


# 3-YEAR BUSINESS PLAN

2018-2020

FORWARD-THINKING SOLUTIONS TO LEVERAGE  
THE FOURTH INDUSTRIAL REVOLUTION

 **BIESSE**GROUP



**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

 **BIESSE**GROUP  
3-Year Business Plan  
Think Forward



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

- 1.1 WHO WE ARE
- 1.2 OUR VALUES
- 1.3 BUSINESS MODEL



# WHO WE ARE

- 1.1 WHO WE ARE
- 1.2 OUR VALUES
- 1.3 BUSINESS MODEL

- OUR PURPOSE
- OUR BELIEFS
- IN
- HOW
- WHERE
- WITH

# OUR PURPOSE

 **BIESSE**GROUP  
3-Year Business Plan  
Who we are

"...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".**



Founder and CEO



# 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**.



# IN

3-Year Business Plan  
Who we are

1

5

12

## Industrial Group Business Divisions Production Sites

We manufacture machines and components for wood, glass, stone, advanced materials and metal processing through specialised business units and 12 manufacturing sites in Italy and worldwide.



# HOW

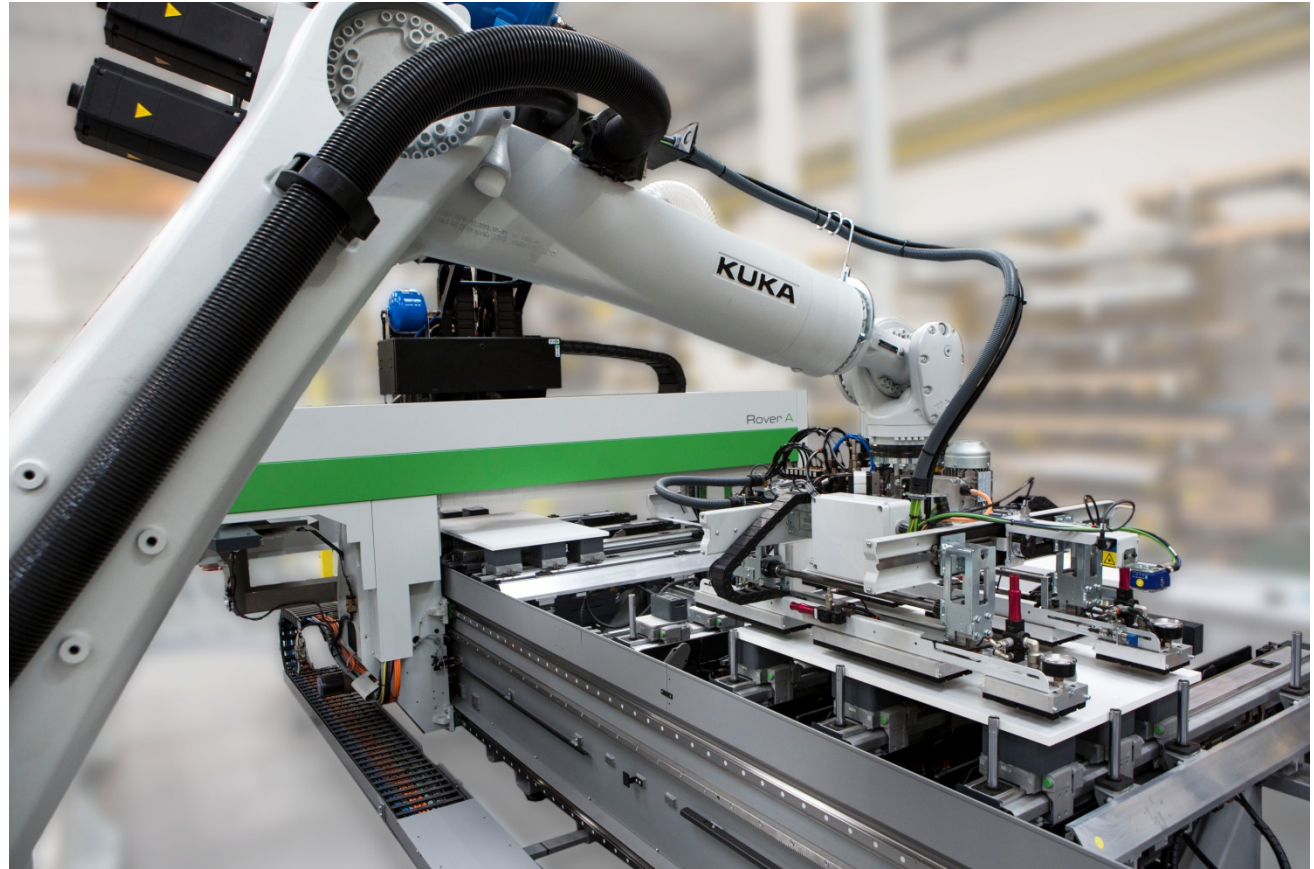
**BIESSEGROUP**  
3-Year Business Plan  
Who we are

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

More than

# 200

Patents registered



# WHERE

 **BIESSE**GROUP  
3 -Year Business Plan  
Who we are

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.

39

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.

More than **4,000** employees throughout the world  
(*temporary workers included*) are our **Human Capital Value**



# OUR VALUES

- 1.1 WHO WE ARE
- 1.2 OUR VALUES
- 1.3 BUSINESS MODEL

- INNOVATION
- RELIABILITY
- EXCELLENCE



# INNOVATION IS OUR DRIVING FORCE

 **BIESSE**GROUP  
3-Year Business Plan  
Our Values

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.



# RELIABILITY

Our main principles:

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





# EXCELLENCE

3-Year Business Plan  
Our Values

- A virtuous circle of excellence
- for a constant growth

Revenue

01

Profit

02

Cash

03



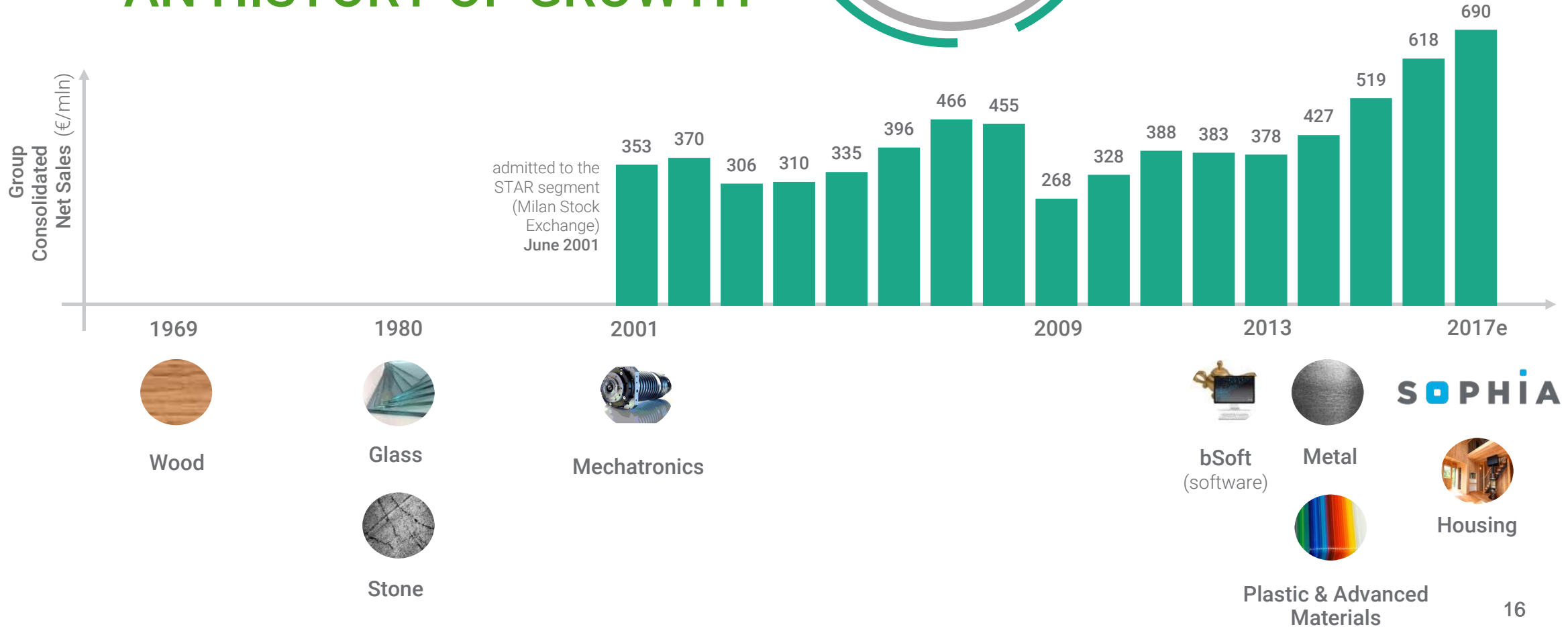
# REVENUE

**BIESSEGROUP**  
3 -Year Business Plan  
Our Values

## AN HISTORY OF GROWTH



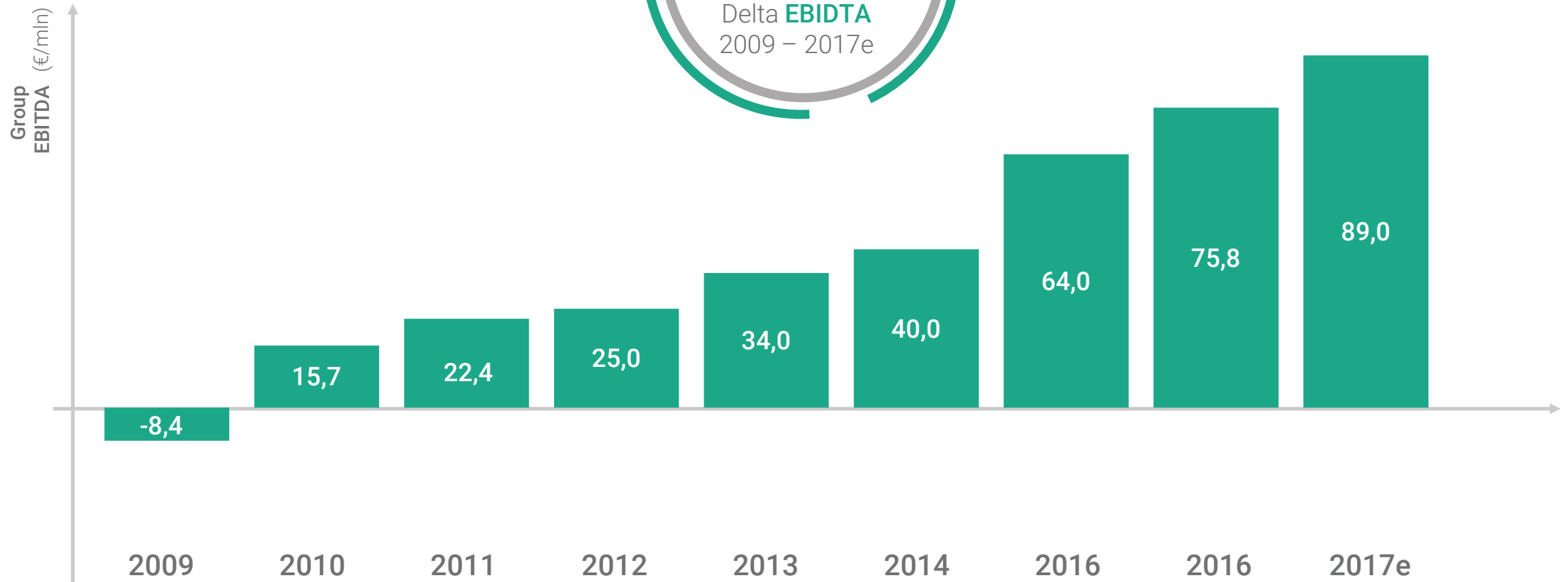
■ Biesse Group  
Consolidates Net Sales (€/mln)



