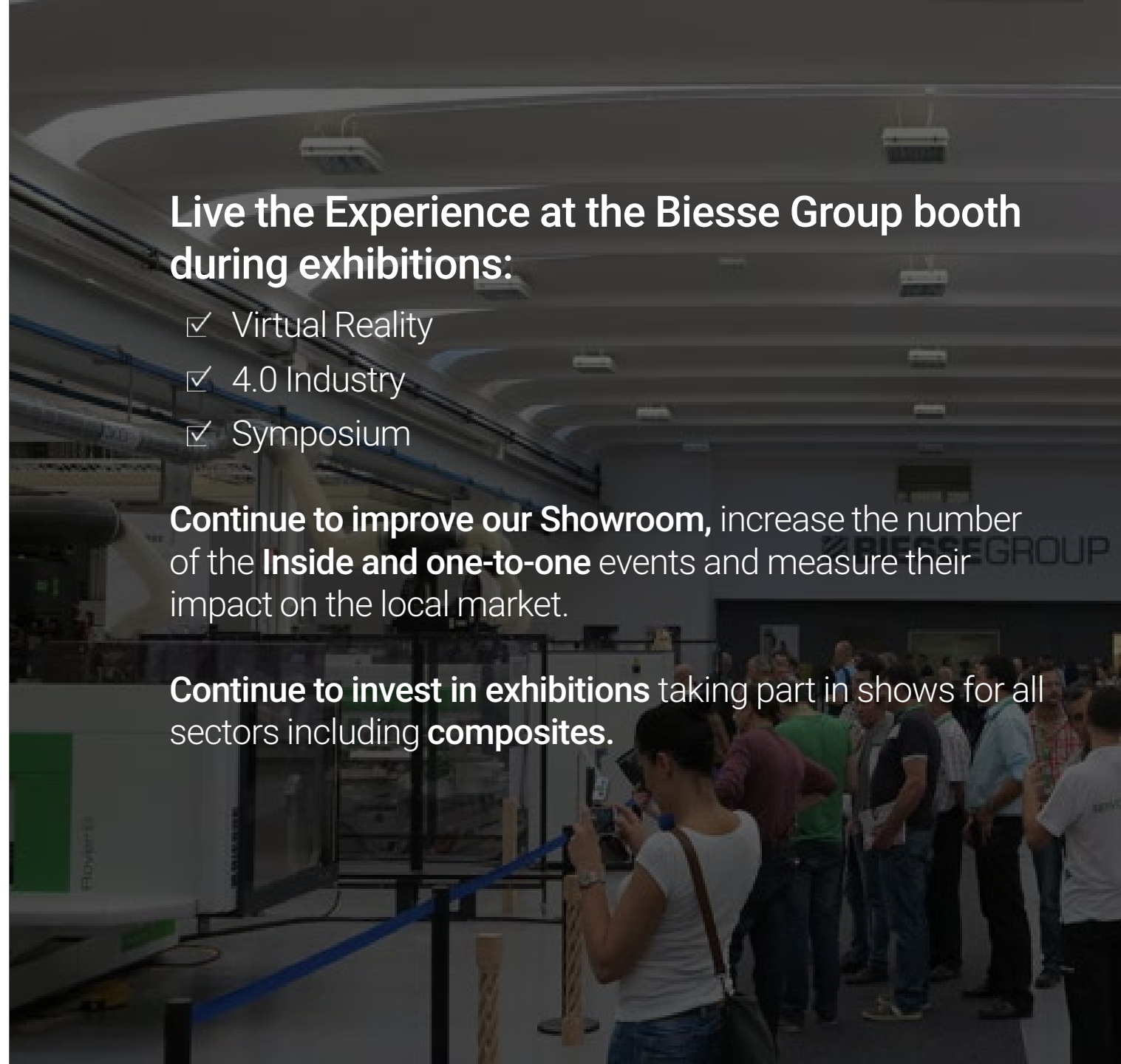
Feeling the products

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**.



Where we want to go / BCx

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 – IQ 2017

Orders

Sales breakdown

Results breakdown

✓Revenue

✓Profit

✓O.N.W.C.

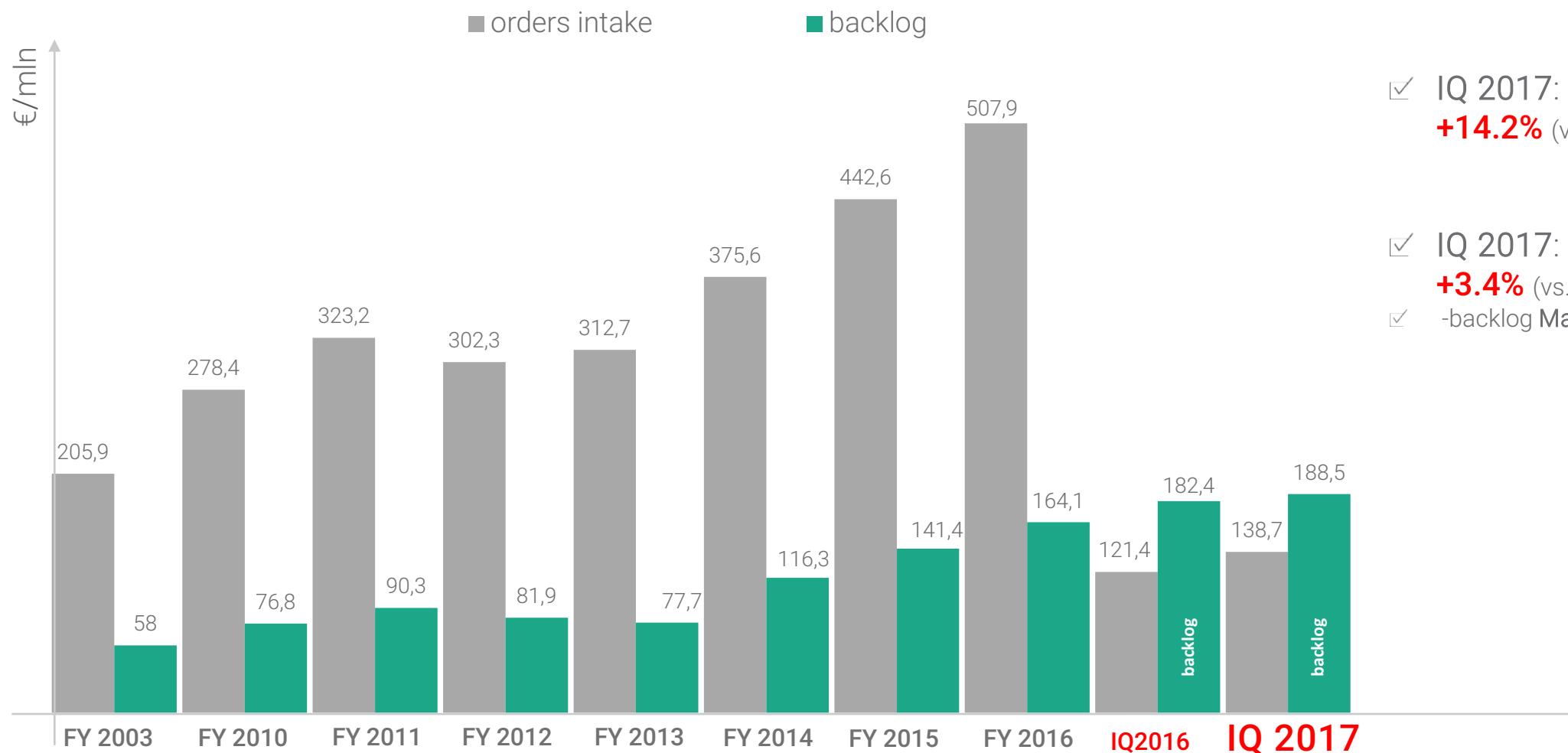
✓Cash

People

Shareholders



orders intake & backlog

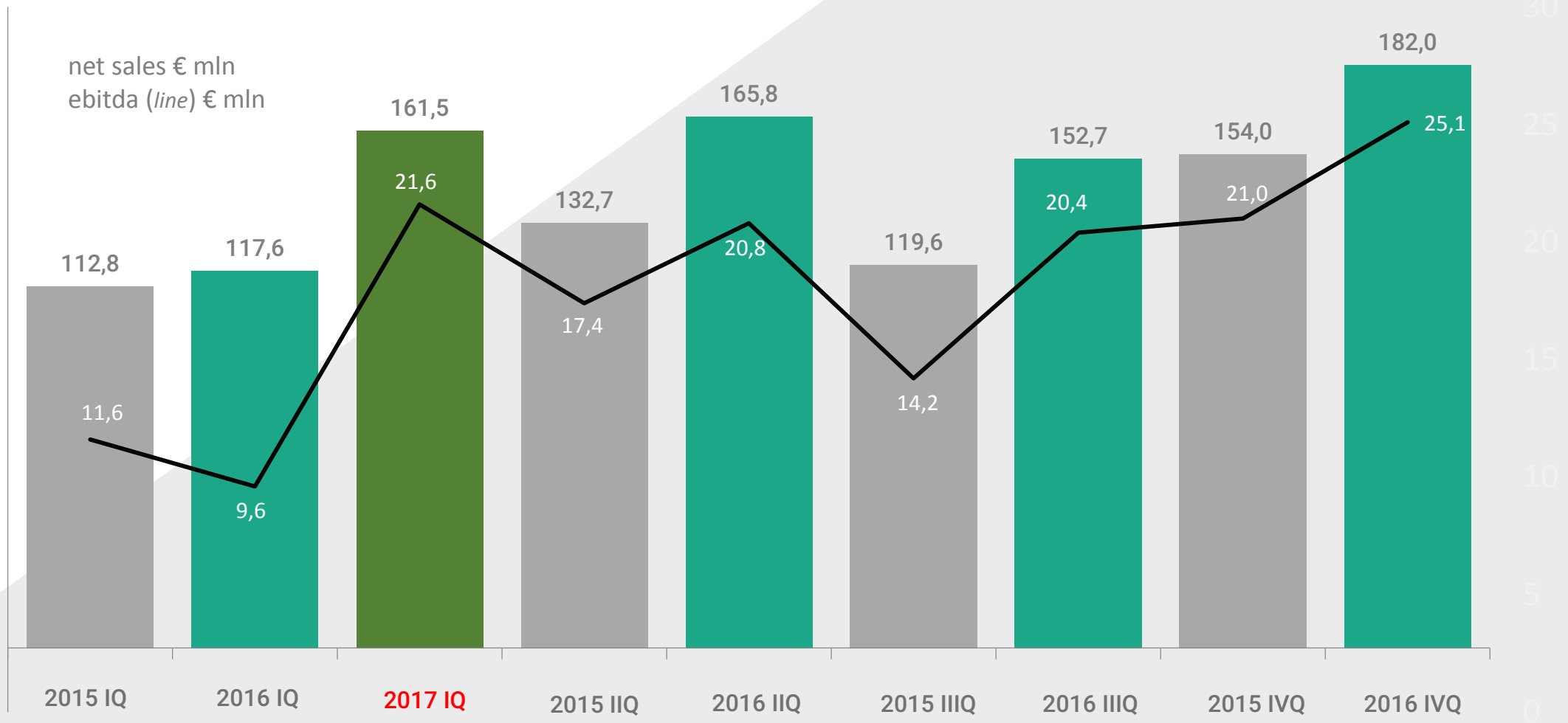


✓ IQ 2017: Group orders intake
+14.2% (vs. the same period 2016)

✓ IQ 2017: Group backlog
+3.4% (vs. the same period 2016)

✓ -backlog March 2017 € 188.5 mln-

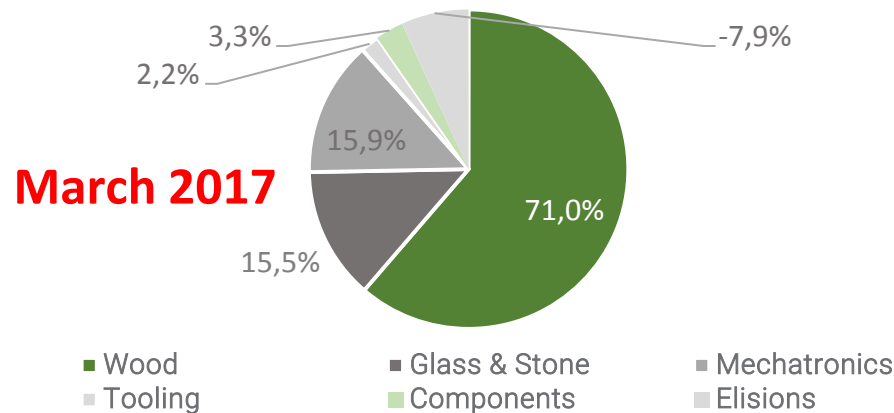
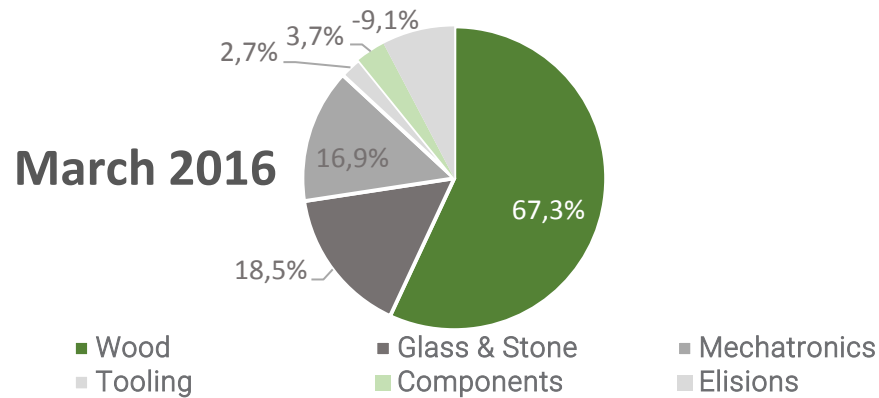
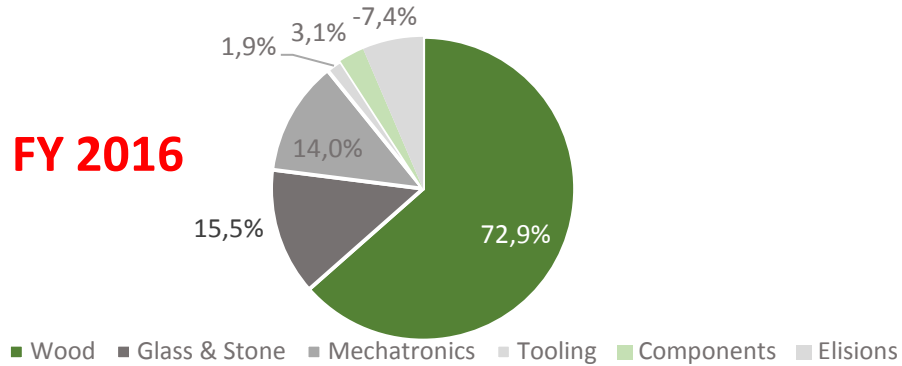
by quarters



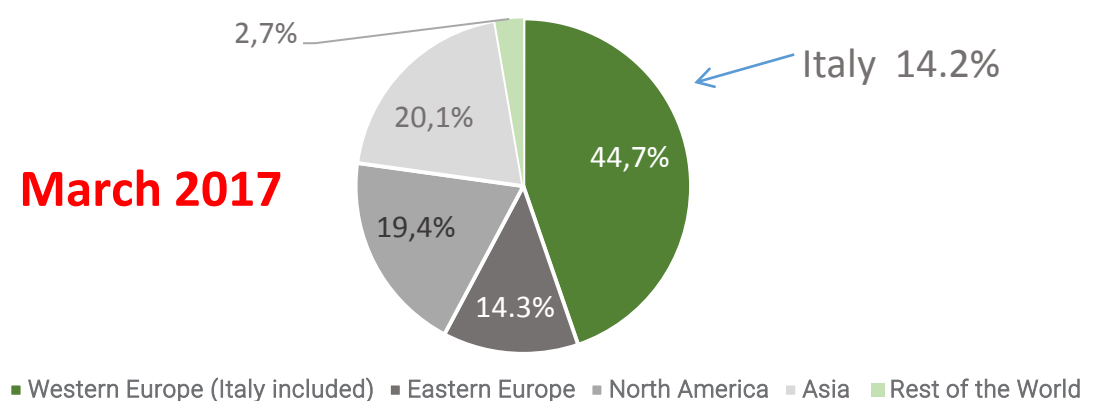
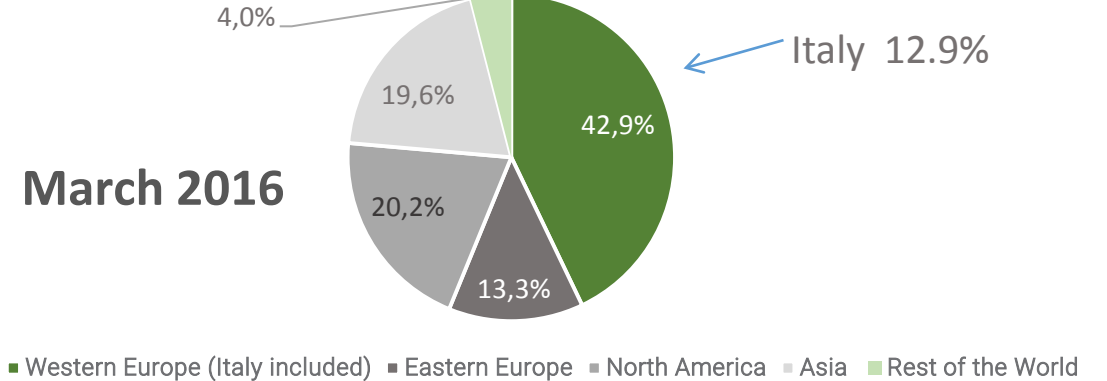
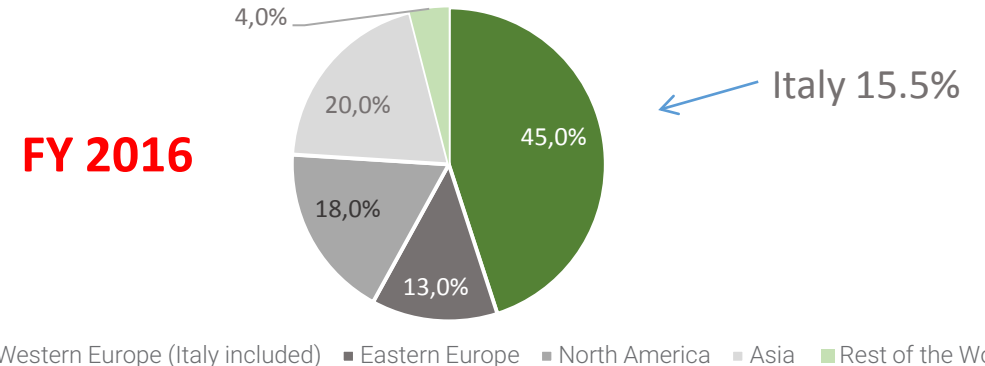
Sales breakdown- March 2017

BIESSEGROUP

by business division



by main geo-area



Extract of the P&L – IQ 2017

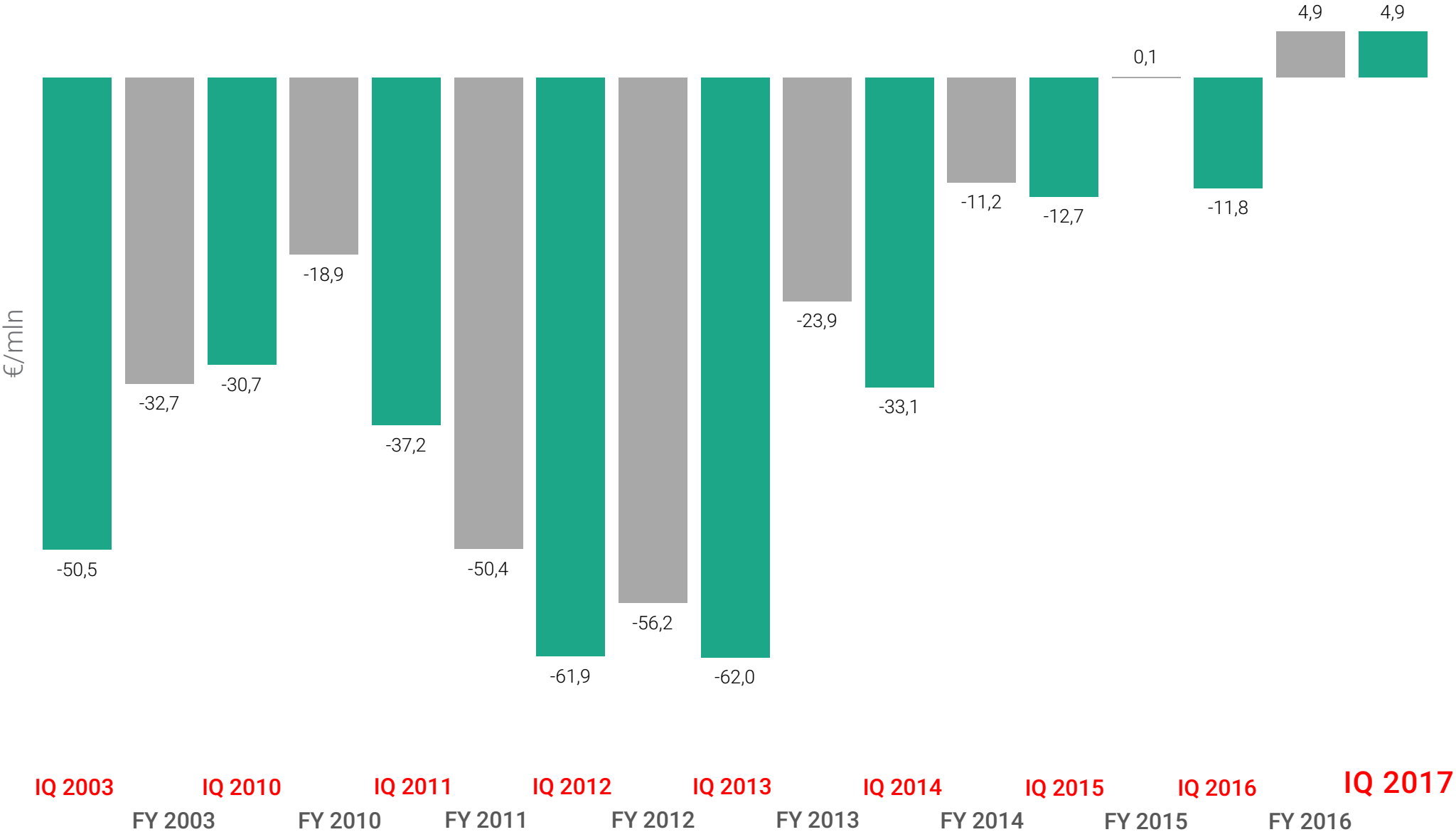
 **BIESSE GROUP**

€/mln	FY 2013	FY 2014	FY 2015	FY 2016	IQ 2016	IQ 2017
Net sales year -1	378.4 -1.2%	427.1 +12.3%	513.1 +21.5%	618.5 +19.1%	117.6 +4.3%	161.5 +37.3%
Value added %	143.5 37.3%	163.1 33.6%	212.4 40.3%	252.4 40.8%	50.9 43.3	69.8 43.2%
Labour cost %	112.7 23.8%	128.2 30.0%	148.2 28.6%	176.6 28.6%	41.2 35.1%	48.2 29,8%
EBITDA %	30.3 8.2%	40.3 3.6%	64.1 12.4%	75.8 12.3%	9.6 8.2%	21.6 13.4%
EBIT %	18.1 4.8%	26.5 6.2%	43.8 8.4%	56.3 8.1%	5.4 4.6%	16.1 10.0%
Net Result %	4.3 1.1%	13.8 3.2%	21.1 4.1%	29.5 4.8%	3.1 2.7%	9.4 5.8%
				tax rate	47.1%	36.8%

Cashflow IQ 2017

€/mln	FY 2013	FY 2014	FY 2015	FY 2016	IQ 2016	IQ 2017
Gross Cashflow % net sales	52.1 13.8%	38.3 3.0%	46.3 8.3%	46.6 7.5%	-7.3	+11.5
Investments % net sales	-13.3 5.2%	-20.8 4.3%	-25.2 4.3%	-32.0 5.2%	-4.6	-6.6
Net Cashflow %	32.3 8.5%	17.5 4.1%	21.1 4.0%	14.6 2.4%	-11.9	4.9
not ordinary items (dividends/treasury shares activity balance /acquisitions payment)	--	-4.8 div. paid € 0.18 per share	-3.8 div. paid € 0.36 per share	-9.8 div. paid € 0.36 per share		
delta Net debt	+32.3	+12.7	+11.3	4.8	-11.9	----
NET FINANCIAL POSITION	-23.3	-11.2	0.1	4.9	-11.8	4.9

Net Financial Position trend – first quarters



Operating Net Working Capital IQ 2017

€/mln	FY 2013	FY 2014	FY 2015	FY 2016	IQ 2016	IQ 2017	
Inventories % net sales	22.8%	23.0%	21.5%	21.1%	110.0%	89.3%	DSI 163 days
Receivables % net sales	20.1%	18.3%	20.3%	20.8%	85.9%	73.2%	DSO 51 days
Payables % net sales	23.4%	28.8%	23.5%	31.1%	135.0%	117.5%	DPO 123 days
Operating Net Working Capital % net sales	51.4 13.6%	55.6 13.0%	63.4 12.2%	66.9 10.8%	71.6 61.0%	72.7 45.0%	target incidence <12%

People distribution (without interim people)