# PROFIT

**BIESSE**GROUP  
3-Year Business Plan  
Our Values

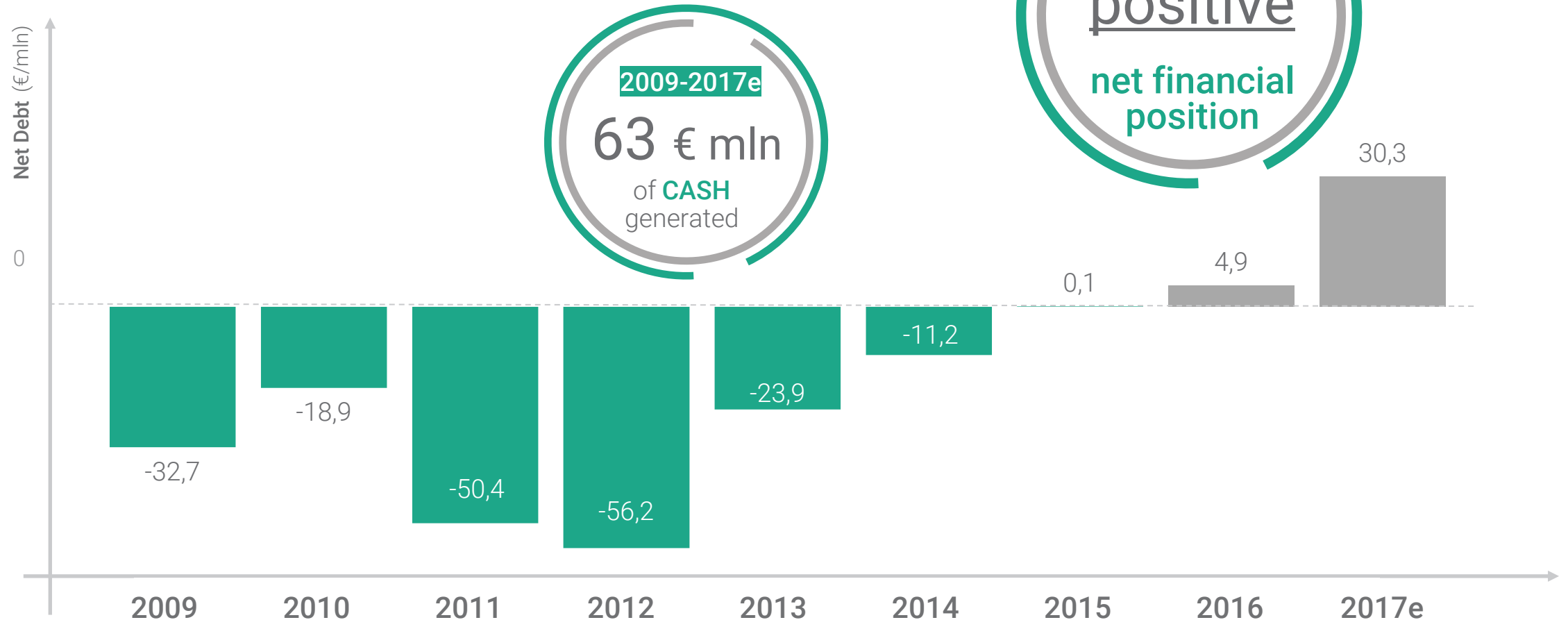
## EBITDA



# CASH

**BIESSEGROUP**  
3-Year Business Plan  
Our Values

## NET FINANCIAL POSITION



# BUSINESS MODEL

- 1.1 WHO WE ARE
- 1.2 OUR VALUES
- 1.3 BUSINESS MODEL

- PRODUCTS
- FOOTPRINT
- DISTRIBUTION
- CUSTOMERS



# PRODUCTS

 **BIESSE GROUP**  
3-Year Business Plan  
Business Model



# PRODUCTS AND SERVICES

**BIESSEGROUP**  
3-Year Business Plan  
Business Model



WOOD



GLASS



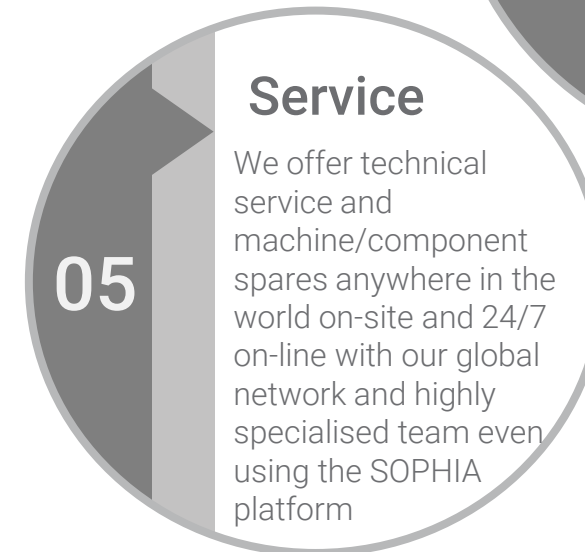
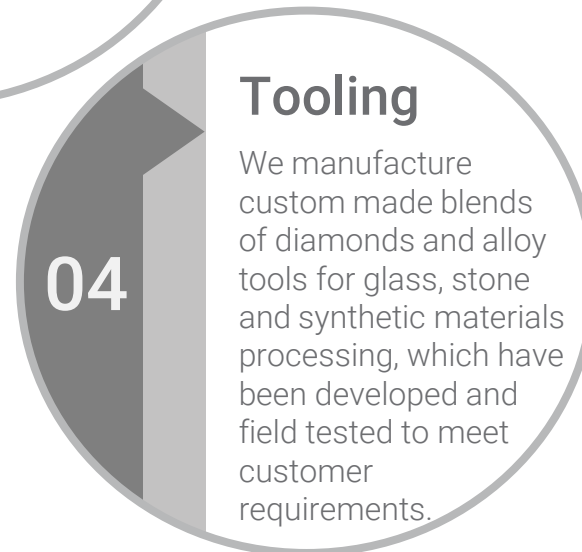
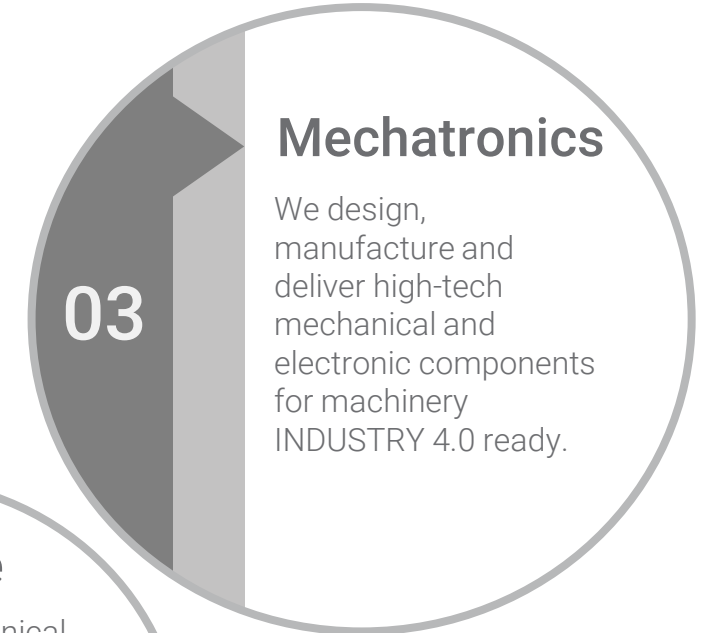
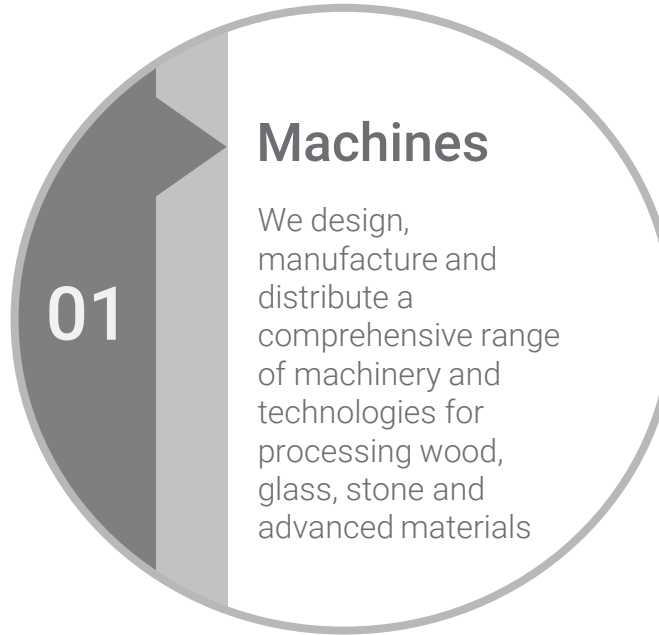
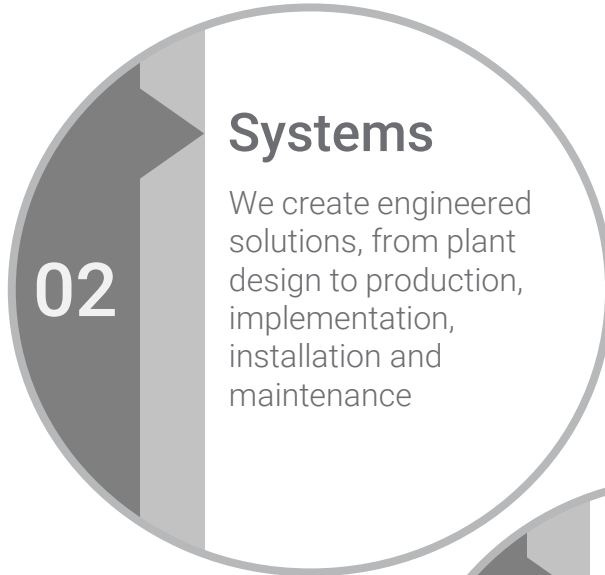
STONE



PLASTIC



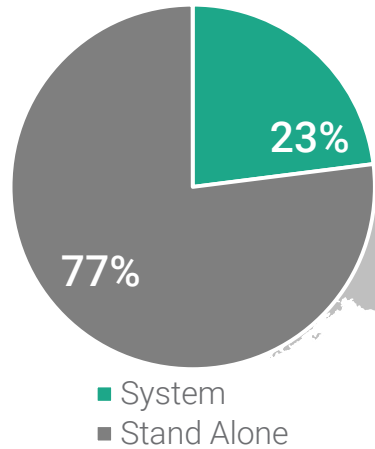
METAL



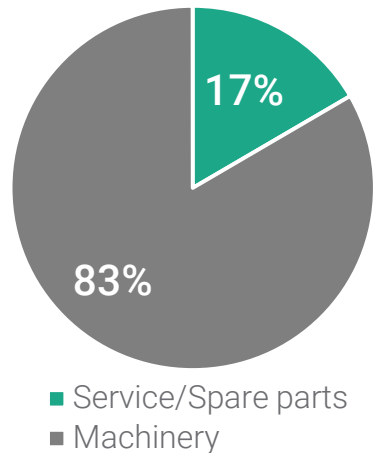
# FOOTPRINT

**BIESSE GROUP**  
3-Year Business Plan  
Business Model

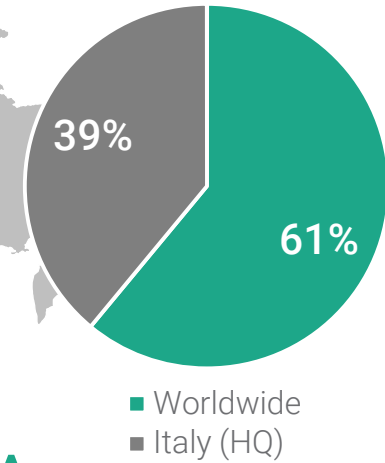
Sales breakdown by type



Sales breakdown by offering



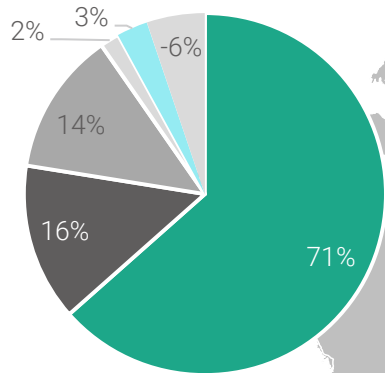
Service engineers distribution by area



# DISTRIBUTION

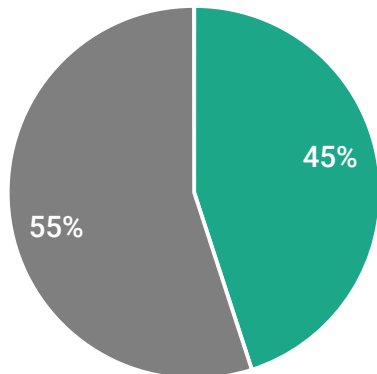
**BIESSEGROUP**  
3-Year Business Plan  
Business Model

Sales breakdown by division



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

Sales breakdown by client Type



■ New Client - Incremental  
■ Substitution - Upgrade

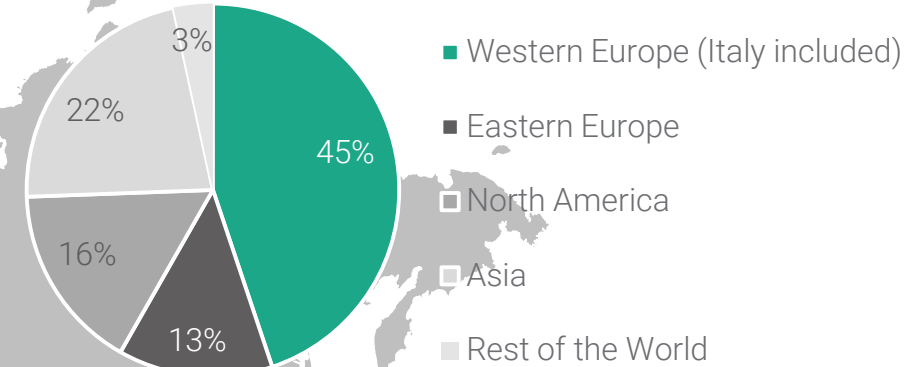
EXPORT  
around

**84%**  
Of Sales

We deliver our solutions  
in more than

**120**  
COUNTRIES

Sales breakdown by geo-areas



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

SUBSIDIARIES

**39**  
around  
the World

Each Subsidiary  
has its own Service  
Department

TRADERS &  
DISTRIBUTORS

**+300**

around the world

● Traders  
📍 Subsidiary  
🏠 Headquarters



# CUSTOMERS

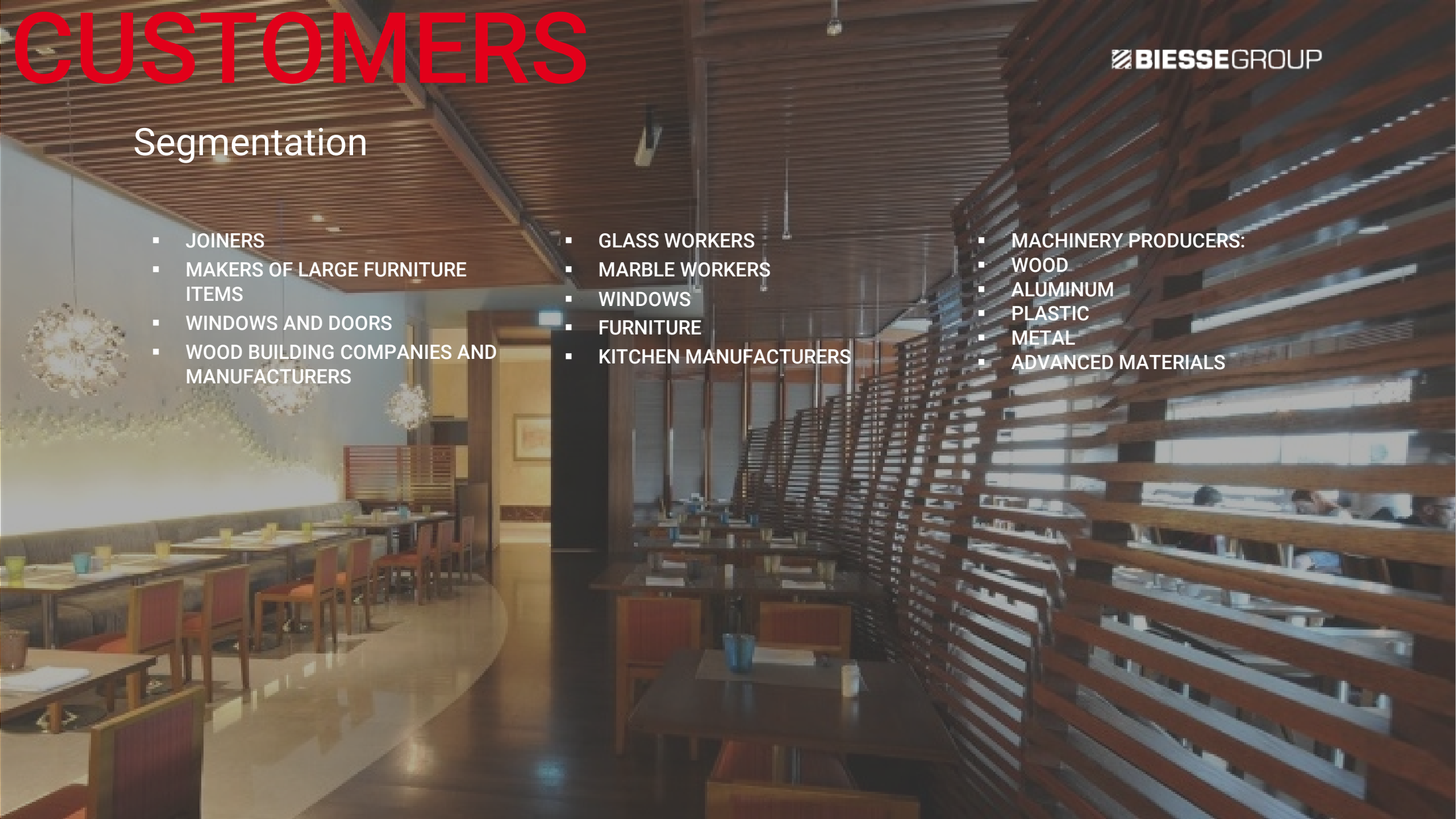
## A selection of the Companies we serve