FY 2010 FY 2011 FY 2012 FY 2013 FY 2014 FY 2015 FY 2016

**March
2016** **March
2017**

Production % of total people	365 41%	1250 46%	1265 45%	1175 44%	1201 42%	1335 42%	1482 41%	1426 41%	1470 40%
Service & After sale % of total people	568 24%	577 21%	574 21%	613 22%	628 22%	630 22%	803 22%	788 22.4%	846 23%
R&D % of total people	233 12%	316 12%	338 12%	321 12%	361 13%	383 13%	436 12%	428 12.2%	456 12.3%
Sales & Marketing % of total people	340 13%	361 13%	364 13%	351 13%	433 15%	435 15.6%	587 16%	565 16%	598 16.2%
G & A % of total people	202 3%	233 3%	242 3%	235 3%	252 3%	273 3%	310 8.5%	302 8.6%	320 8.6%
ITALY % of total people	1660 70%	1656 61%	1646 53%	1547 57%	1605 56%	1780 56%	2.009 56%	1327 55%	2060 56%
OUTSIDE ITALY** % of total people	708 30%	1081 33%	1136 41%	1148 43%	1276 44%	1336 44%	1.609 44%	1582 45%	1630 44%
TOTAL	2368	2737	2782	2635	2881	3176	3.618	3,503	3,690

People distribution

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	March 2016	March 2017
ITALY % of total people	1660 70%	1656 61%	1646 53%	1547 57%	1605 56%	1780 56%	2009 56%	1327 55%	2060 56%
OUTSIDE ITALY** % of total people	708 30%	1081 33%	1136 41%	1148 43%	1276 44%	1336 44%	1609 44%	1582 45%	1630 44%
TOTAL	2368	2737	2782	2635	2881	3176	3618	3,503	3,690

vs Dec 2016: **+72** without interim people

vs Dec 2016: **+76** with interim people

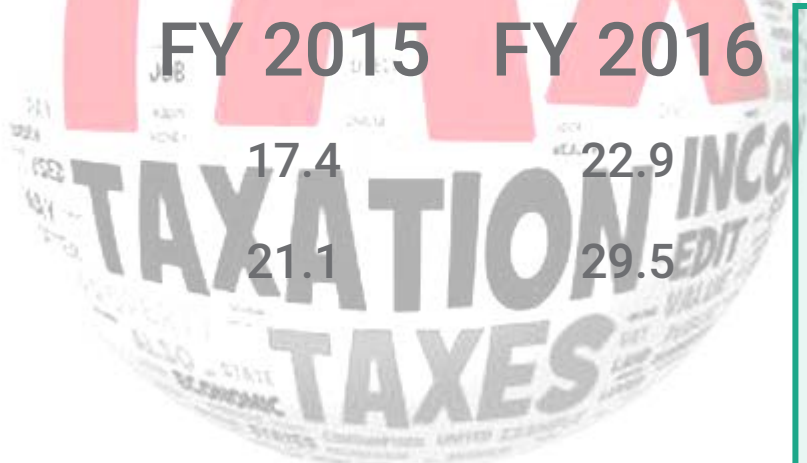
IQ 2017: 3,875

interim people at the end of March 2016: **138**

interim people at the end of December 2016: **181**

interim people at the end of March 2017: **185**

Tax rate



	FY 2015	FY 2016	IQ 2017
€/mln			
taxes	17.4	22.9	4.5
Net Result	21.1	29.5	9.4
tax rate	45.3%	43.8%	36.8%

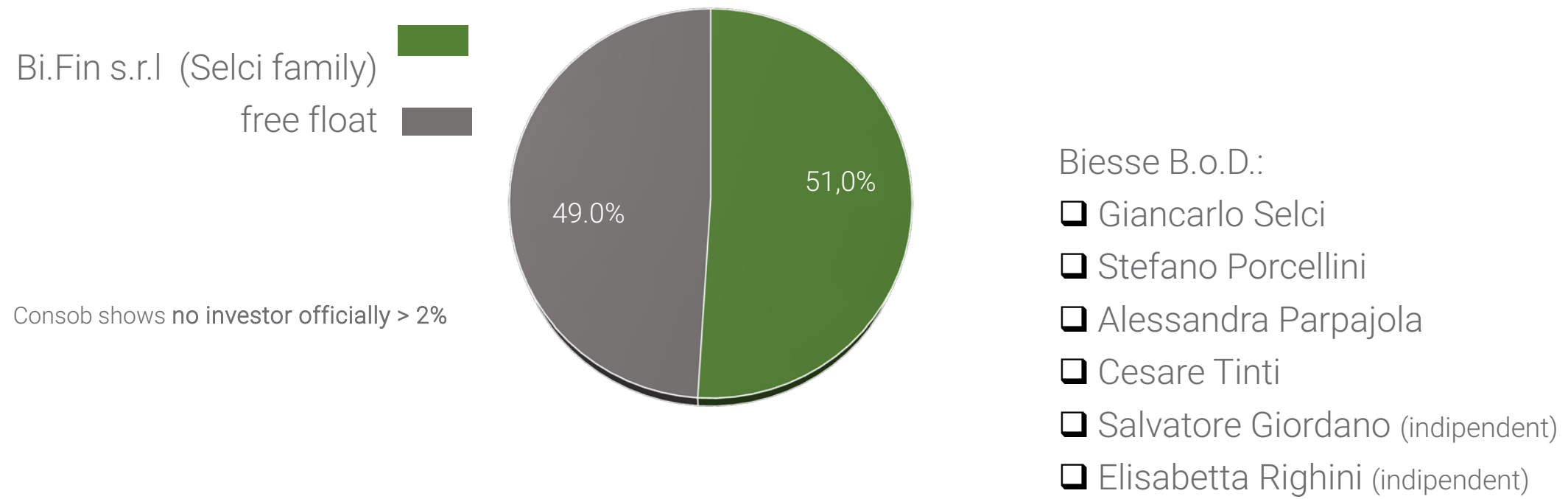
projected average tax rate for the 3 years plan 35%

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

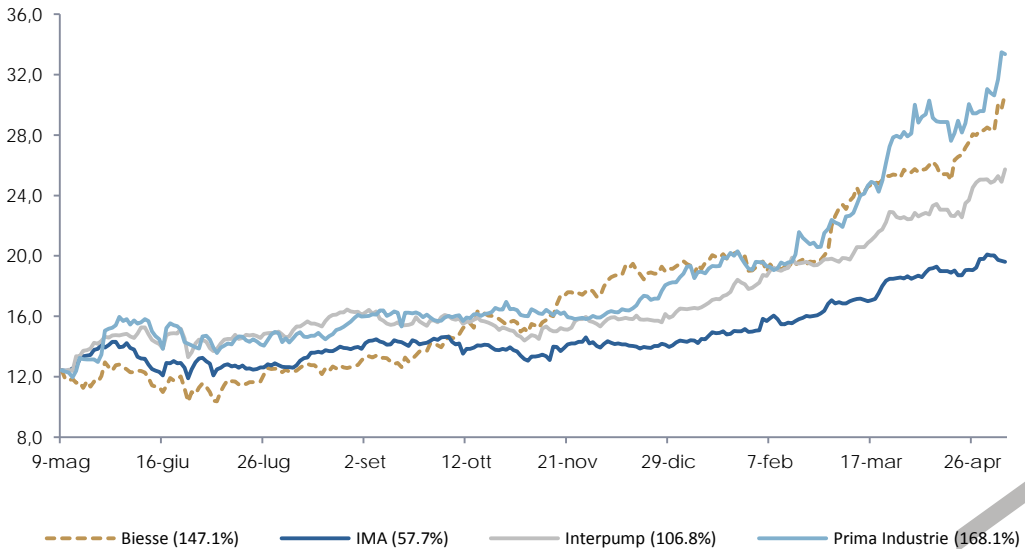
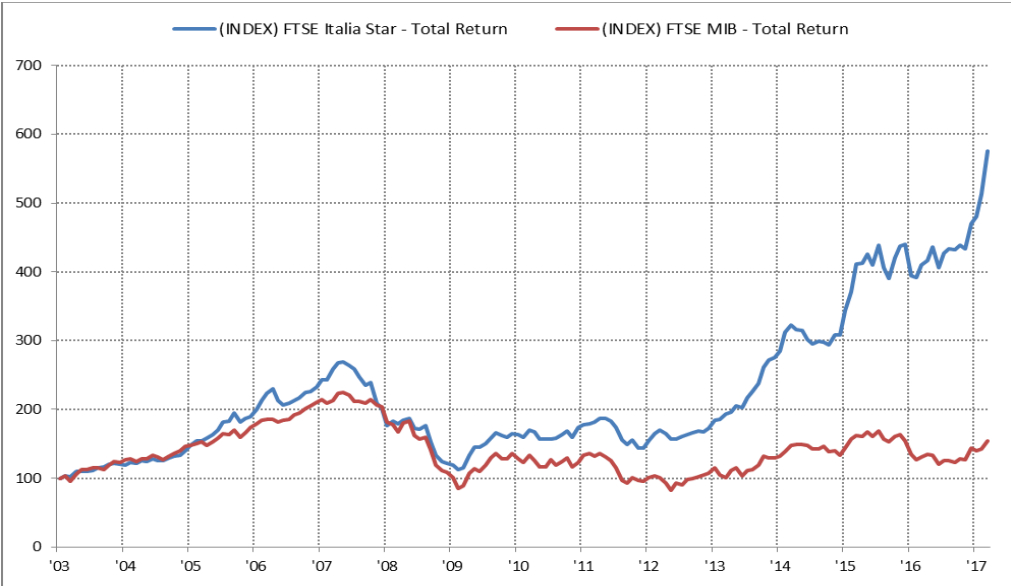
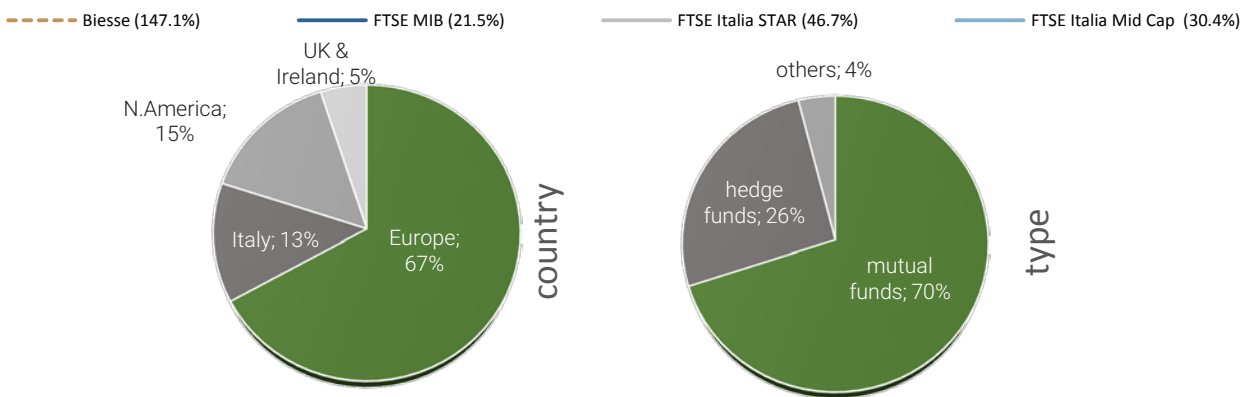
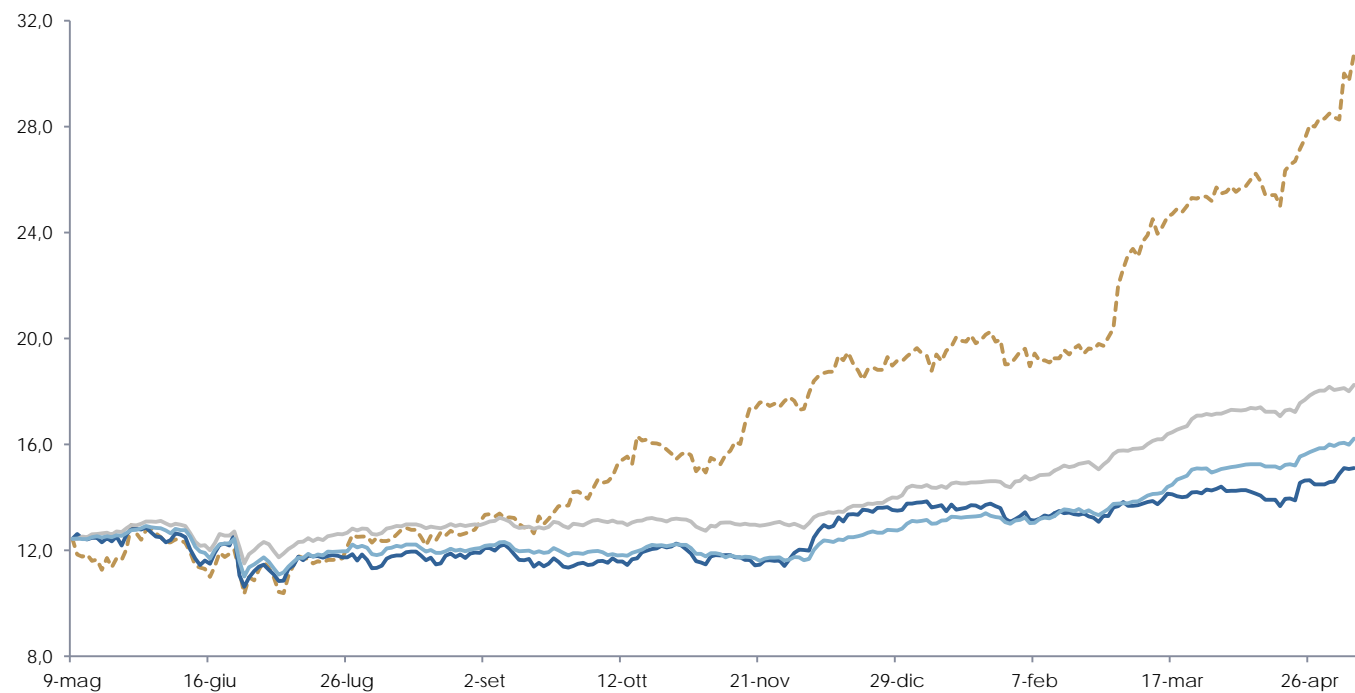
What next – IH 2017e

€/mln	FY 2016	IQ 2017	IH 2017e	FY 2017e
net sales year -1	618.5 +19.1%	161.5 +37.3%	337.1 +18.9%	676.3 +9.3%
ebitda %	75.8 12.3%	21.6 13.4%	41.0 12.2%	83.3 12.3%
ebit %	55.1 8.9%	16.1 10.0%	30.5 9.5%	60.6 9.0%
net financial position	+4.9	+4.9	-21.5	-0.5

Shareholders breakdown by ownership – Board of Directors



share price: statistics



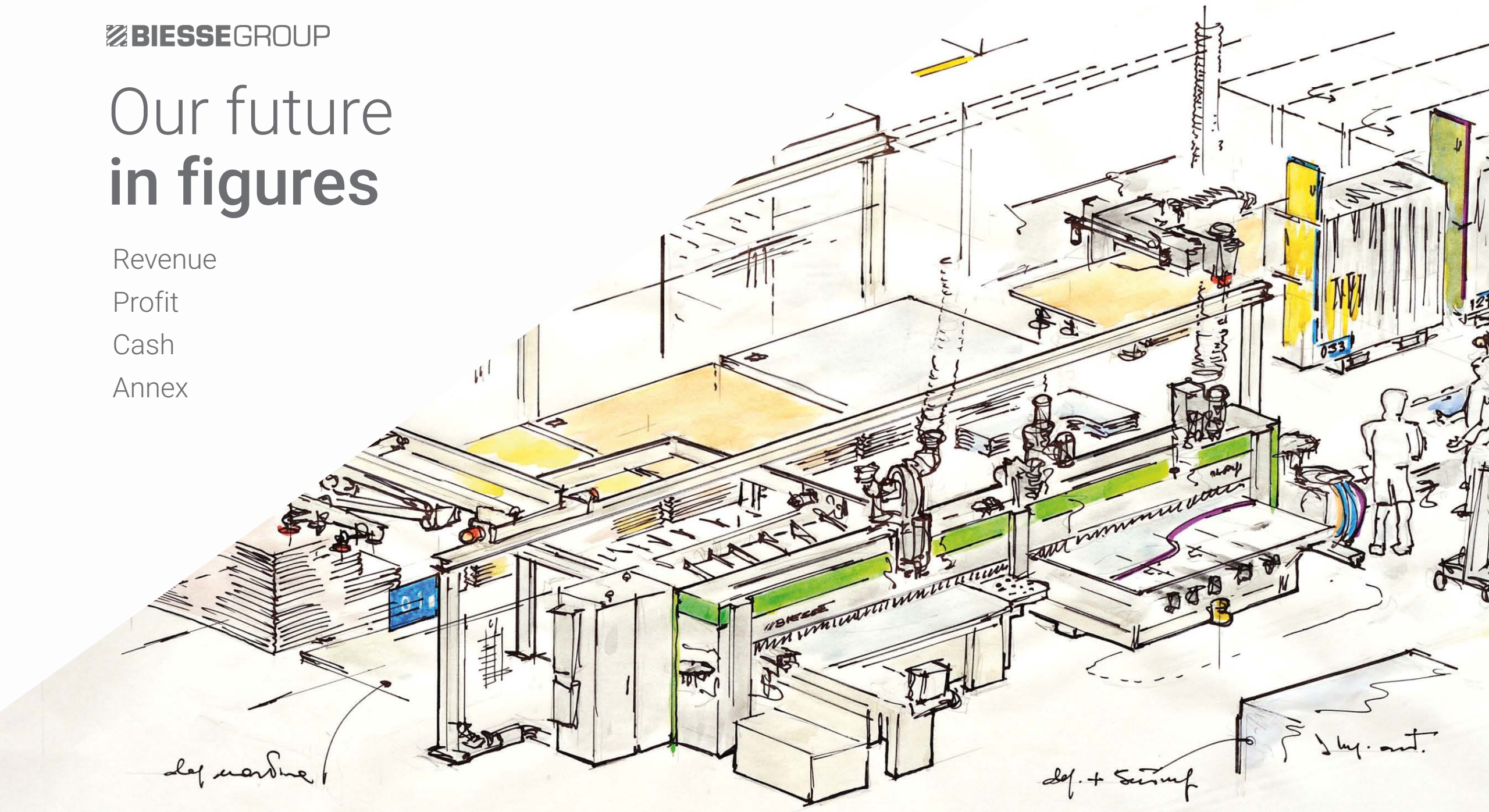
Our future in figures

Revenue

Profit

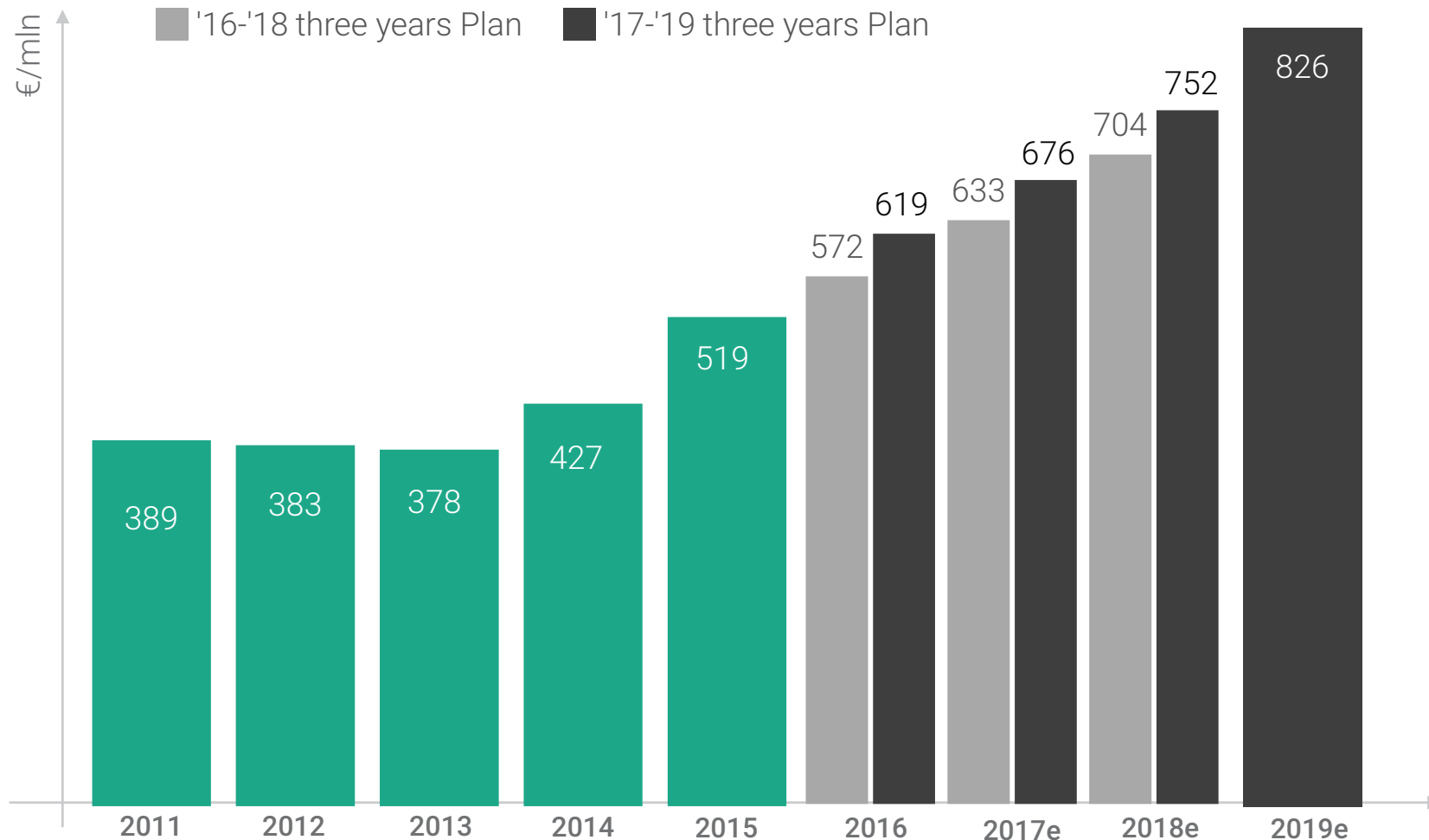
Cash

Annex



Our future in figures

Net Sales - Anticipating plan execution

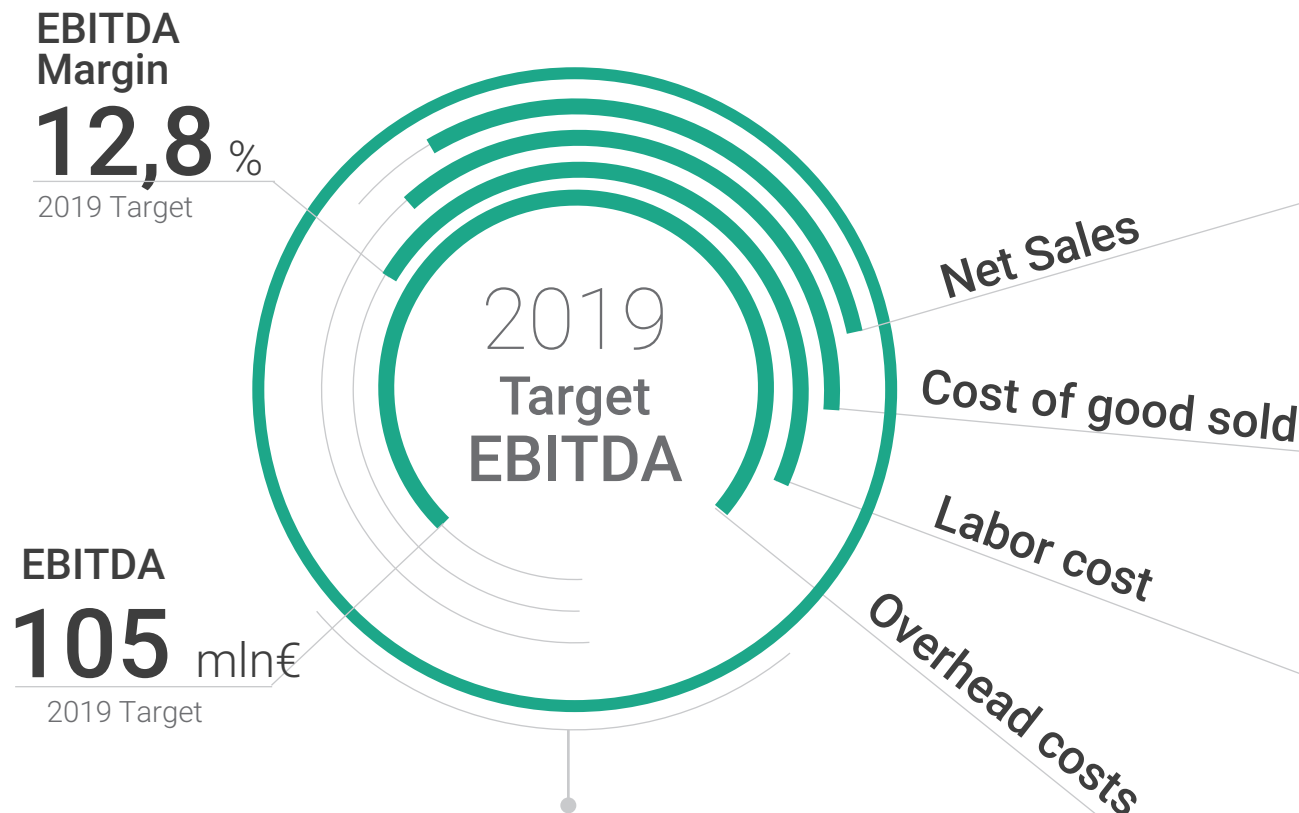


Confirming the growth path to consolidate our **leadership**

- ✓ 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



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