- AERO VODOCHODY
- ALLEN ORGANS
- AMERICAN WOODMARK
- BA KITCHEN
- BALLAY MENUISERIE
- BIGELLI MARMI
- BWF PROFILES
- CERVIGLAS
- CLOSET AMERICA
- COLOMBINI GROUP
- COSENTINO GROUP
- CUBO ITALIA
- DECORATIVE PANELS
- DEINSHRANK
- ELBAU
- ENSINGER
- FIAM
- FIDIA
- FRISIA
- GIROMARI
- GLASTRÖSCH
- GRUPPO LUBE
- HERMAN MILLER
- HEIAN HOWDENS
- IKEA
- ILCAM
- ITAB
- KNOLL
- LAGO
- LAGRANGE
- LEGAL AND GENERAL
- MARINELLI CUCINE
- MARMI FONTANELLI
- MASONITE
- MATON GUITARS
- MEIKEN KOGYO
- MIDWEST
- MODA LIFE
- MOLteni GROUP
- NEW ROYAL PLASTIC
- NOVARA COMPOSITI
- PACCALINI
- PEDINI
- PILKINGTON RIMADESIO
- ROHR BUSH
- ROLAND GERLING
- SAINT GOBAIN
- SAUDER
- SCA
- SEA - SOCIETÀ EUROPEA AUTOCARAVAN
- SOLDEVIA PER SAGRADA FAMILIA
- STEELCASE
- STRECHERT
- SUNNERBO
- SUZUKO
- TENARIS
- UPM MODENA
- VENETA CUCINE
- WEBO
- WOOD-SKIN
- YACHTLINE 1618
- YATAS

# 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 2017e

**BIESSEGROUP**  
3-Year Business Plan  
Business Model

over  
**66.000**  
Customers  
(up today)



Small  
manufactures



Large  
manufactures

20  
(€/000)

average  
66  
(€/000)

Wide Customer base

10.000 >  
(€/000)



# WHERE WE ARE

## BUSINESS PLAN UPDATE

- 2.1 STRATEGY & RESULTS
- 2.2 PRODUCTS
- 2.3 SOLUTIONS
- 2.4 CUSTOMER EXPERIENCE

# STRATEGY & RESULTS

## BUSINESS PLAN UPDATE

2.1 STRATEGY & RESULTS

2.2 PRODUCTS

2.3 SOLUTIONS

2.4 CUSTOMER EXPERIENCE

- 2017E  
SUCCESSES
- EXECUTION ON  
TRACK

# 2017e SUCCESSES

**BIESSEGROUP**  
3-Year Business Plan  
Strategy & Results

**Net  
Sales**

**690.3**  
€/mln

**+11.6%**  
on 2016

**EBITDA**

**89.0**  
€/mln

**12.9%**  
on Net Sales

**EBIT**

**63.5**  
€/mln

**9.5%**  
on Net Sales **before** non  
recurring items

**9.2%**  
on Net Sales **after** non  
recurring items

**65.5**  
€/mln

**Net  
Debt**

**+30.3**  
€/mln

**Orders  
Intake**

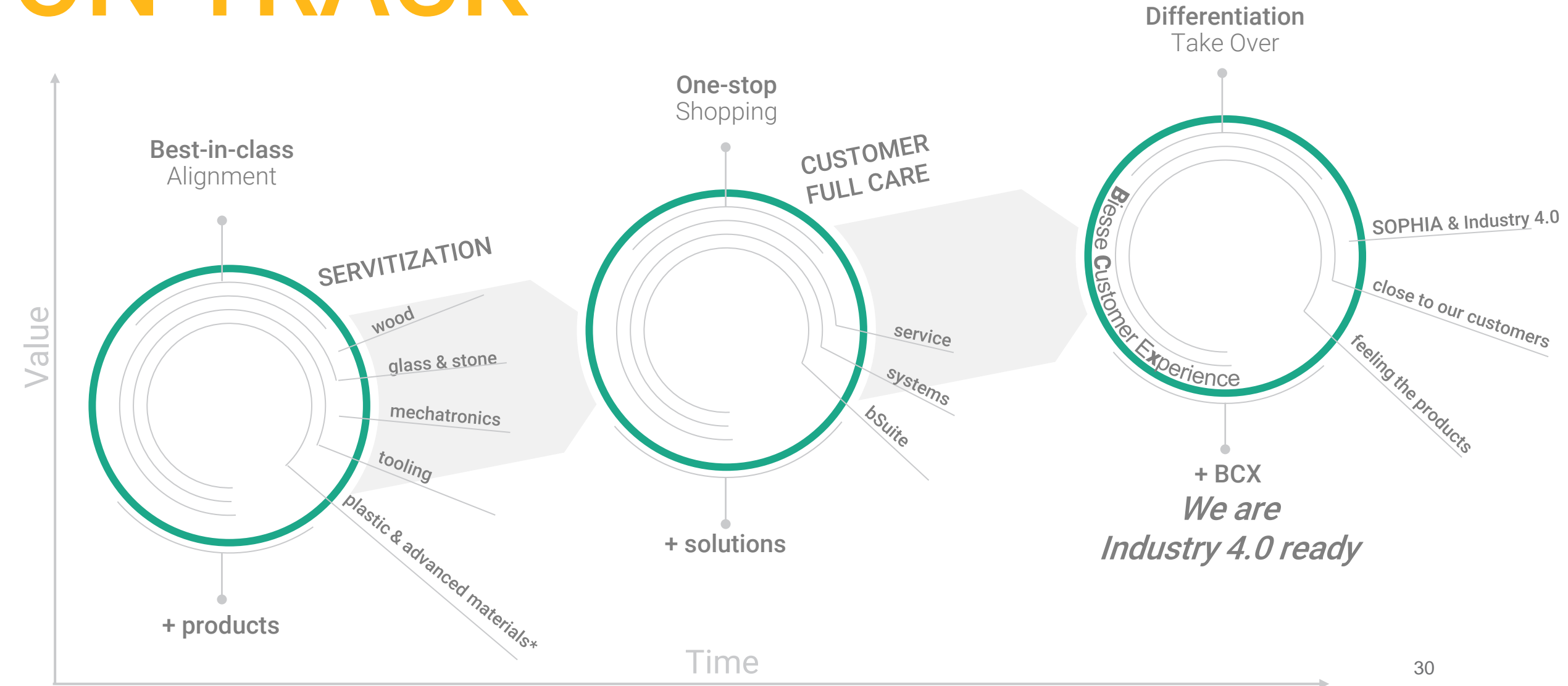
**+17%**  
vs 2016

**+31%**  
vs 2016

**Backlog**

# EXECUTION ON TRACK

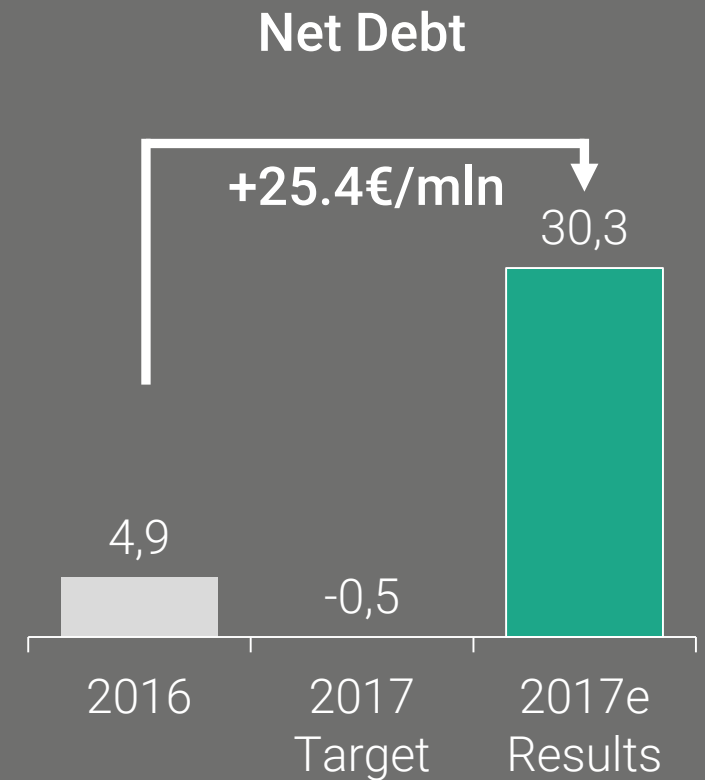
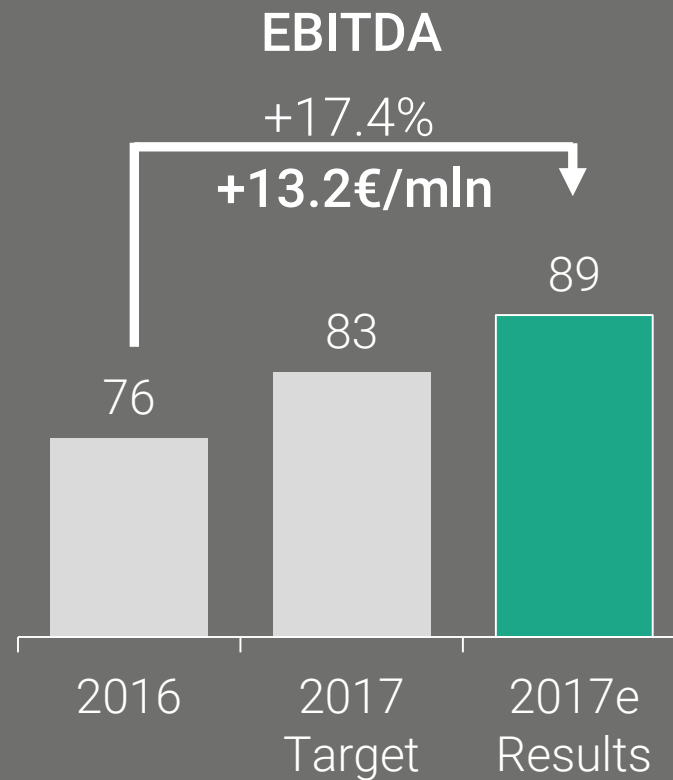
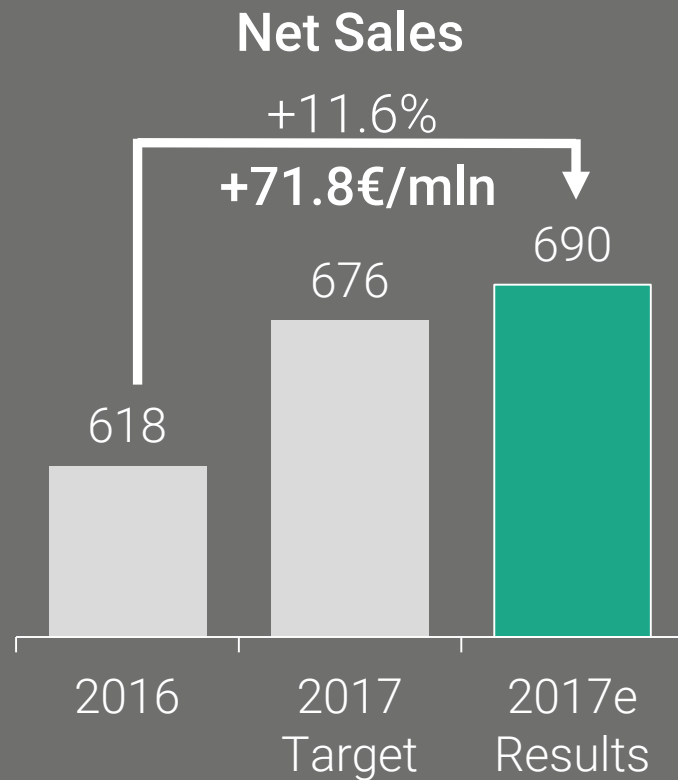
**BIESSE GROUP**  
3-Year Business Plan  
Strategy & Results





# EXECUTION ON TRACK

## EXCEEDING 2017 TARGETS



# PRODUCTS

## BUSINESS PLAN UPDATE

2.1 STRATEGY & RESULTS

2.2 PRODUCTS

2.3 SOLUTIONS

2.4 CUSTOMER EXPERIENCE

- EXCEEDING TARGETS
- WOOD
- HOUSING
- GLASS & STONE
- MECHATRONICS
- TOOLING
- ADVANCED MATERIALS

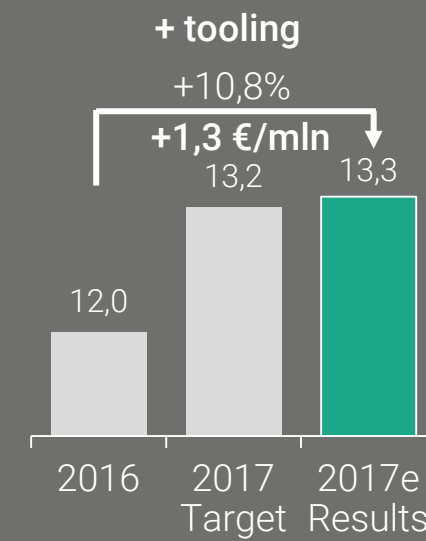
# EXCEEDING TARGETS

## Best-in-class Alignment



### \*Advanced materials

- ☒ Carbon Fiber
- ☒ Foam
- ☒ Composite
- ☒ Aluminium
- ☒ Titanium



# SOLUTIONS

## BUSINESS PLAN UPDATE

2.1 STRATEGY & RESULTS

2.2 PRODUCTS

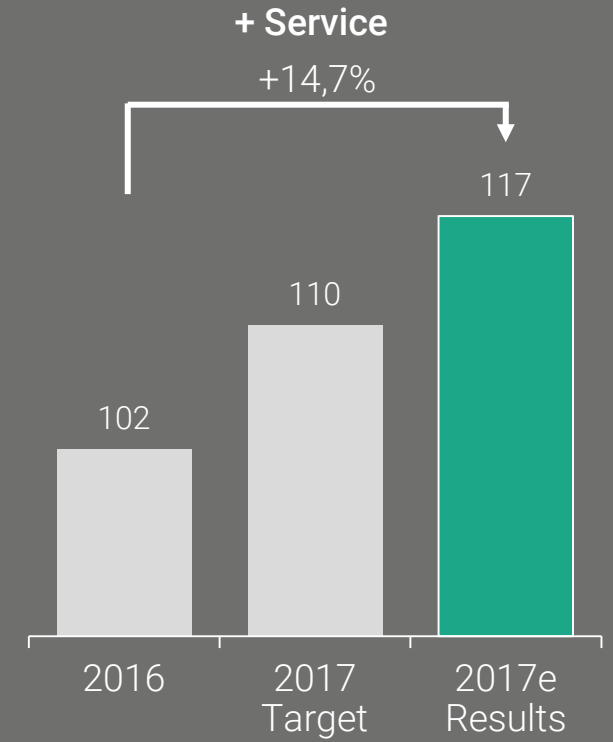
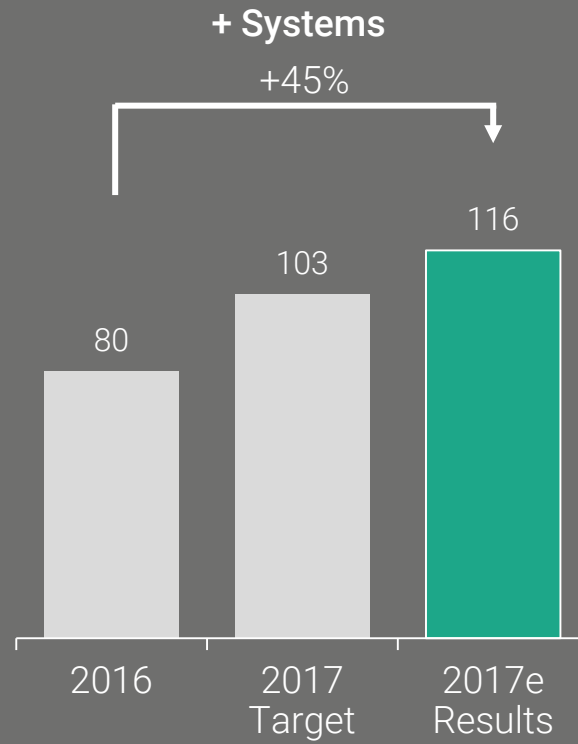
2.3 SOLUTIONS