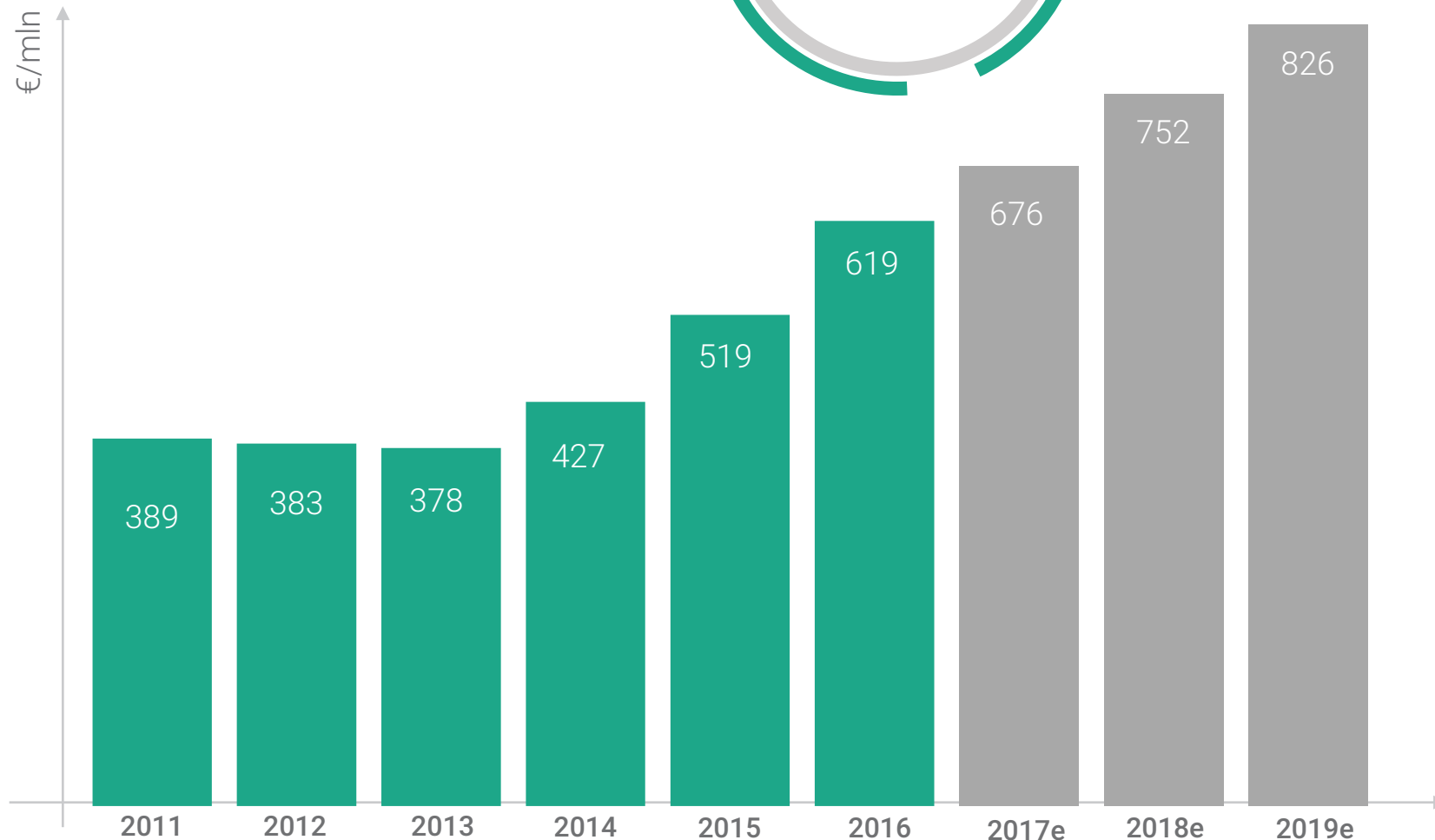
<20 %

Target Overhead Cost on
Incidence on Net Sales

✓ **Optimize** Overhead cost

Our future in figures / **Revenue**

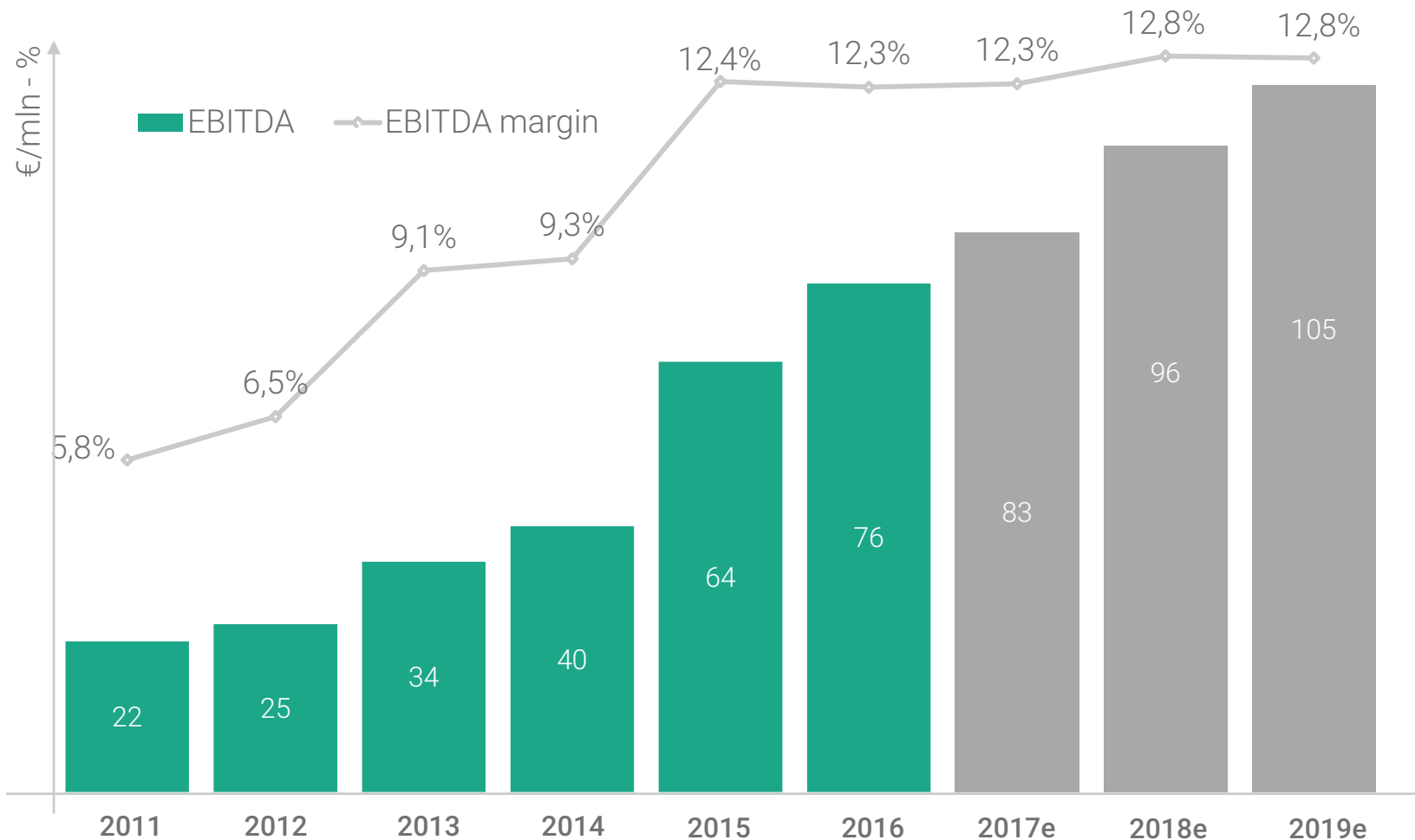
Net Sales



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

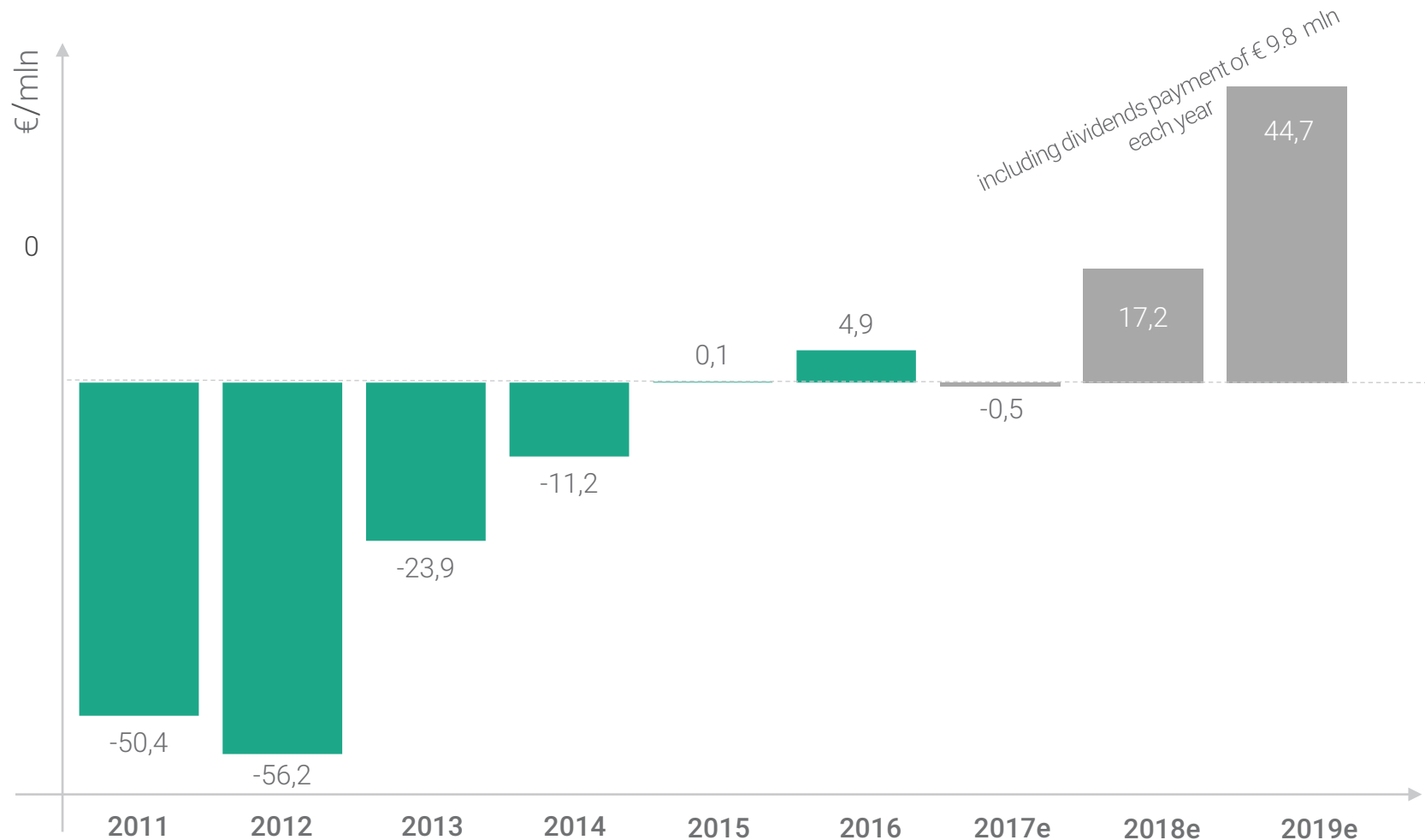
Ebitda



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%**

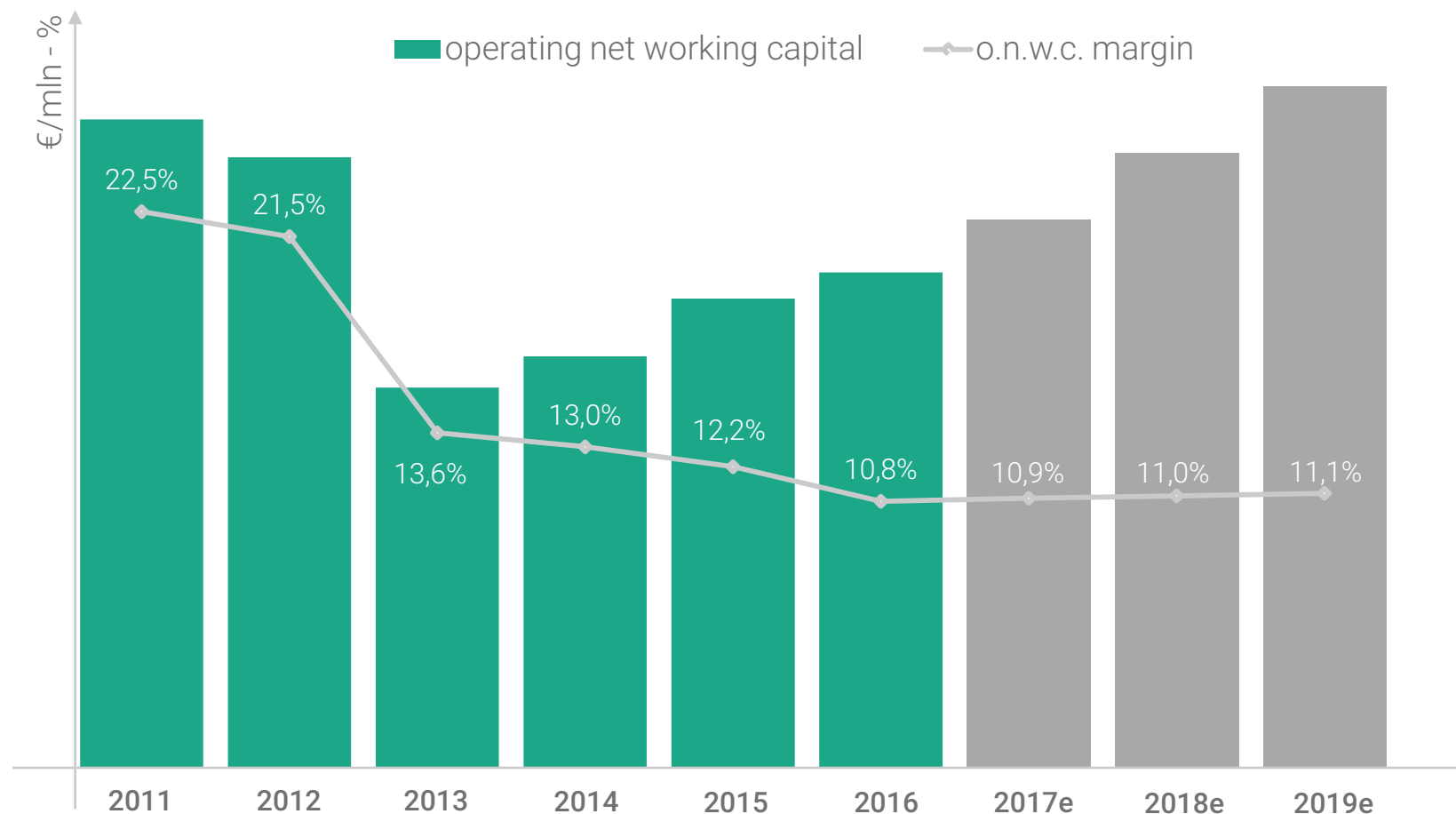
Net Financial Position



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 three years) for a total amount of > € 24 mln

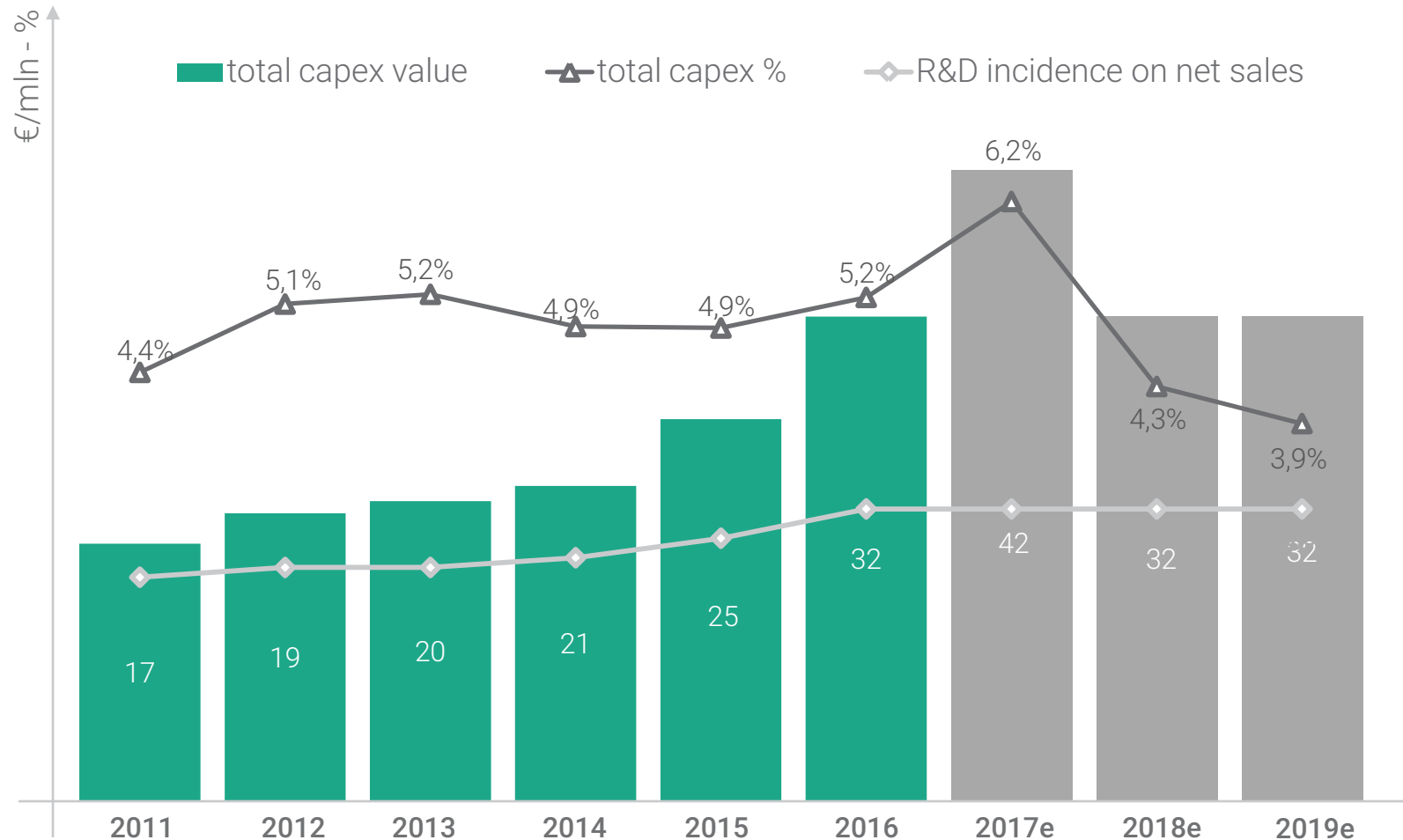
Operating Net Working Capital



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*



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

*Potential growth strategy through M&A not included