2.4 CUSTOMER EXPERIENCE

- EXCEEDING TARGETS
- SERVICE
- SYSTEM
- BSUITE ACHIEVEMENT



# EXCEEDING TARGETS





# SERVICE

 **BIESSE**GROUP  
3-Year Business Plan  
Solutions

 **BIESSE**

- + 550 Field Service Engineers worldwide
- + 130 Technical Training sessions
- + 8000 Items shipped on-site 24/7
- + 80 Technical hotliners on-line worldwide

## New Sophia Service platform:

- IoT remote assistance
- On Line parts ordering

# SERVICE TEAM



# SYSTEMS

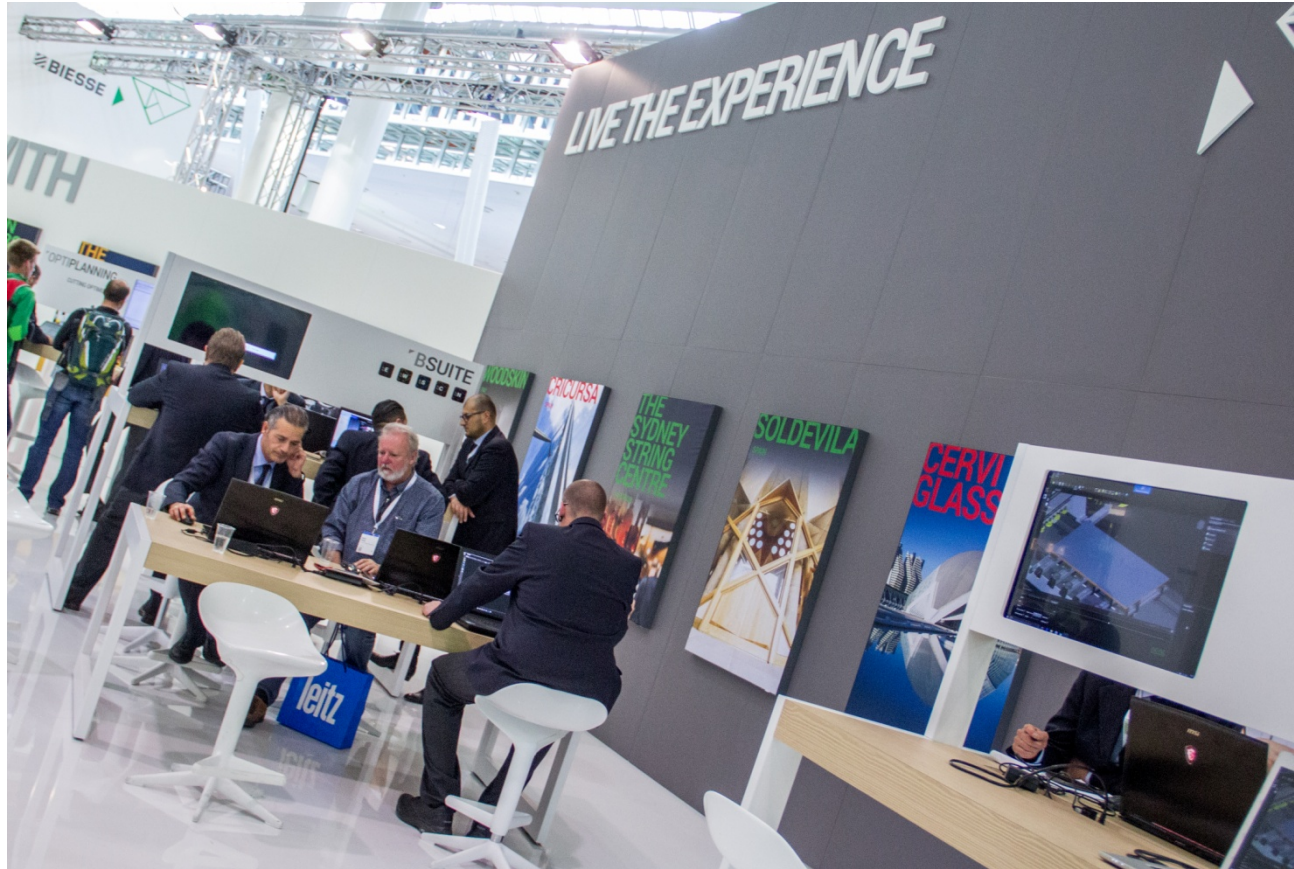
**BIESSE**GROUP  
3-Year Business Plan  
Solutions



More than  
**1000**  
Systems installed worldwide

# bsuite ACHIEVEMENT

**BIESSE**GROUP  
3-Year Business Plan  
Solutions



A complete platform  
fully implemented

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



# CUSTOMER EXPERIENCE

## BUSINESS PLAN UPDATE

2.1 STRATEGY & RESULTS

2.2 PRODUCTS

2.3 SOLUTIONS

2.4 CUSTOMER EXPERIENCE

- EXCEEDING TARGETS
- WE SELL SMART FACTORIES
- SOPHIA IS BORN
- IIOT – SOPHIA – SERVICE PACK
- WORLDWIDE SHOWS
- FEELING THE PRODUCTS

# EXCEEDING TARGET

**BIESSE**GROUP  
3-Year Business Plan  
Customer Experience

## Differentiation

Take Over



+ customer

*We are  
Industry 4.0 ready*

Revenues in **ASIA**  
in 2017

**+24.4** mln/€

Revenues in **Western  
Europe** in 2017

**+29.3** mln/€

**1,800**  
**SOPHIA presentation**  
in 2017

**10,000**  
**Demos** in 2017

# WE SELL SMART FACTORIES!

**BIESSE GROUP**  
3-Year Business Plan  
Customer Experience

## THE NEW ERA OF DIGITISATION FOR SMALL AND MEDIUM-SIZED COMPANIES

Our goal is to identify 4.0 Industry - oriented Customers in order to provide them with a new business model focused on software and integration.

In the smart factory of tomorrow, each component is traced and identifiable enabling automatic feedback and process statistics to be generated.

**30%**

Super Systems

**70%**

Smart for all

# SOPHIA IS BORN

**BIESSE**GROUP  
3-Year Business Plan  
Customer Experience

BIESSE CHOSE ACCENTURE'S INDUSTRY X.0 TO LEAD IN THE NEW



**SOPHIA** is the IoT platform, created by Biesse in collaboration with Accenture, which enables its customers to access a wide range of services to streamline and rationalise their work management processes.



**Smart Products**



**Smart Services**



**New Customer Experiences**



# IIOT - SOPHIA

## IoT Biesse 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 downtime, remote diagnostics and fault prevention
- On-site functional checks and technical inspections within the warranty period
- Proactive call after machine downtime notification
- Extended hours for service coverage from 8 to 12 hours per day



# WORLDWIDE SHOWS

 **BIESSE** GROUP  
3-Year Business Plan  
Customer Experience



62

Exhibitions

5

Inside events

42

one2one events  
& Tech Tour

# FEELING THE PRODUCTS

**BIESSE**GROUP  
3-Year Business Plan  
Customer Experience



## Discovering our factories

HSD: a 4.0 factory  
Manufacturing Lab  
Training Academy

# WERE WE WANT TO GO

## 2020 NEW TARGETS

- 3.1 CONTINUOUS GROWTH
- 3.2 MORE PRODUCTS
- 3.3 MORE SOLUTIONS
- 3.4 MORE CUSTOMER EXPERIENCE



# CONTINUOUS GROWTH

## 2020 NEW TARGETS

3.1 CONTINUOUS GROWTH

3.2 MORE PRODUCTS

3.3 MORE SOLUTIONS

3.4 MORE CUSTOMER EXPERIENCE

▪ 2018 - 2020 PERSIST IN OUR STRATEGY

# MORE PRODUCTS NEW TARGET

**BIESSEGROUP**  
3-Year Business Plan  
Continuous Growth

**Metal**  
**26** mln€  
2020 Target

**Advanced  
Materials**  
**40** mln€  
2020 Target



8%

Wood Division Estimated  
CAGR 2018-2020

4%

Market Estimated  
CAGR 2018-2020

12%

G&S Division Estimated  
CAGR 2018-2020

7%

Market Estimated  
CAGR 2018-2020

12.9%

Mechatronics Division Estimated  
CAGR 2018-2020

5%

Market Estimated  
CAGR 2018-2020

14%

Tooling Division Estimated  
CAGR 2018-2020

6%

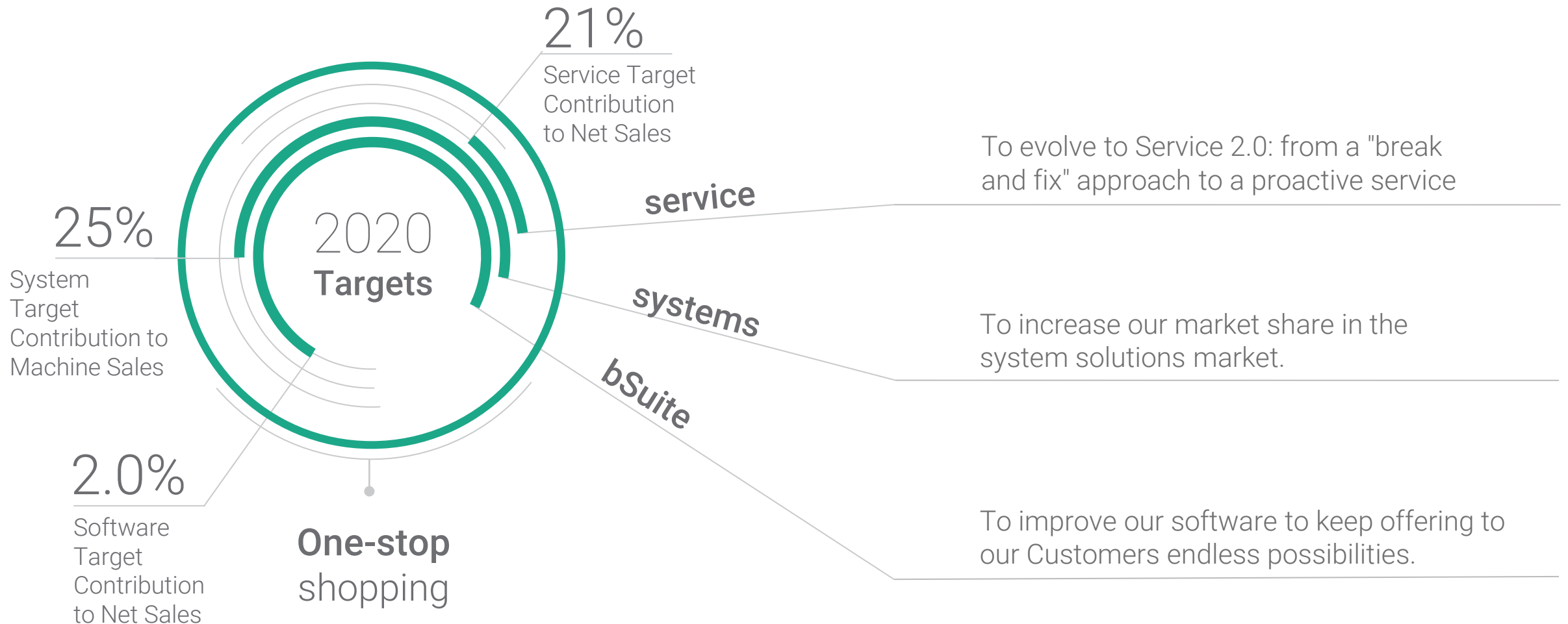
Market Estimated  
CAGR 2018-2020

40%

A.M. Division Estimated  
CAGR 2018-2020

# MORE SOLUTIONS NEW TARGET

**BIESSEGROUP**  
3-Year Business Plan  
Continuous Growth



# MORE PRODUCTS

## 2020 NEW TARGETS

3.1 CONTINUOUS GROWTH

3.2 MORE PRODUCTS

3.3 MORE SOLUTIONS

3.4 MORE CUSTOMER EXPERIENCE

- MARKETS & TARGETS
- WOOD
- HOUSING
- GLASS & STONE
- MECHATRONICS
- ADVANCED MATERIALS



# WOOD-MARKET

**BIESSEGROUP**  
3-Year Business Plan  
[More Products](#)

## 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 (easily comparable) are **HOMAG in Germany (30.5% estimated market share)** and **SCM in Italy (7,5% estimated market share\*)**.



# WOOD-TARGETS

 **BIESSE**GROUP  
3-Year Business Plan  
More Products

8%

**Wood division** Estimated  
CAGR 2018-2020  
vs 2017

4%

**Market** Estimated  
CAGR 2018-2020  
vs 2017

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

**BIESSEGROUP**  
3-Year Business Plan  
More Products



## 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.



# HOUSING-TARGET

 **BIESSE**GROUP  
3-Year Business Plan  
More Products

15 €/mIn

**2020 Target** in wood  
construction  
materials machines market

Biesse Group will continue to extend its product range, **increasing penetration** in the **high potential segment** (actually forecasted the best one) 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

**BIESSEGROUP**  
3-Year Business Plan  
More Products



## COMPETITORS

We are currently the industry leader in the glass processing market in which we operate. Main competitors are located in Italy and Germany, Austria:

they are **CMS, Bottero, Lisec, Hegla**



# STONE-MARKET

**BIESSE**GROUP  
3-Year Business Plan  
More Products



## 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, Denver** and **Thibaut, Comandulli**



# GLASS & STONE TARGET

 **BIESSE** GROUP  
3-Year Business Plan  
More Products

12%

**G&S Division** Estimated  
CAGR 2018-2020  
vs 2017

7%

**Market** Estimated  
CAGR 2018-2020  
vs 2017

01

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

02

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

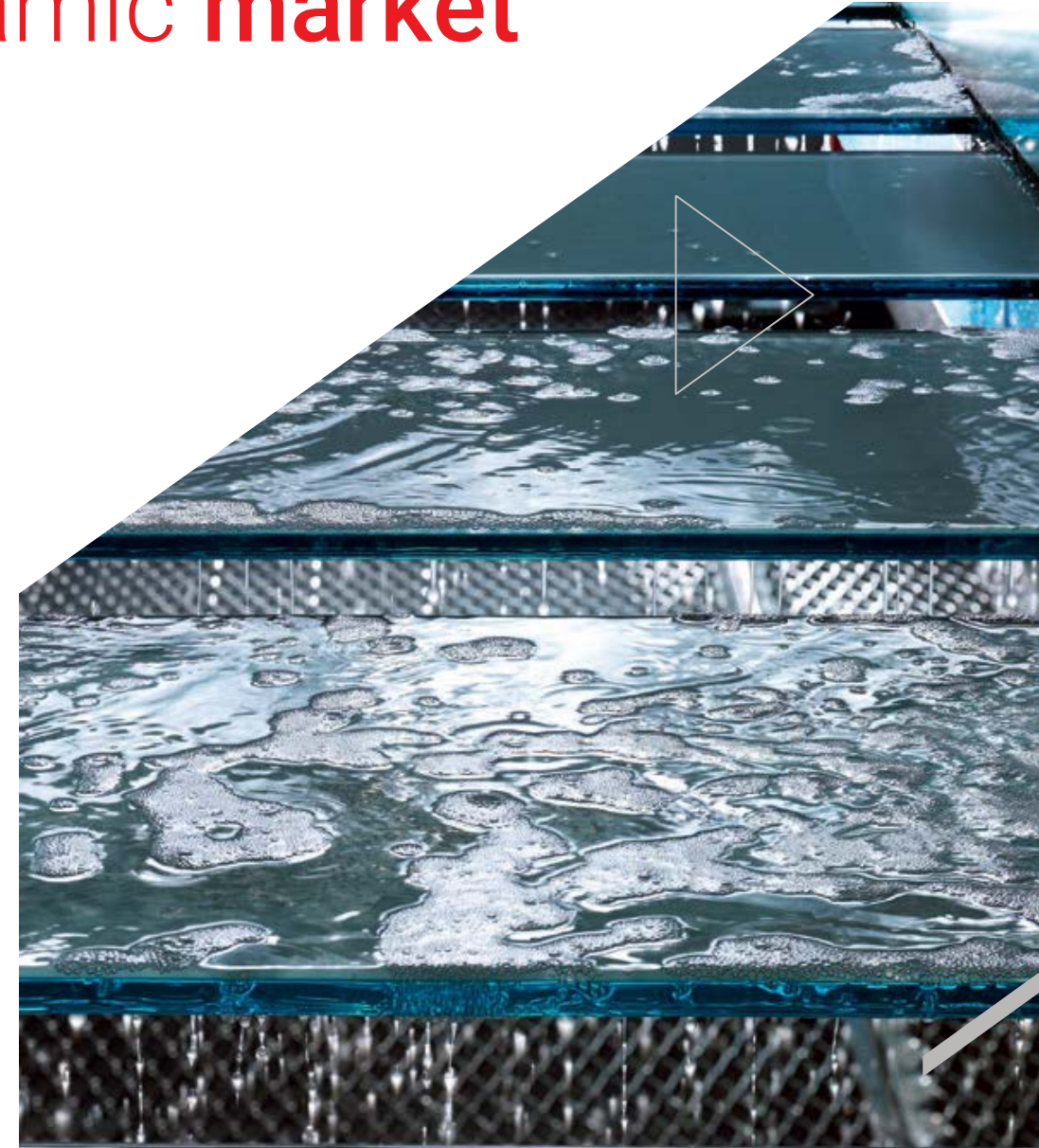
03

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



Where we want to go / More Products

# tooling – glass – stone & ceramic **market**





Where we want to go / More Products

# Tooling Target

14%

**Tooling Division** Estimated  
CAGR 2018-2020  
vs 2017

6%

**Market** Estimated  
CAGR 2018-2020  
vs 2017

 **BIESSEGROUP**

2018-2020 three years Business Plan

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

# MECHATRONICS MARKET - METAL

 **BIESSE GROUP**  
3-Year Business Plan  
More Products

## 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**.



### \*Advanced materials

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



# MECHATRONICS TARGET

 **BIESSE GROUP**  
3-Year Business Plan  
More Products

12.9%

**Mechatronics Unit**  
Estimated  
CAGR 2018-2020  
vs 2017

5%

**Market**  
Estimated  
CAGR 2018-2020  
vs 2017

26<sub>mln/€</sub>

2020 target in  
metal sector

01

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

02

**Enlarge our product offering** for metal working machines

03

**Continue to expand abroad**, especially in Asian and Western Europe Market

# ADVANCED MATERIALS

## COMPETITORS

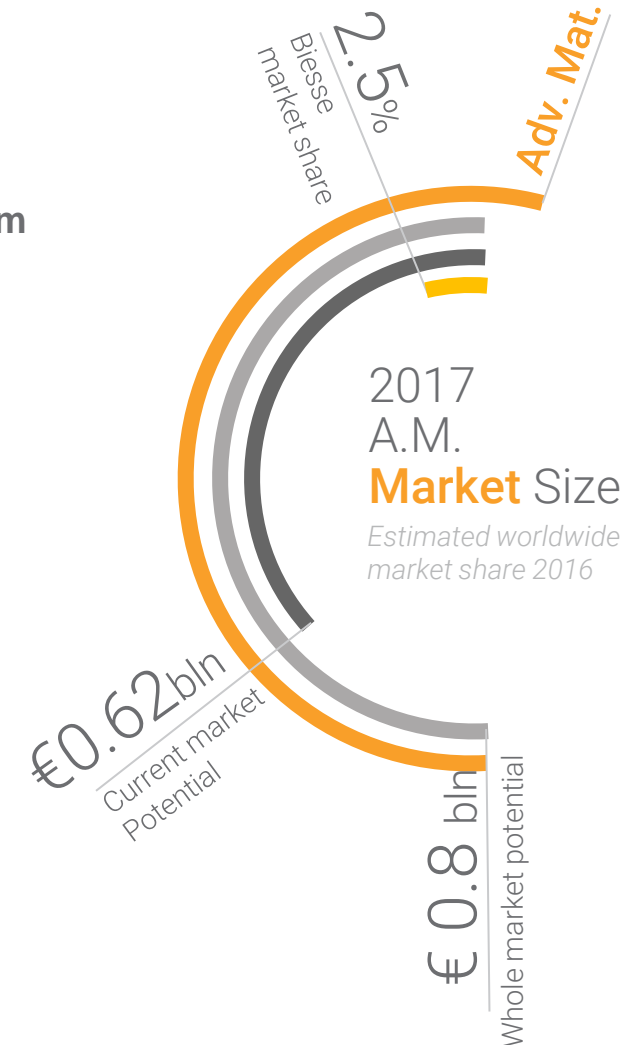
The advanced material\* processing machinery market is highly fragmented worldwide, main competitors are **Geiss, HG Grimme, Belotti CMS Industrie, Breton, Mecanumeric, Multicam** and **Flow Corporation**



Care Model 1:1 Clay block

### \*Advanced materials

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





# ADVANCED MATERIALS\*

40

mln/€

**2020 target**  
In advanced  
material segment

## \*Advanced materials

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

**BIESSEGROUP**  
3-Year Business Plan  
More Products

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

# MORE SOLUTIONS

## 2020 NEW TARGETS

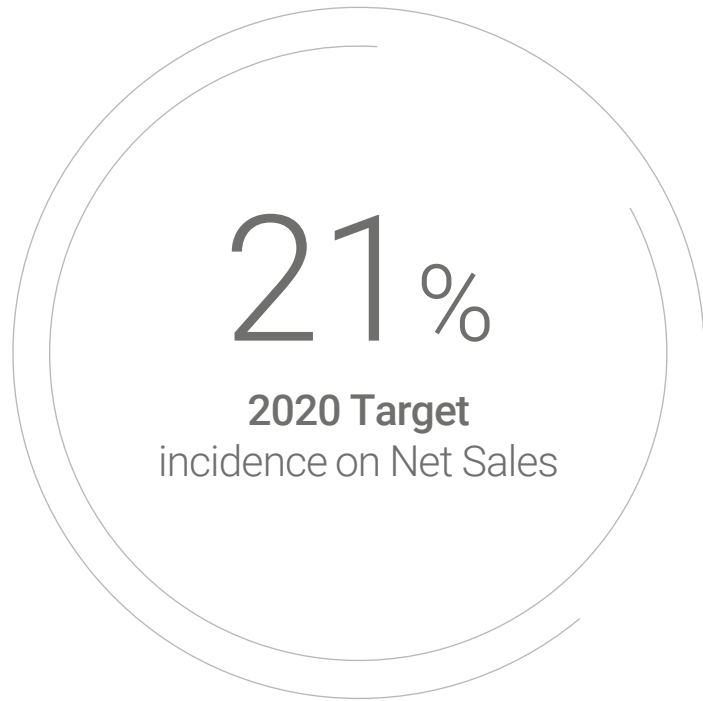
3.1 CONTINUOUS GROWTH

3.2 MORE PRODUCTS

3.3 MORE SOLUTIONS

3.4 MORE CUSTOMER EXPERIENCE

- 2020 NEW TARGETS
- SERVICE
- SYSTEMS
- BSUITE



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

**Predictive:** leave "break-and -fix" service as is logics and anticipate the needs moving onto **predictive services thanks** .

**Digital:** Fully implement On Line Sophia Services platform to offer advanced remote assistance, Spare Parts purchasing, Intelligent Troubleshooting, software update distribution and machines connection to Customer ERP

**Master in Competence:** Structure Training Academy supporting product and process competence to our Customers and Service team



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





**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.

# BIESSE CUSTOMER EXPERIENCE

## 2020 NEW TARGETS

3.1 CONTINUOUS GROWTH

3.2 MORE PRODUCTS

3.3 MORE SOLUTIONS

3.4 MORE CUSTOMER EXPERIENCE

- BCX
- CLOSE TO CUSTOMERS
- FEELING THE PRODUCTS
- SOPHIA IS STILL EVOLVING
- TO ACHIEVE GREAT RESULTS

# CLOSE TO CUSTOMERS

## SUBSIDIARIES

 **BIESSE**GROUP  
3-Year Business Plan  
Biesse Customer Experience

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

# FEELING THE PRODUCTS

**BIESSE**GROUP  
3-Year Business Plan  
Biesse Customer Experience



Live the Experience at the Biesse Group booth during exhibitions:

- Virtual Reality
- 4.0 Industry
- Symposium

**Continue to improve our Campus**, 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**.



# SOPHIA IS STILL EVOLVING

**BIESSE GROUP**  
3-Year Business Plan  
Biesse Customer Experience



**S**  **PHIA**

## **SERVICES**

Biesse supports its customers, offering technological connectivity, sharing of expertise, professional consulting services, training and ongoing assistance.

## **PREDICTIVE**

SOPHIA helps to prevent problems that could damage customer production. Biesse takes proactive steps to contact customers, reducing machine downtime and inefficient wasted time.

## **ANALYSIS**

The information gathered and analysed is transformed into useful indications for optimising customer production and product quality, providing extremely opportunities for growth.

# TO ACHIEVE GREAT RESULTS

**BIESSEGROUP**  
3-Year Business Plan  
Biesse Customer Experience

20.000

Connected machines  
by 2020

## Route to new services

With its new IIOT platform, Biesse is transforming itself from product-oriented manufacturer to a digital business offering to its customers value added services



# OUR FUTURE IN FIGURES

- 4.1 OUR FUTURE IN FIGURES
- 4.2 OTHER FIGURES
- 4.3 ANNEX
- 4.7 THE SHARE

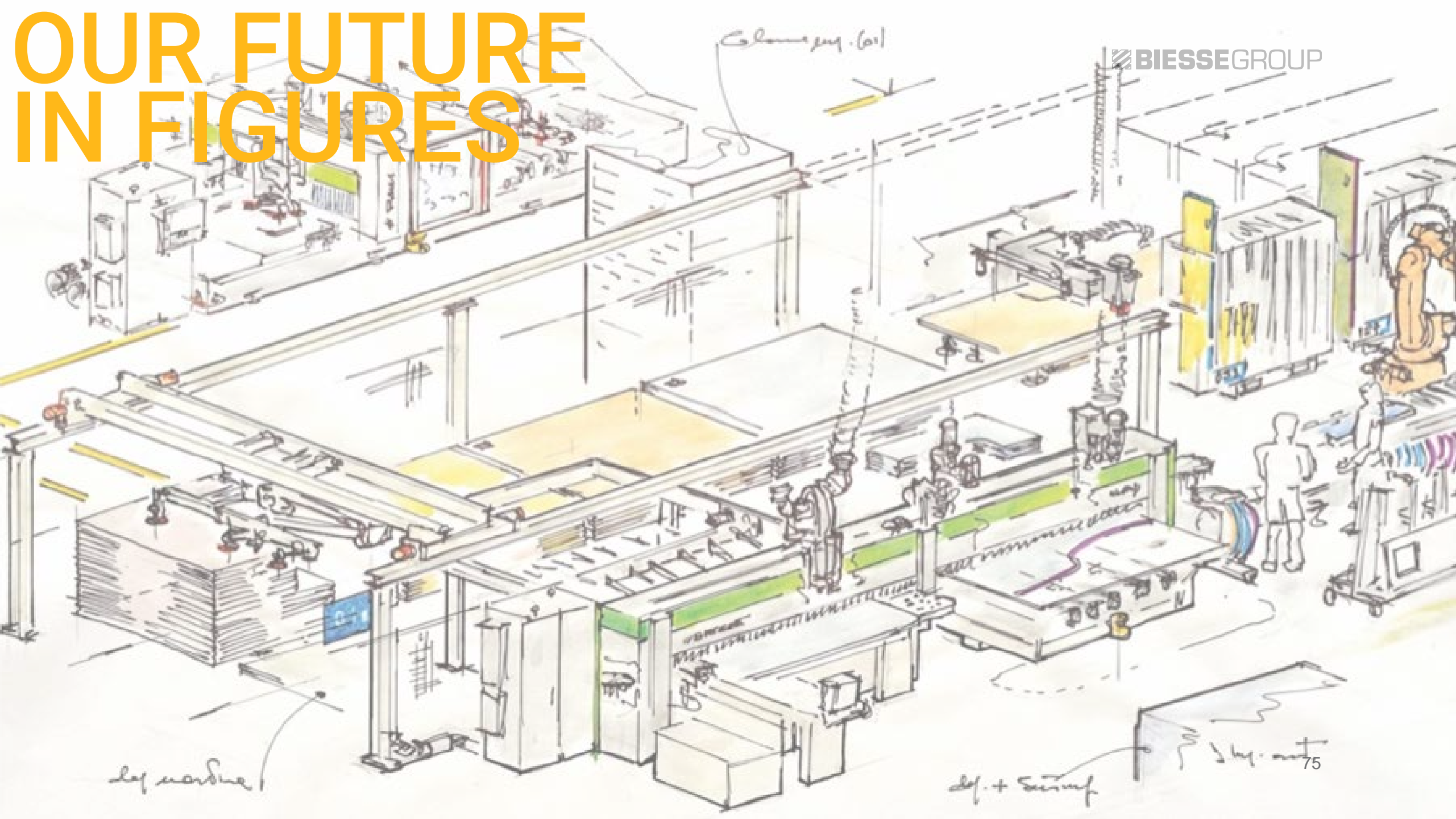
# OUR FUTURE IN FIGURES

- 4.1 OUR FUTURE IN FIGURES
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- 4.7 THE SHARE