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



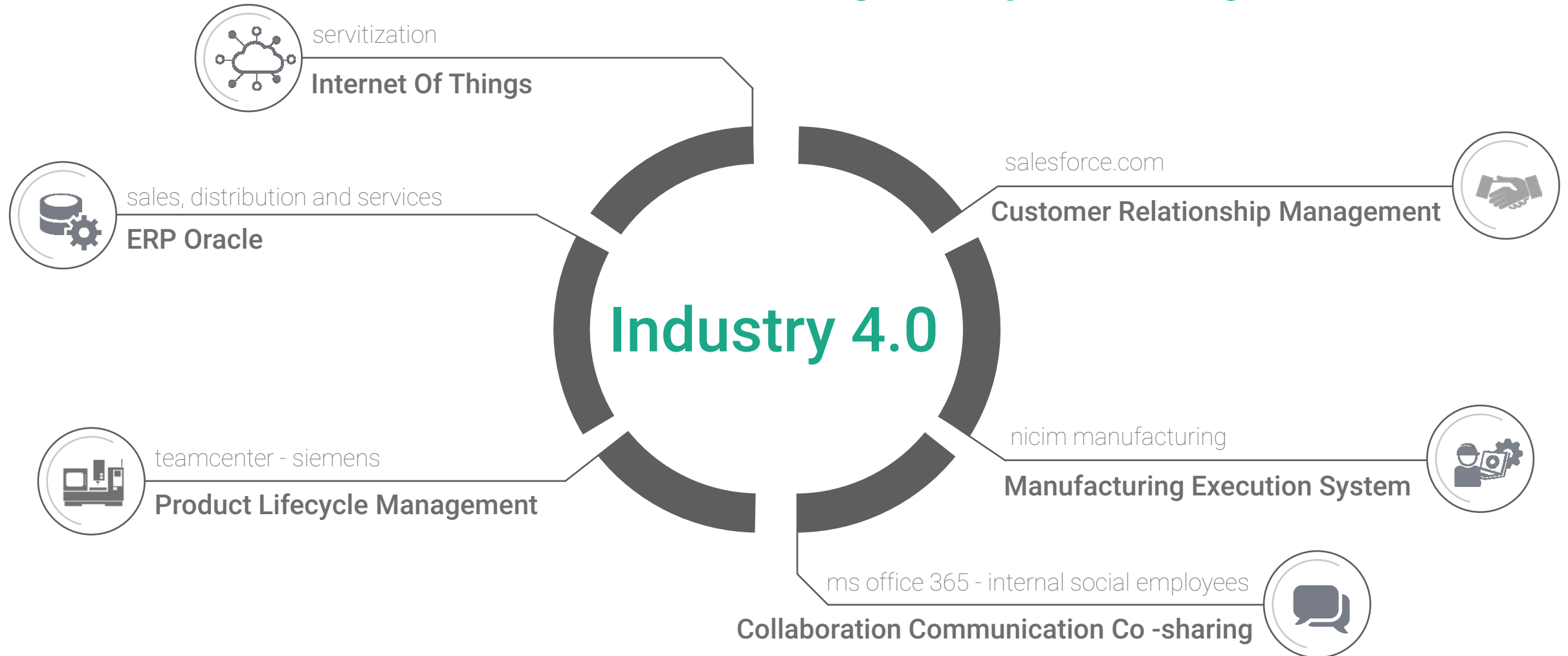
- ✓ **Mechatronics** Italian plant (HSD S.p.A.) components production machines (rotary tables) + american subsidiary new site (HSD U.S.A. subsidiary)



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

Capex: intangibles

continue our growth path through investments



Extract of the P&L

€/mln	2013	2014	2015	2016		2019e	Targets
Net sales year -1	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%	
Value added	147.0	167.8	212.4	252.4		347.3	
%	38.8%	39.3%	40.9%	40.8%	CAGR 11.2	42.1%	
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
EBITDA	34.3	39.6	64.1	75.8		105.4	
%	9.1%	9.3%	12.4%	12.3%	CAGR 11.6	12.8%	
EBIT	18.1	24.8	43.7	55.1*		78.7	
%	4.8%	5.8%	8.4%	8.9%	CAGR 12.6	9.5%	