# OUR FUTURE IN FIGURES

 BIESSEGROUP



# STABILIZE PROFITABILITY



**BIESSE**GROUP  
3-Year Business Plan  
Our Future in Figures

9.5%

Net sales  
CAGR 2018-2020 vs 2017

☑ 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

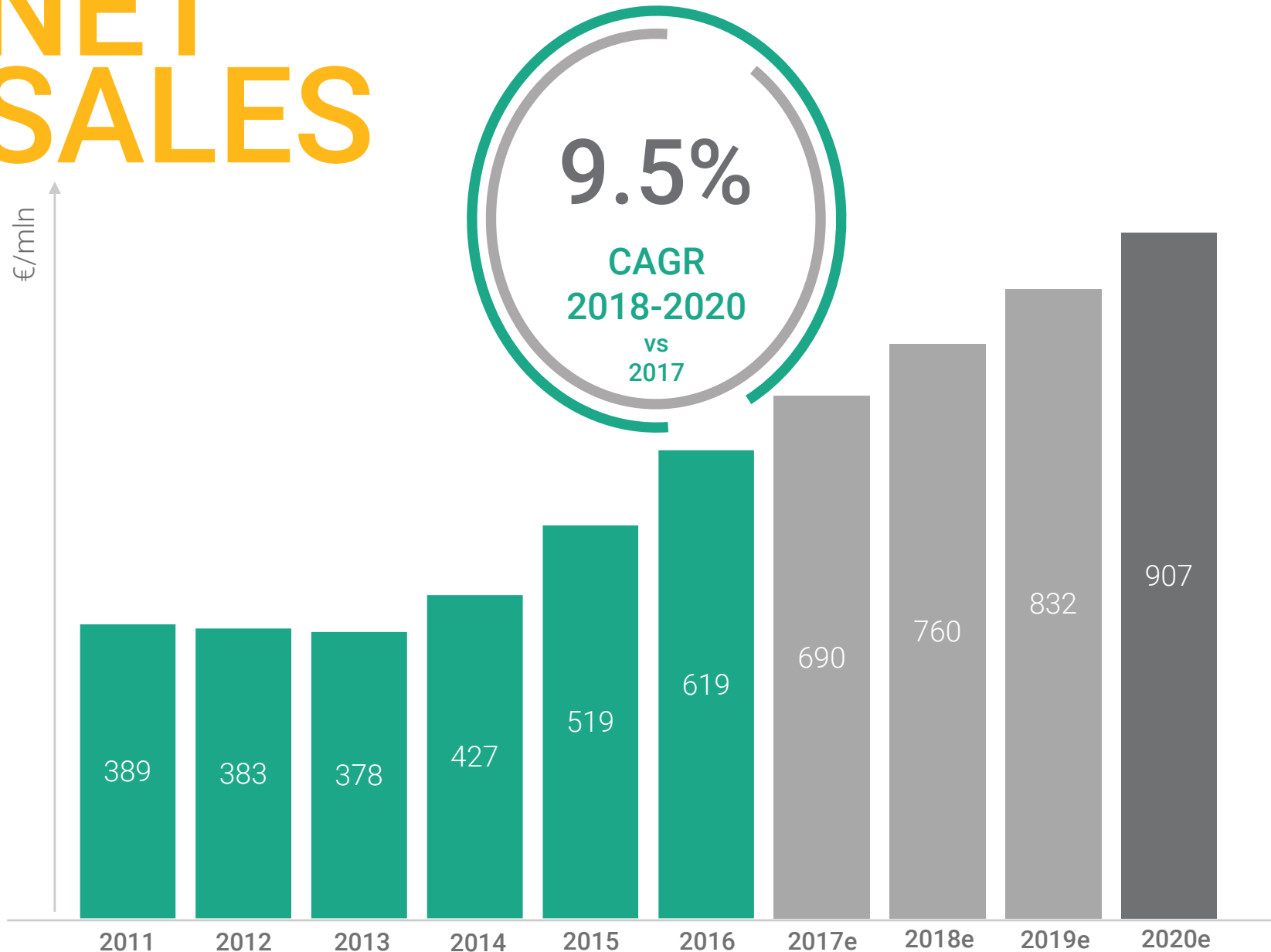
< 20%

Target Overhead Cost on  
Incidence on Net Sales

☑ **Optimize** Overhead cost

# NET SALES

**BIESSEGROUP**  
3-Year Business Plan  
Our Future in Figures



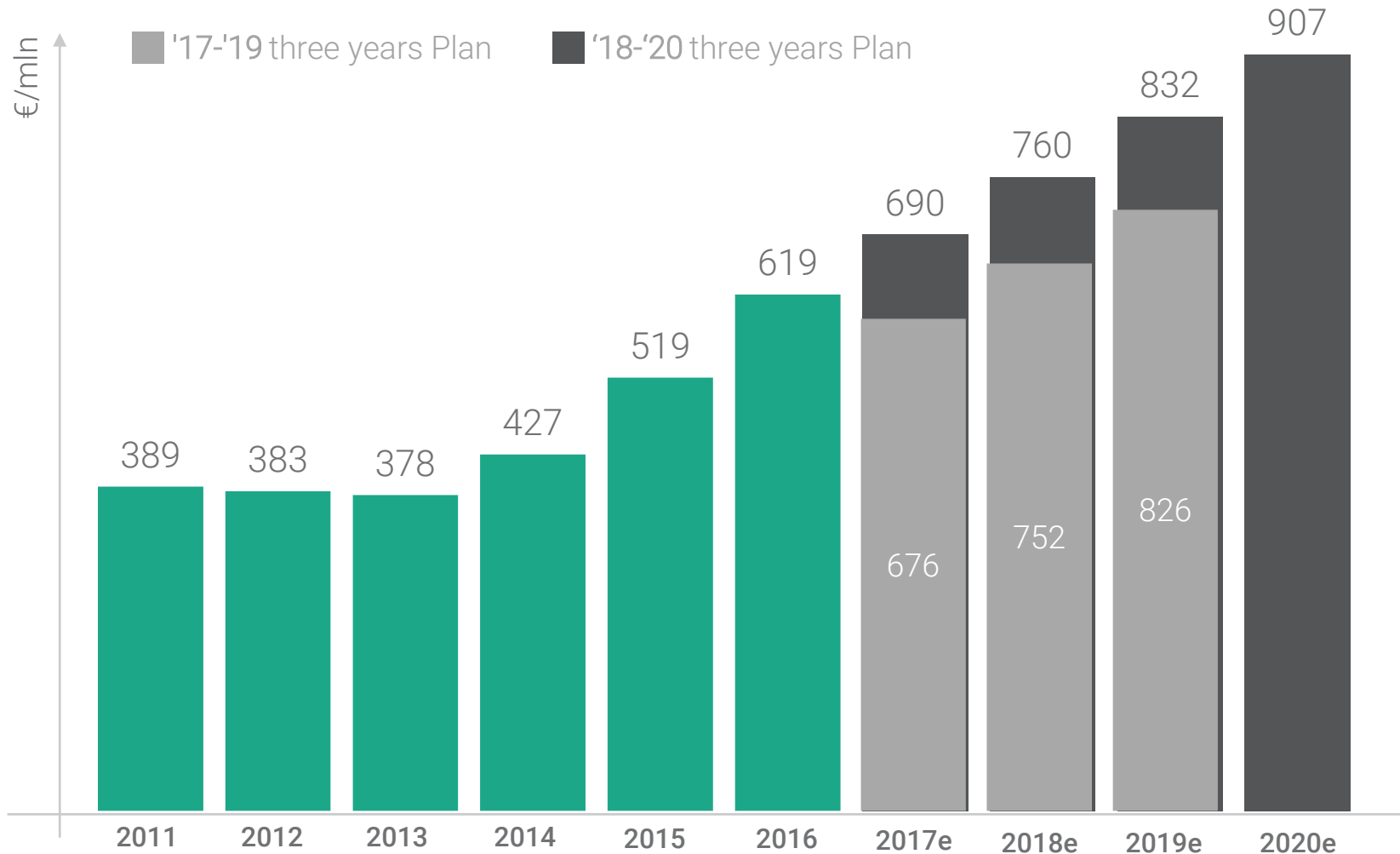
Continuing to pursue an **organic growth**.

- ✓ **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 through the mechatronics division especially

# NET SALES

**BIESSE GROUP**  
3-Year Business Plan  
Our Future in Figures

*the “old” and the “new one”*

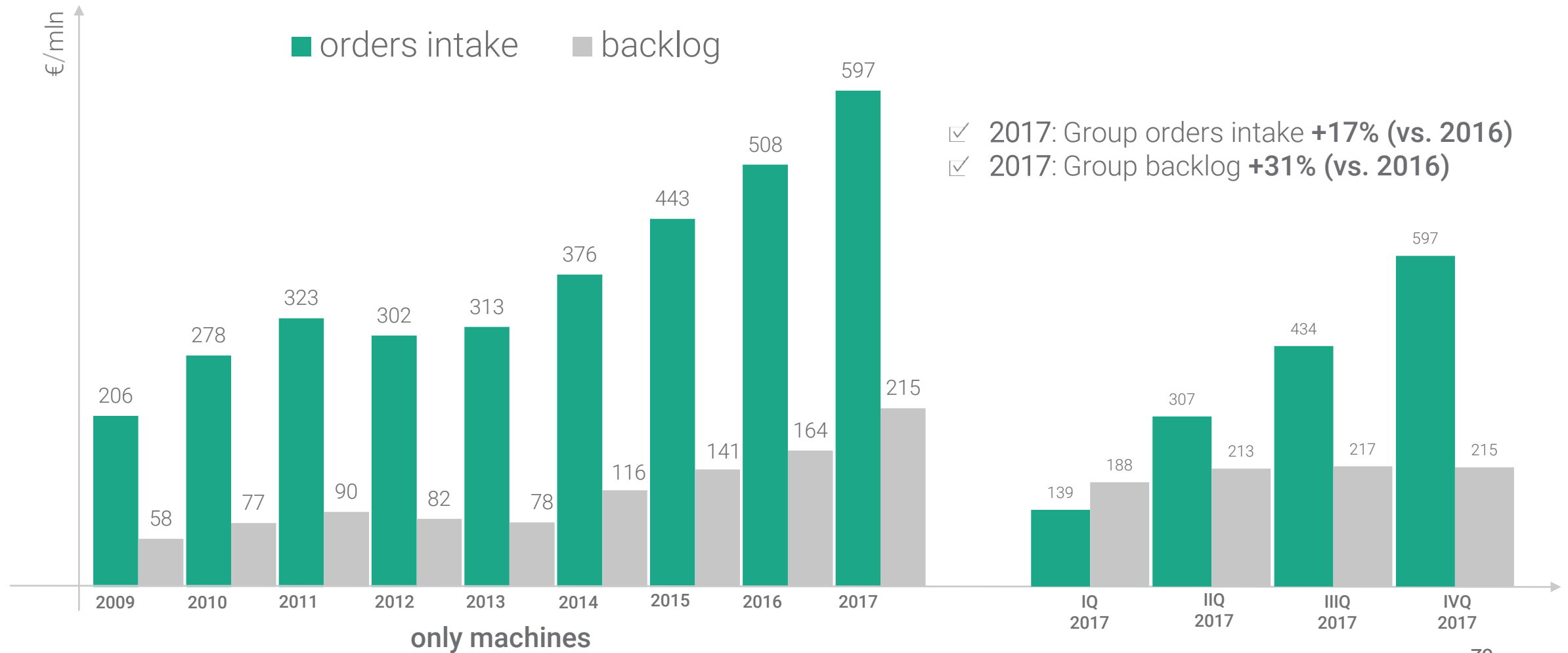


**Confirming** the growth growth path to consolidate our **leadership**

- ✓ In 2017e **we went beyond our targets**, anticipating plan execution
- ✓ We yearn to achieve **higher targets in 2020** leveraging on our strategy: more products, more solutions, more customers

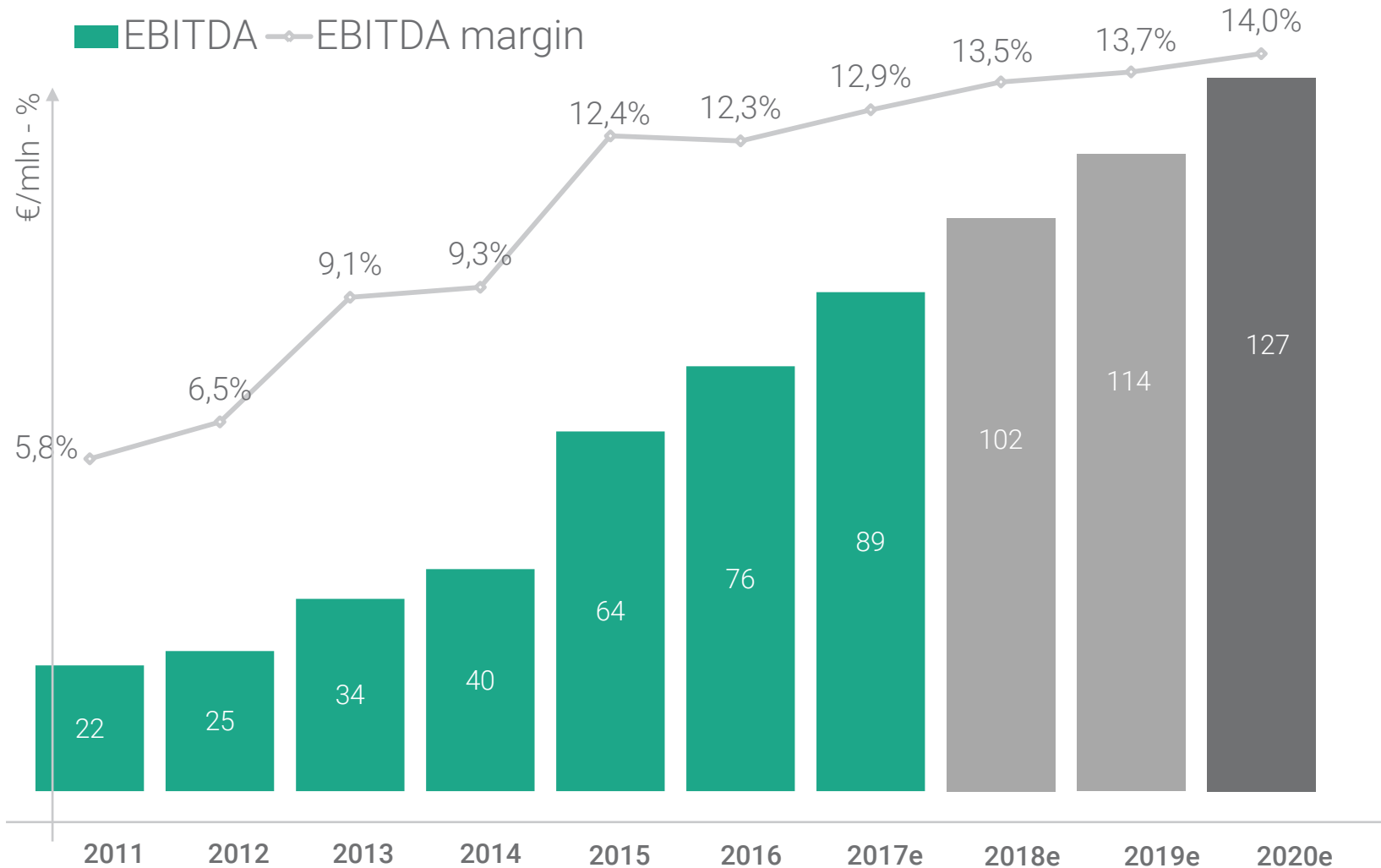
# GROUP ORDERS INTAKE & BACKLOG

**BIESSE**GROUP  
3-Year Business Plan  
Our Future in Figures





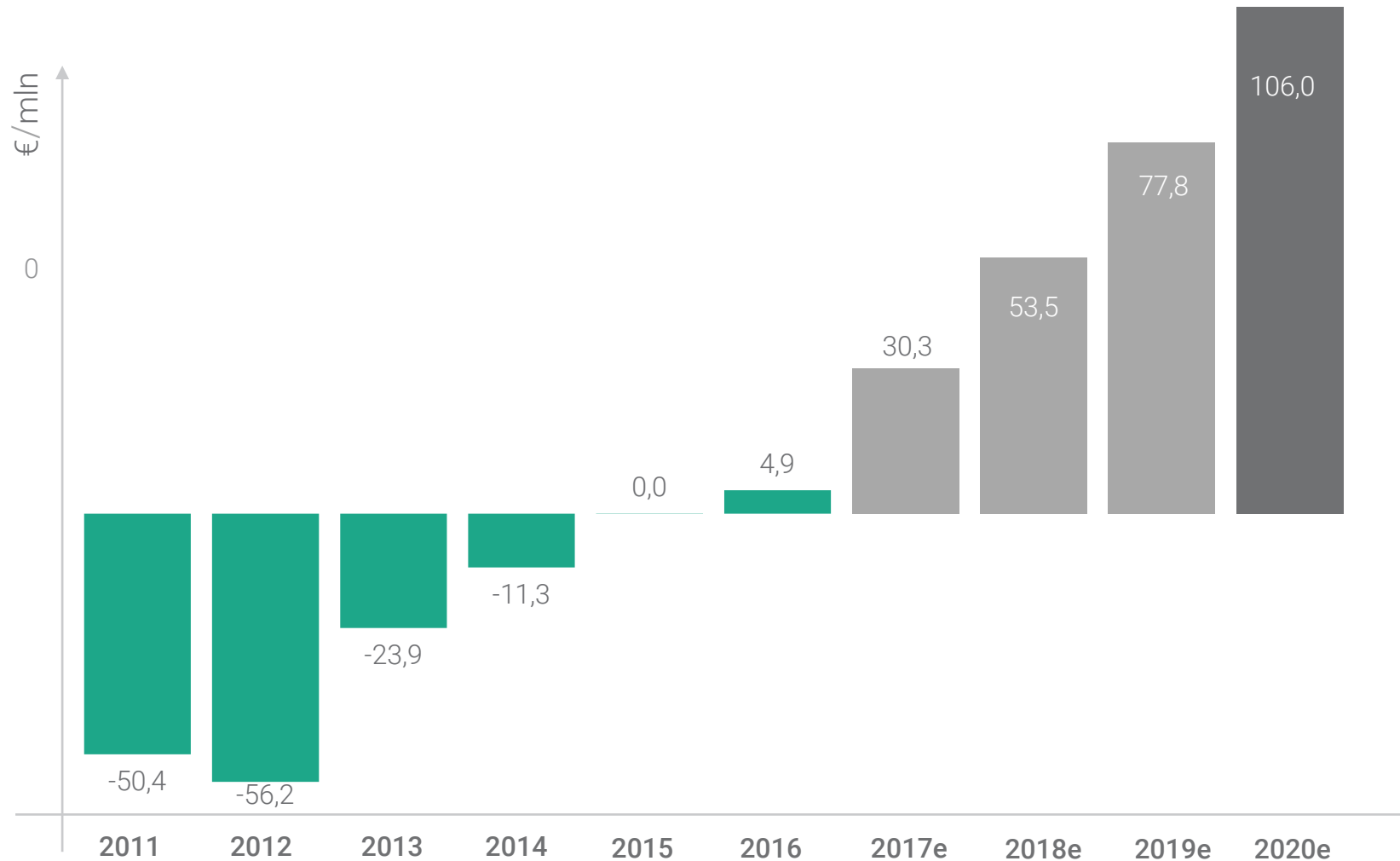
# EBITDA



## 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 **below 20%**

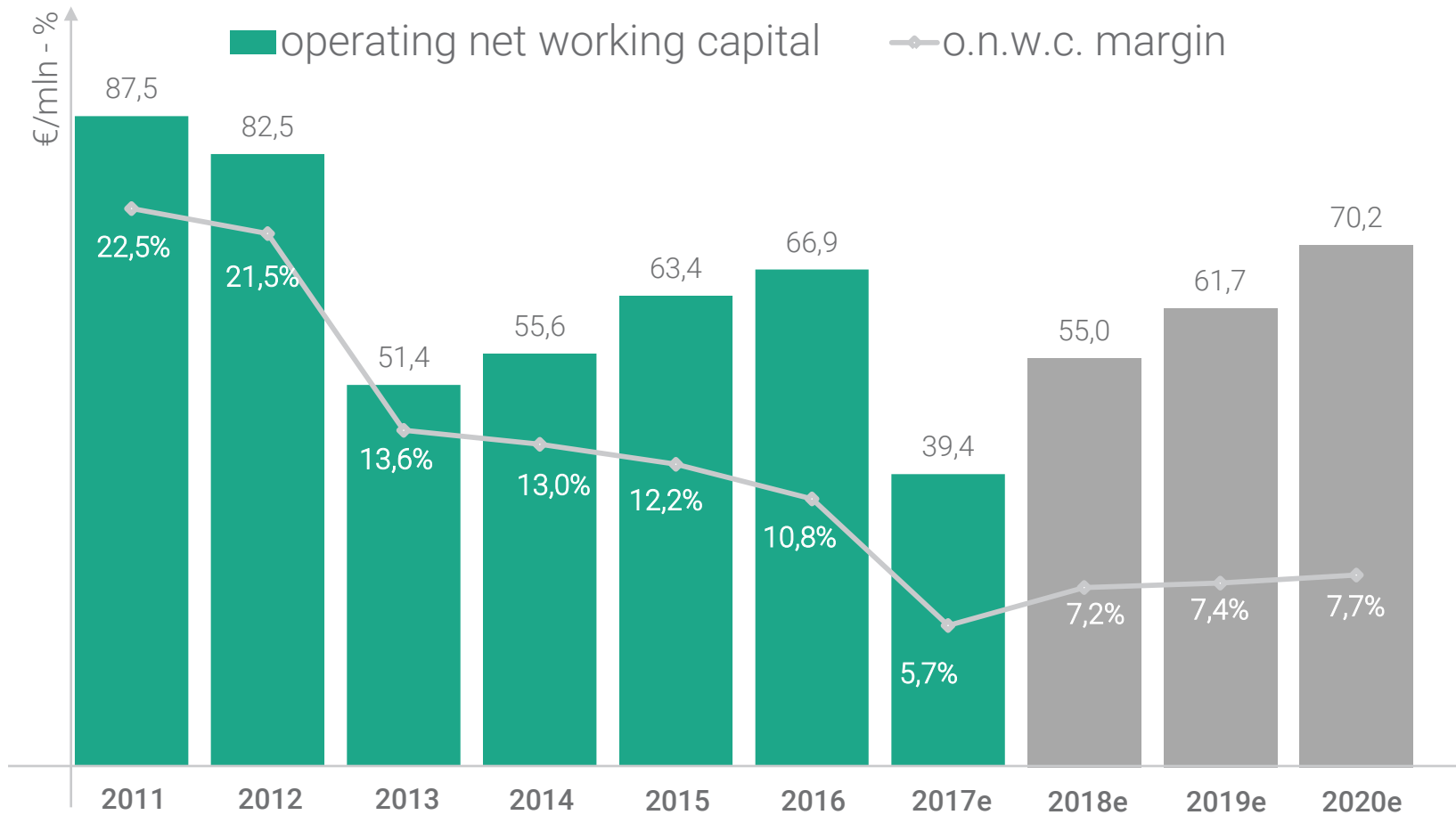
# NET DEBT



## Positive cash flow.

- ✓ Starting point: huge, **positive Net Financial Position** at the end of 2017
- ✓ Continuing to invest in **R&D** around **1.5% of Net Sales (capitalized)** – **effective 4%**
- ✓ **Cash Flow** finances the projected increasing CAPEX to support our growth forecast
- ✓ Already paid yearly **dividends** (since 2014 for four years) for a total amount of > € 34 mln - projected dividend policy 30% of the expected Group net profit

# OPERATING NET WORKING CAPITAL



**control** our Operating Net Working Capital.

- ✓ Maintaining **Operating Net Working Capital** incidence on Net Sales **below 10%**
- ✓ Maintaining our Group **inventories** below **22%** incidence on Net Sales
- ✓ Maintaining our Group **DSO** around **50 -55 days max**
- ✓ Maintaining our Group **DPO** around **110-120 days**

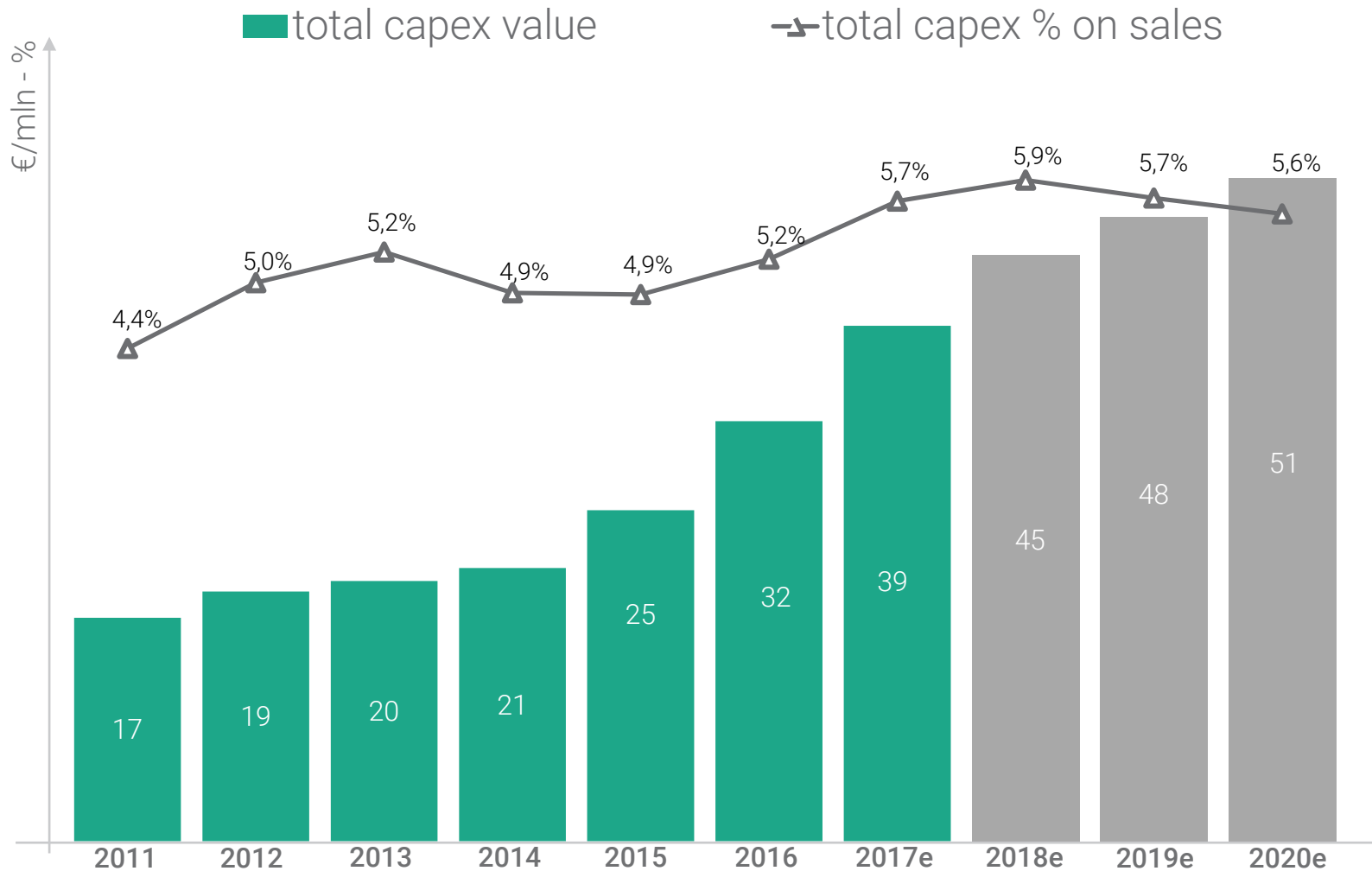
# OUR FUTURE IN FIGURES

Titolo presentazione powerpoint

- 4.1 OUR FUTURE IN FIGURES
- 4.2 OTHER FIGURES
- 4.3 ANNEX
- 4.7 THE SHARE

# CAPEX\*

**BIESSE GROUP**  
3-Year Business Plan  
Others Figures



\*potential growth strategy through M&A not included

**continue our growth path through investments.**

**2018e**

tangible: € 27.4mln

intangible: € 17.6mln

main investments drivers:

- ✓ **Indian** investment in durable goods
- ✓ **Uniteam** improvement of the production plant
- ✓ **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 Subsidiaries implementation
- ✓ **R&D constant investment.** around 1.5% on net sales every year



# CAPEX: TANGIBLES

 **BIESSE GROUP**  
3-Year Business Plan  
Others Figures



- ✓ **Indian** Manufacturing durable goods investments to meet the projected productive expansion improving the quality



- ✓ **Housing** ( Uniteam Wood Division): improvement production plant – durable goods investments ,

continue our growth path  
through investments

---

## TANGIBLE ASSETS

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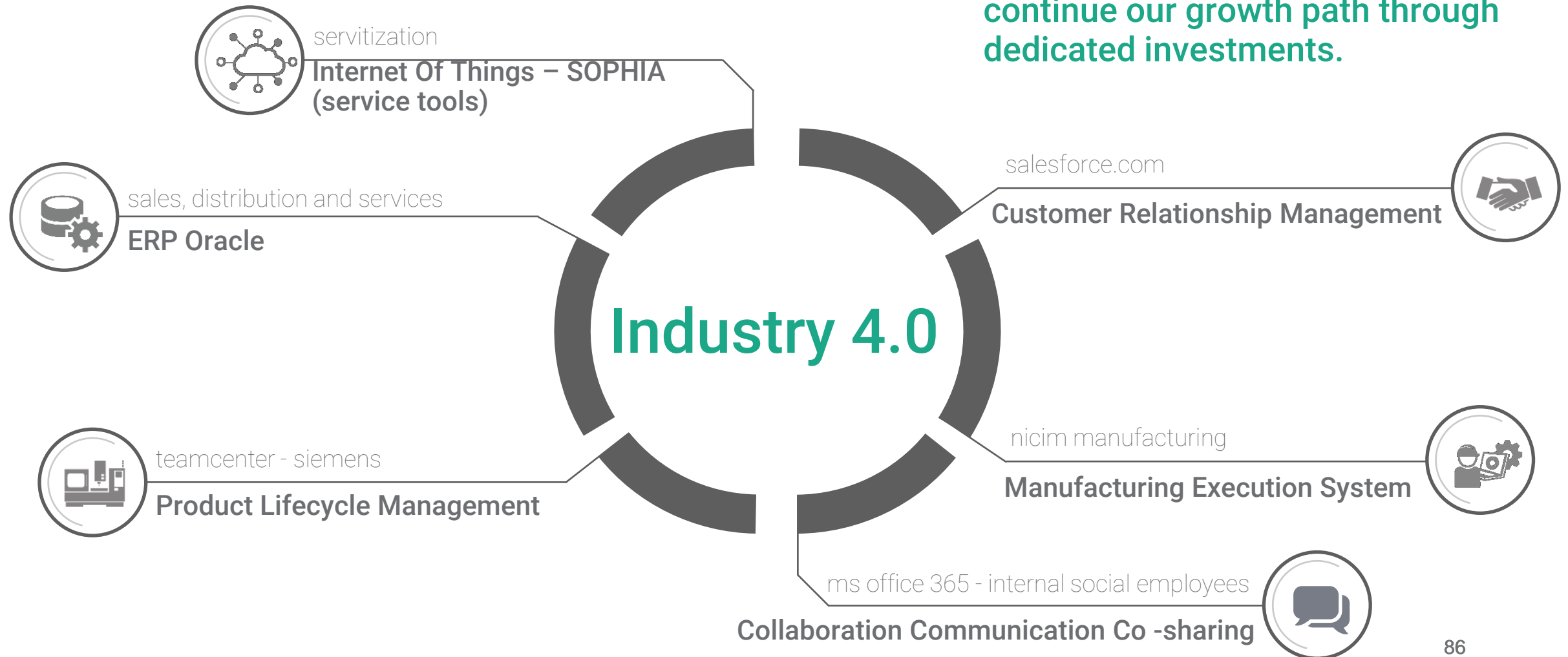
- ✓ **Mechatronics** Italian plant (HSD S.p.A.) components production machines (rotary tables) and production plant