*after non recurring items

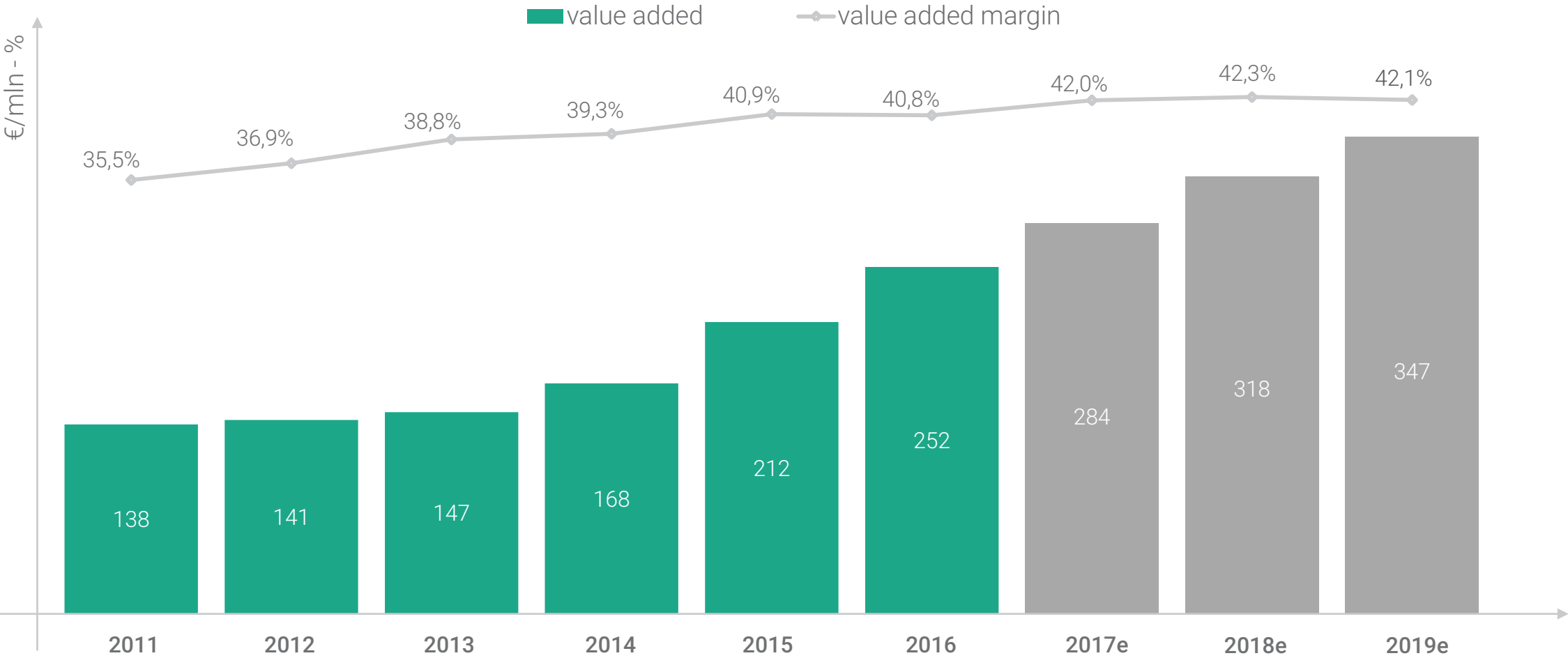
Operating **Net Working Capital**

€/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%	

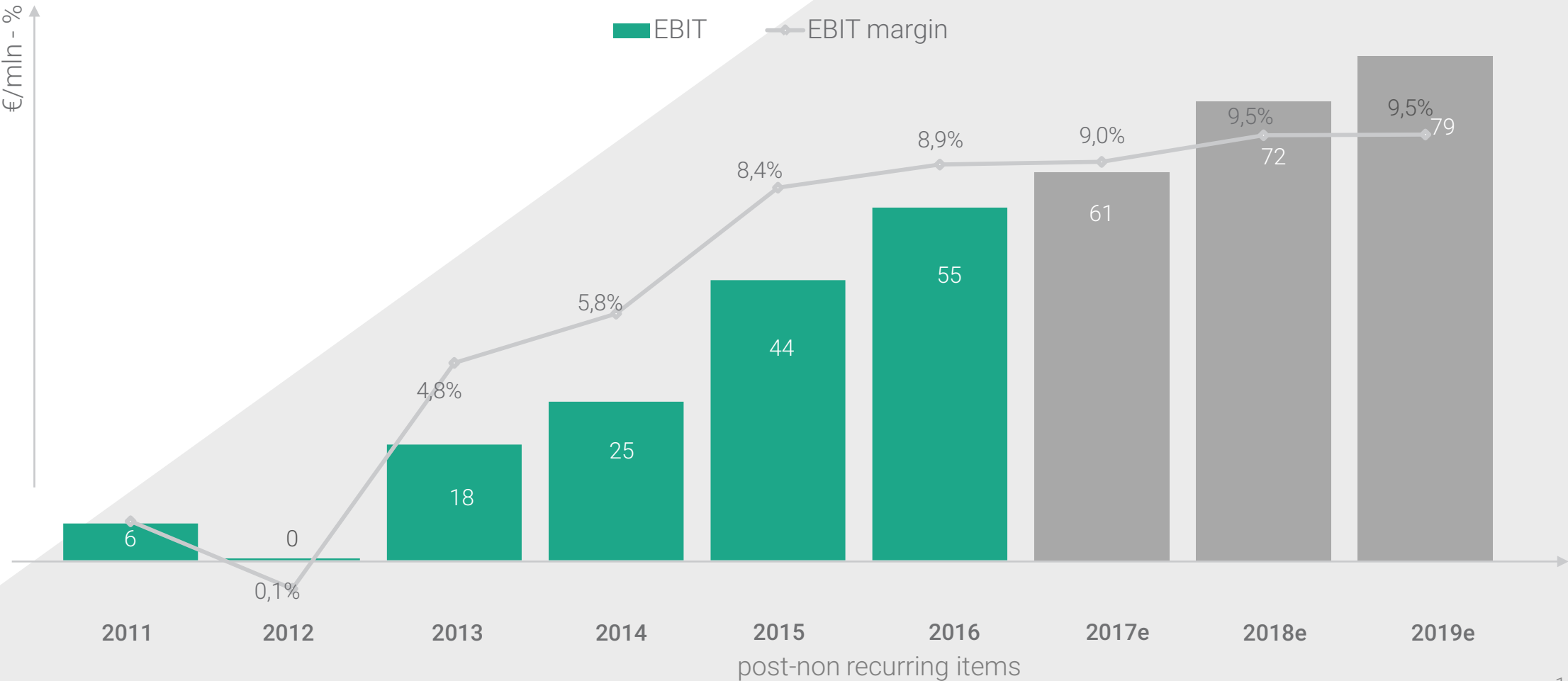
Cashflow - Net Debt

€/mln	2013	2014	2015	2016	2019e
Gross Cashflow	52.0	38.3	46.3	46.6	69.3
% net sales	13.8%	9.0%	8.9%	7.5%	8.4%
Investments	-19.8	-20.8	-25.2	-32.0	-32.0
% net sales	5.2%	4.9%	4.9%	5.9%	3.9%
Net Cashflow	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	
Net Debt	-23.9	-11.2	0.1	4.9	44.7

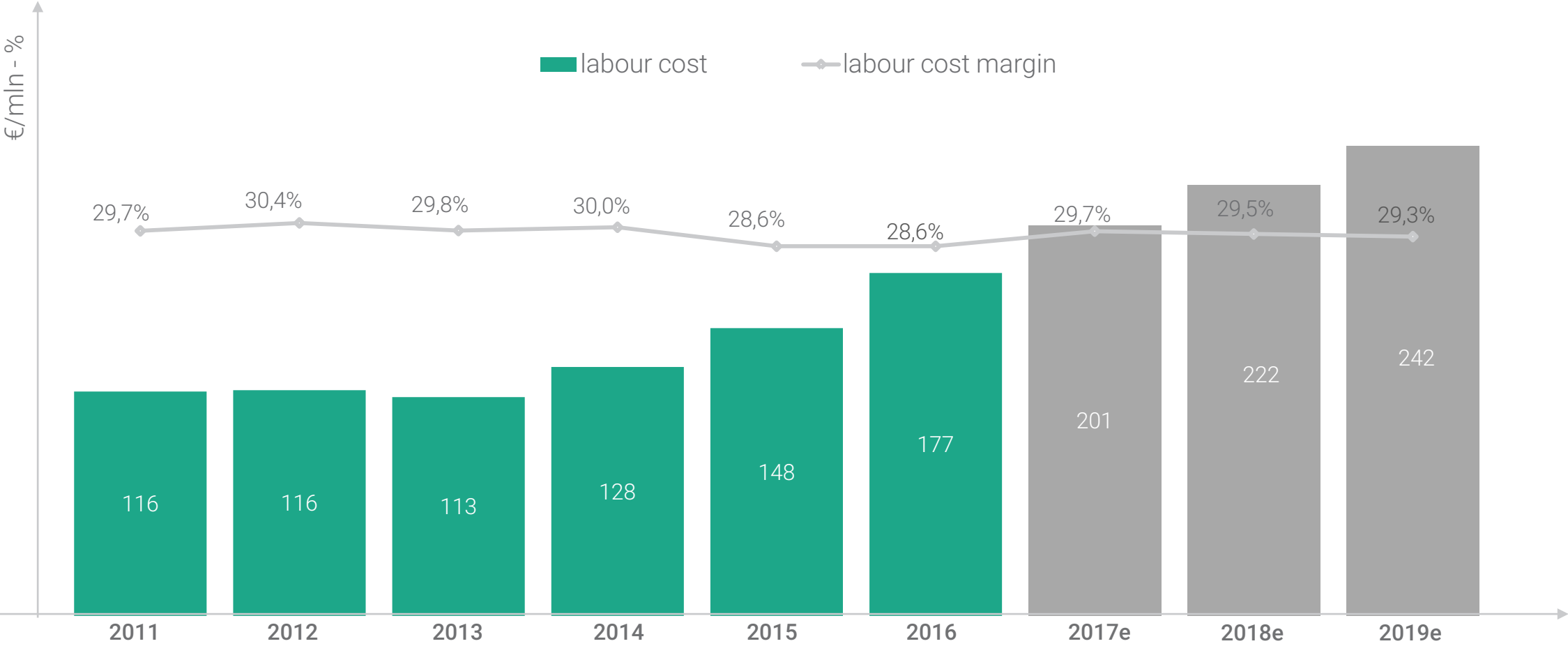
Value added



Ebit



Labour cost

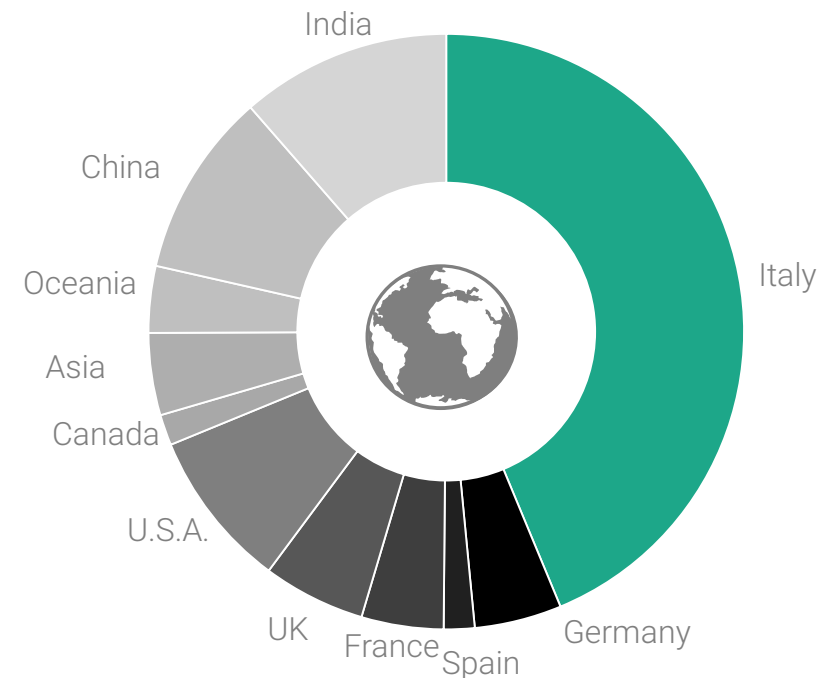


People evolution

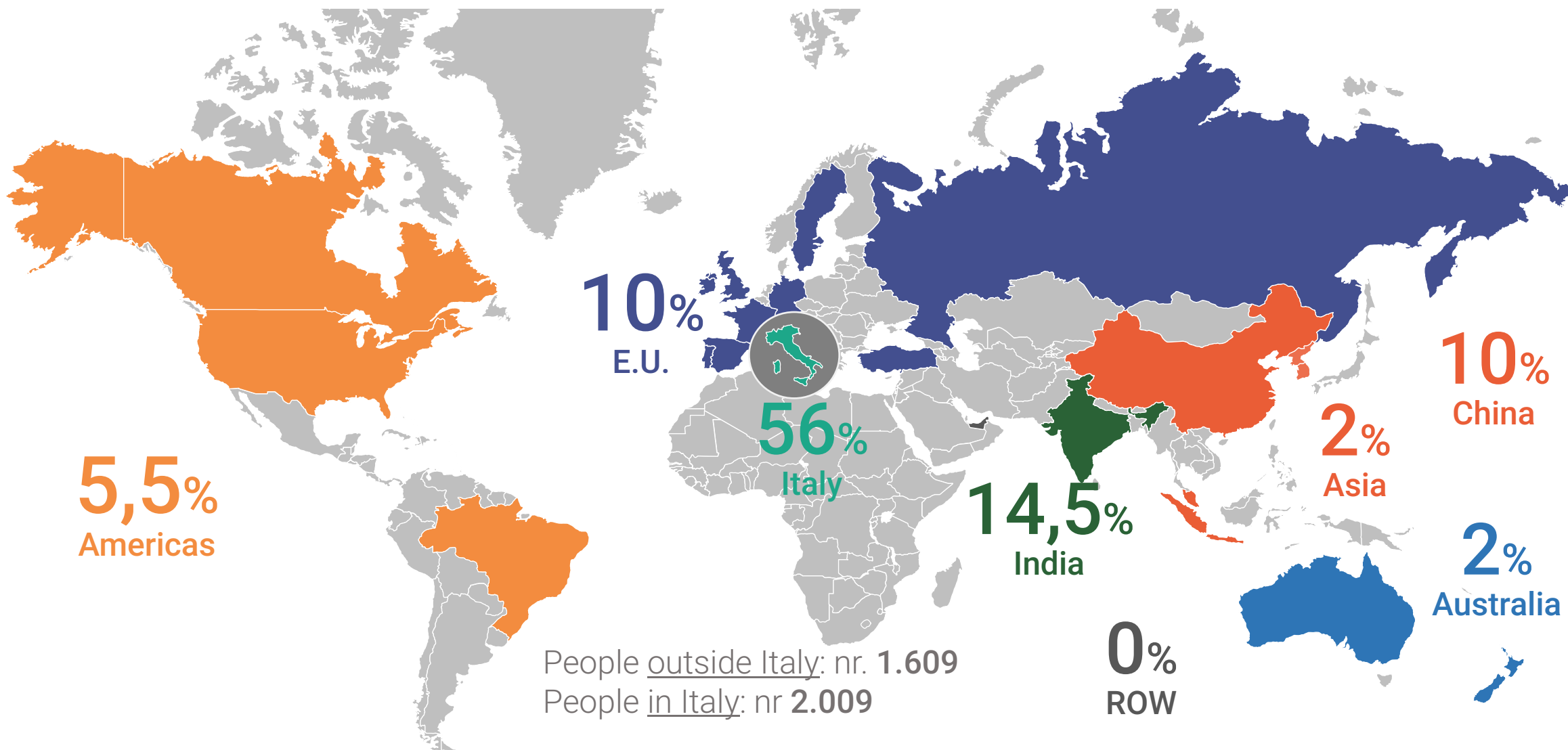
	FY 2016	FY 2017e	%
Production	1.482	1,574	+ 6.2
Service & After sale	803	934	+16.3
R&D	436	495	+13.5
Sales & Marketing	587	676	+15.2
G & A	310	324	+4.5
ITALY	2.009	2,166	+ 7.8
OUTSIDE ITALY	1.609	1,837	+ 14.2
TOTAL	3.618	4,003	+10.6

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

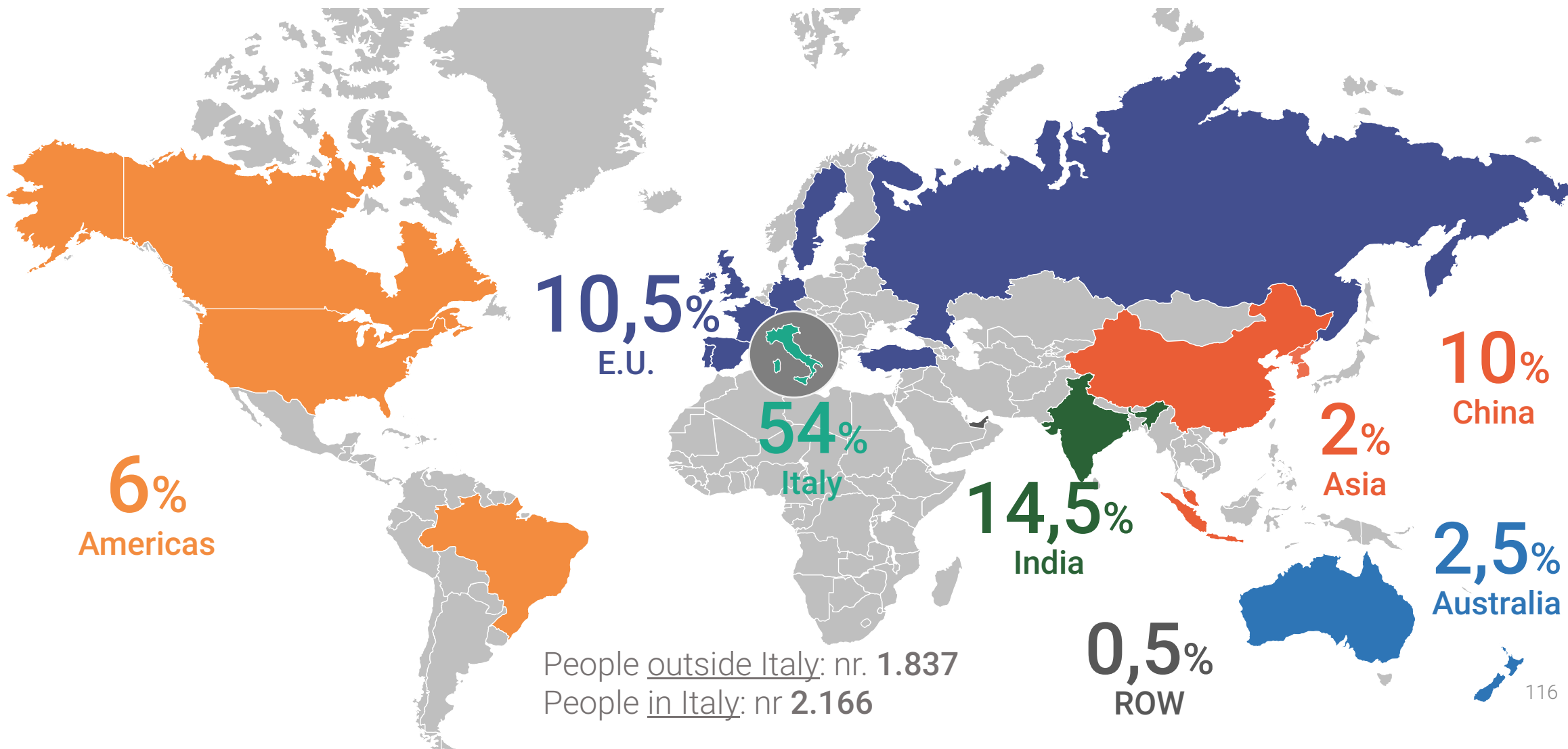
Increase by countries



People **distribution** by main countries - 2016

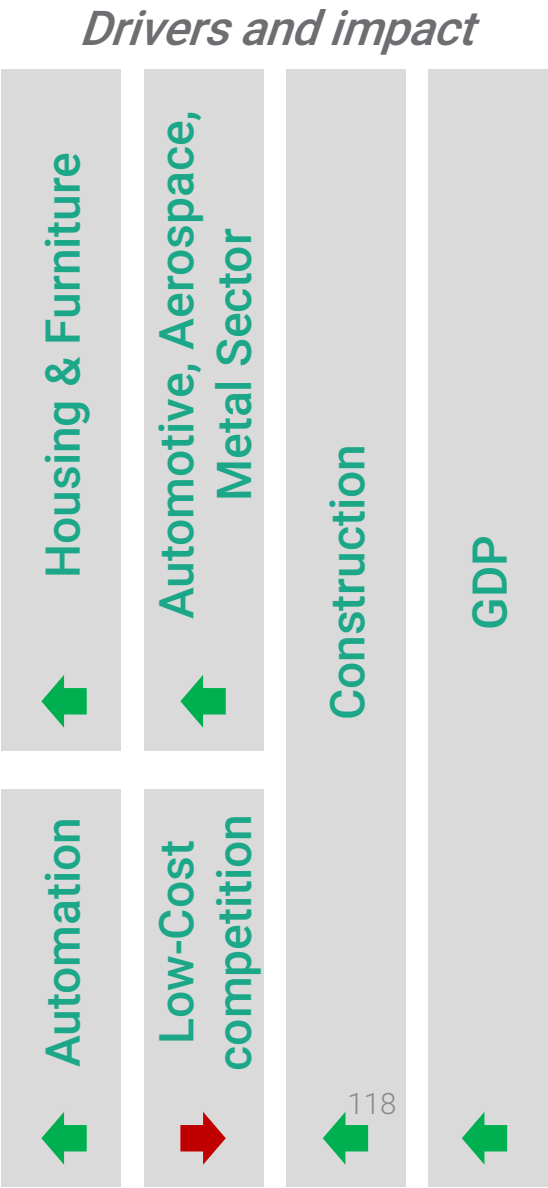
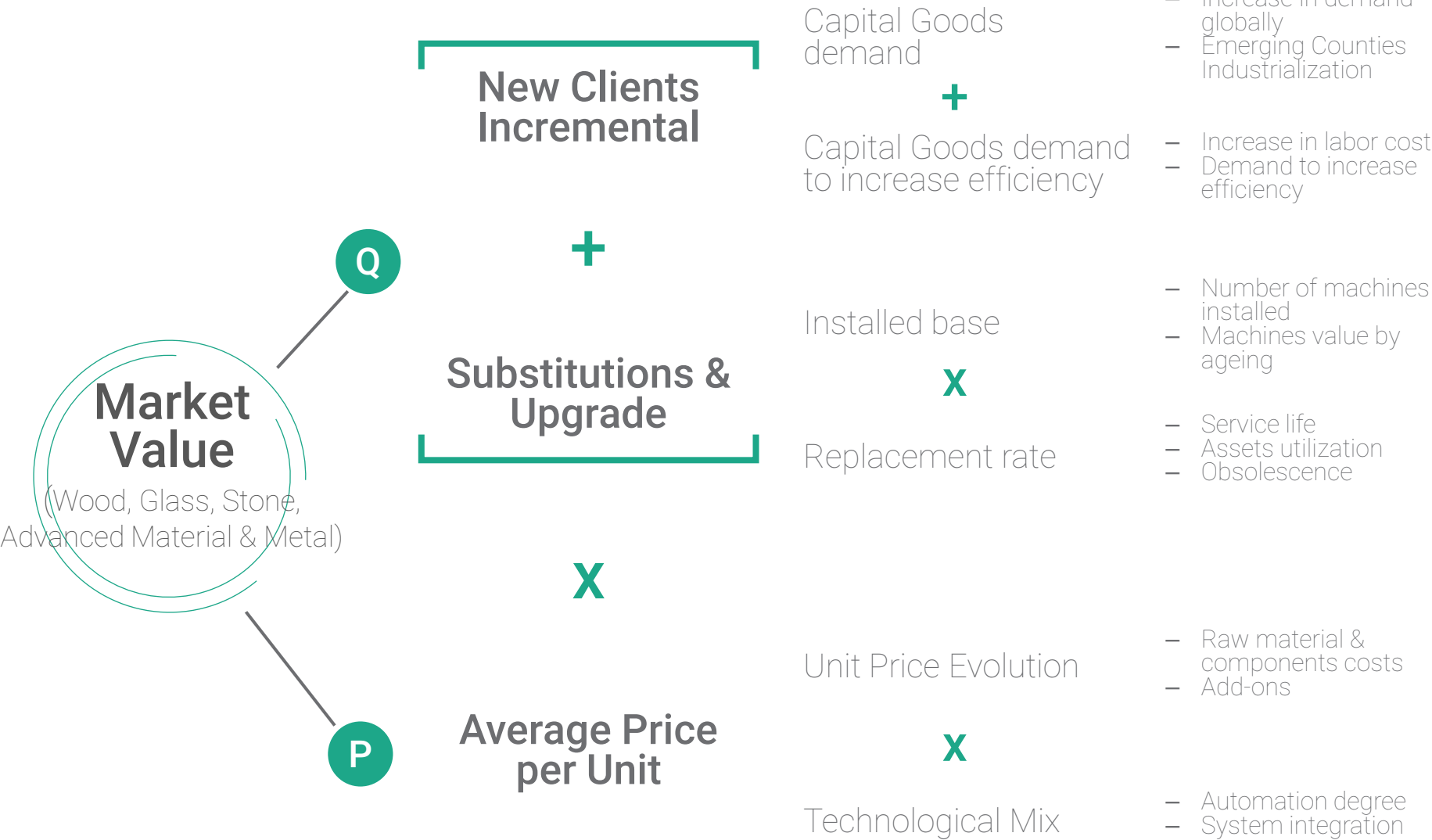


People **distribution** by main countries – 2017e

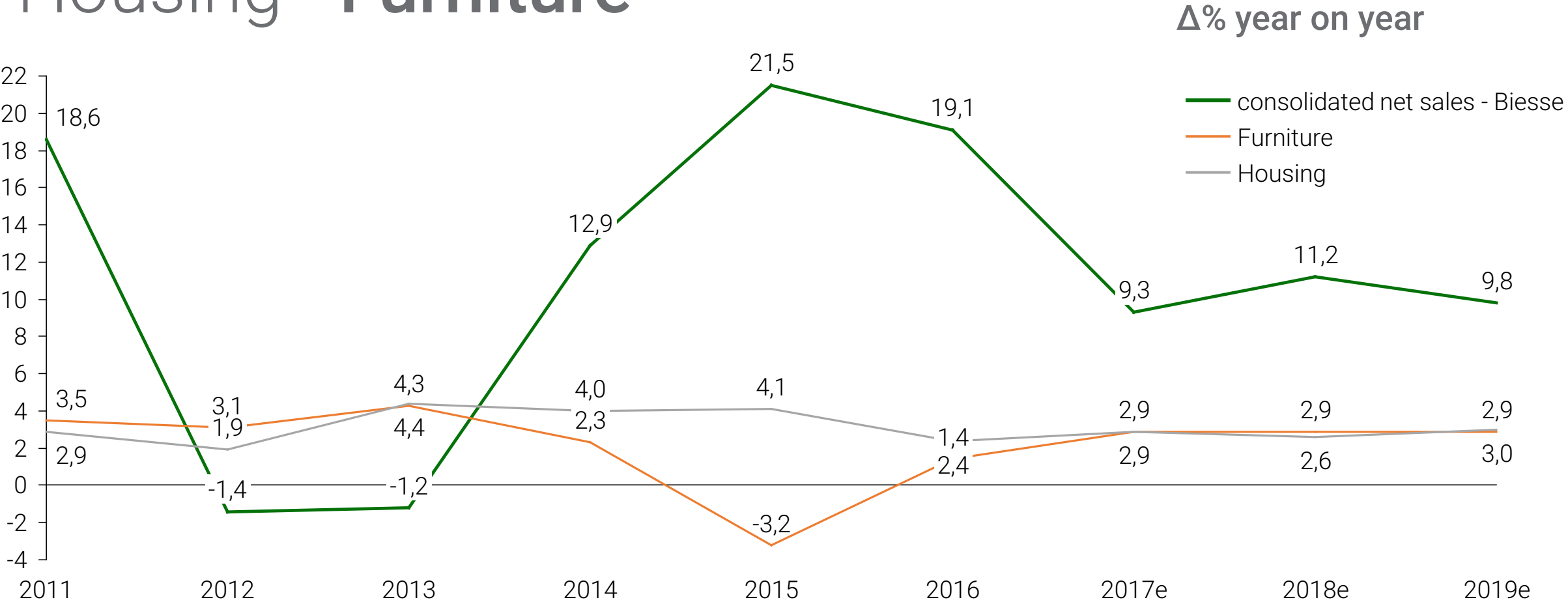


Annex

Machines Market Value



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%

Disclaimer

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