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

# CAPEX: INTANGIBLES

**BIESSE**GROUP  
3-Year Business Plan  
Others Figures



# EXTRACT OF THE P&L

**BIESSE**GROUP  
3-Year Business Plan  
Others Figures

€/mln	2013	2014	2015	2016	2017e		2020e	Targets
<b>Net sales</b> <i>year -1</i>	378.4 -1.2%	427.1 +12.9%	519.1 +21.5%	618.5 +19.1%	690.3 +11.6%	CAGR 9.5%	906.5	
Cost of good sold	155.9 41.2%	177.6 41.6%	206.1 39.8%	245.1 39.6%	270.2 39.1%		348.1 38.4%	
<b>Value added</b> %	147.0 38.8%	167.8 39.3%	212.4 40.9%	252.4 40.8%	289.3 41.9%	CAGR 10.8%	393.2 43.4%	
Labour cost	112.7 29.8%	128.2 30.0%	148.2 28.6%	176.6 28.6%	200.4 29.0%		266.0 29.3%	< 30% incidence
overhead	81.8 21.6%	91.0 21.3%	104.7 20.2%	124.5 20.1%	135.1 19.6%		167.7 18.5%	< 20% incidence
<b>EBITDA</b> %	34.3 9.1%	39.6 9.3%	64.1 12.4%	75.8 12.3%	89.0 12.9%	CAGR% 12.7%	127.2 14.0%	
<b>EBIT</b> %	18.1 4.8%	24.8 5.8%	43.7 8.4%	55.1* 8.9%	63.5* 9.2%	CAGR 14.7%	95.8 10.6%	

\*after non recurring items

# OPERATING NET WORKING CAPITAL

**BIESSE**GROUP  
3-Year Business Plan  
Others Figures

€/mln	2013	2014	2015	2016	2017e	2020e	Targets
Inventories % net sales	22.8%	23.0%	21.5%	21.1%	20.7%	20.0%	<22%
Receivables % net sales	20.1%	18.9%	20.3%	20.8%	17.3%	19.2%	DSO 55 days
Payables % net sales	29.4%	28.8%	29.5%	31.1%	32.3%	31.4%	DPO 120 days
Operating Net Working Capital	51.4	55.6	63.4	66.9	39.4	70.2	
% net sales	13.6%	13.0%	12.2%	10.8%	5.7%	7.7%	

# CASHFLOW NET DEBT

**BIESSE** GROUP  
3-Year Business Plan  
Others Figures

€/mln

2013

2014

2015

2016

2017e

2020e

Gross Cashflow  
% net sales

52.0  
13.8%

38.3  
9.0%

46.3  
8.9%

46.7  
7,5%

74.4  
10.8%

95.3  
10.5%

Investments  
% net sales

-19.8  
5.2%

-20.8  
4.9%

-25.2  
4.9%

-32.0  
5.2%

-39.2  
5.7%

-50.5  
5.6%

Net Cashflow  
% net sales

32.2  
8.5%

17.5  
4.1%

21.1  
4.1%

14.7  
2.4%

35.2  
5.1%

44.8  
4.9%

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

-16.6  
30% of net profit

Δ Net Debt

12.7

11.3

4.9

25.4

28.2 vs 2019e

Net Debt

-23.9

-11.3

0.0

4.9

30.3

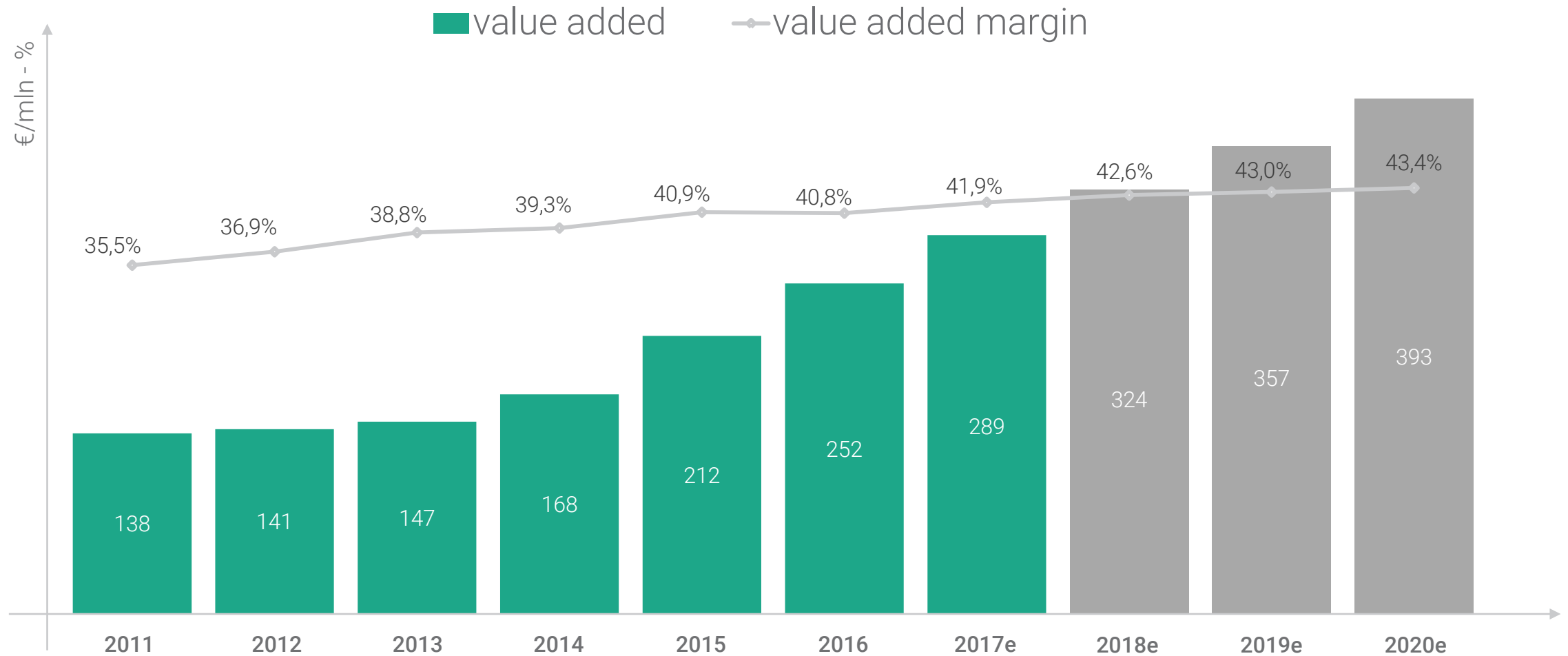
106.0

89



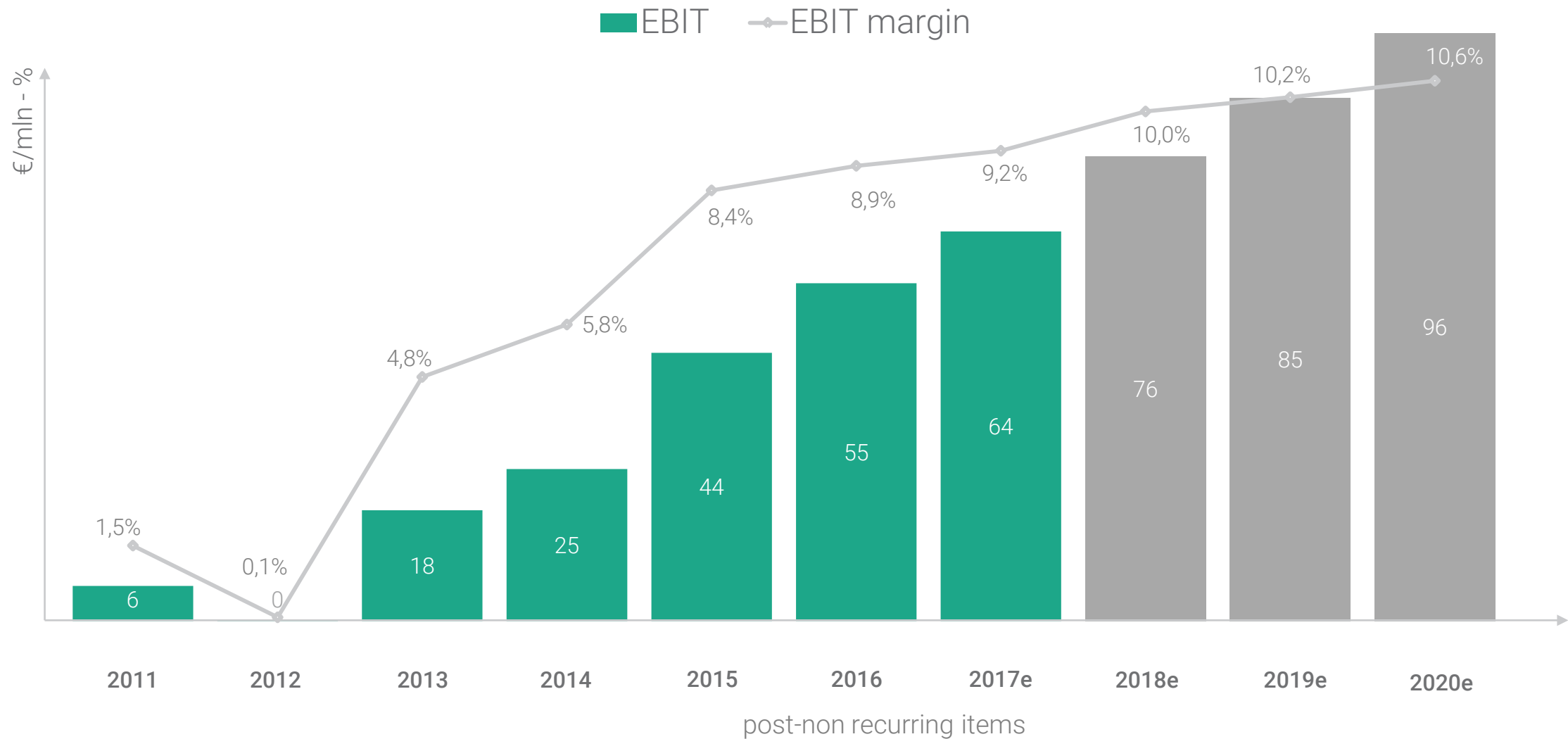
# VALUE ADDED

**BIESSE** GROUP  
3-Year Business Plan  
Others Figures



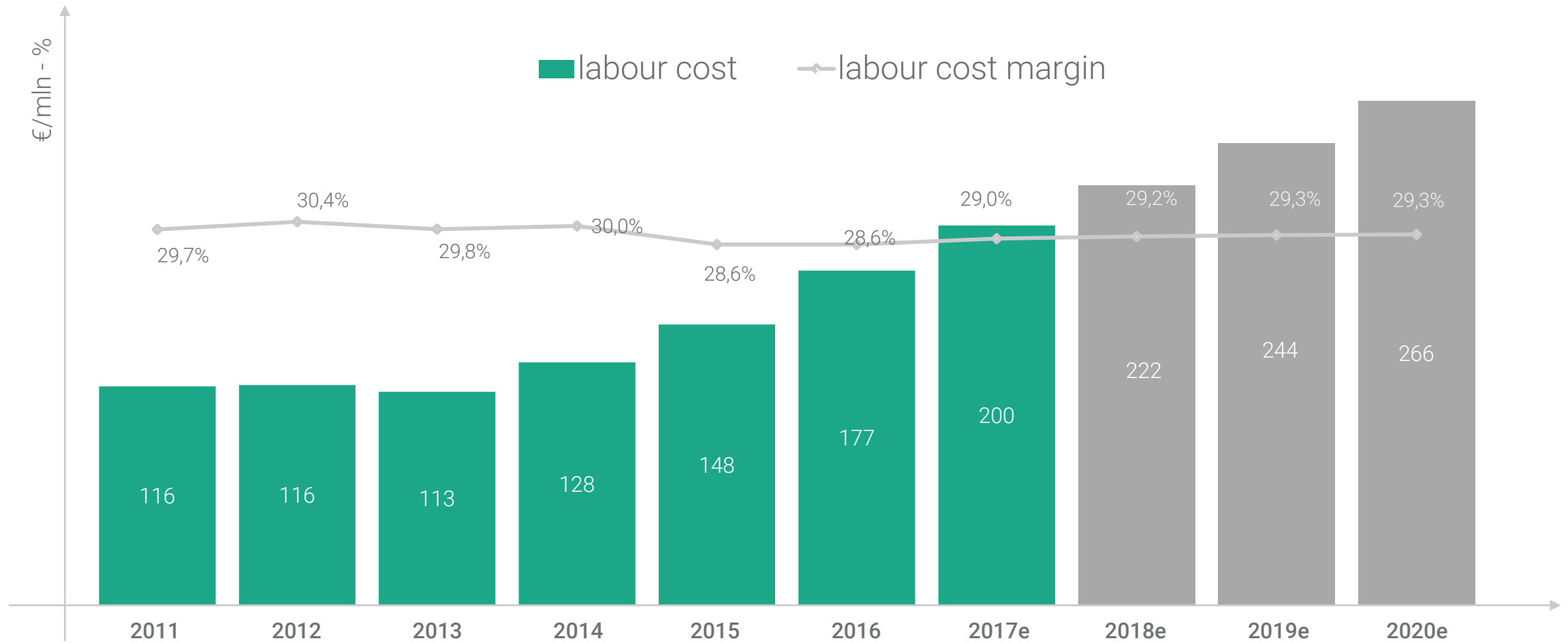
# EBIT

**BIESSE GROUP**  
3-Year Business Plan  
Others Figures



# LABOUR COST

**BIESSE** GROUP  
3-Year Business Plan  
Others Figures



# PEOPLE DISTRIBUTION

(Without interim people)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	
<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%	1.494 39%	
<b>Service &amp; After sale</b> % of total people	568 24%	577 21%	574 21%	613 22%	628 22%	690 22%	803 22%	894 23%	
<b>R&amp;D</b> % of total people	293 12%	316 12%	338 12%	321 12%	361 13%	383 13%	436 12%	479 12.5%	
<b>Sales &amp; Marketing</b> % of total people	340 13%	361 13%	364 13%	351 13%	439 15%	495 15%	587 16%	641 17%	
<b>G &amp; A</b> % of total people	202 9%	233 9%	242 9%	235 9%	252 9%	273 9%	310 8.5%	338 8.8%	
<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%	2.176 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%	1.670 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>	<b>3.846</b>	93

# PEOPLE DISTRIBUTION

**BIESSE**GROUP  
3-Year Business Plan  
Others Figures

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<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%	2.176 57%
<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%	1.670 43%
<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>	<b>3.846</b>

vs Dec 2016: **+228** ( 6.3%)

vs Dec 2016: **+670** (18.5%)

vs Dec 2014: **+965** (26.7%)

interim people at the end of Dec 2017: 196  
(181 at the end of 2016)



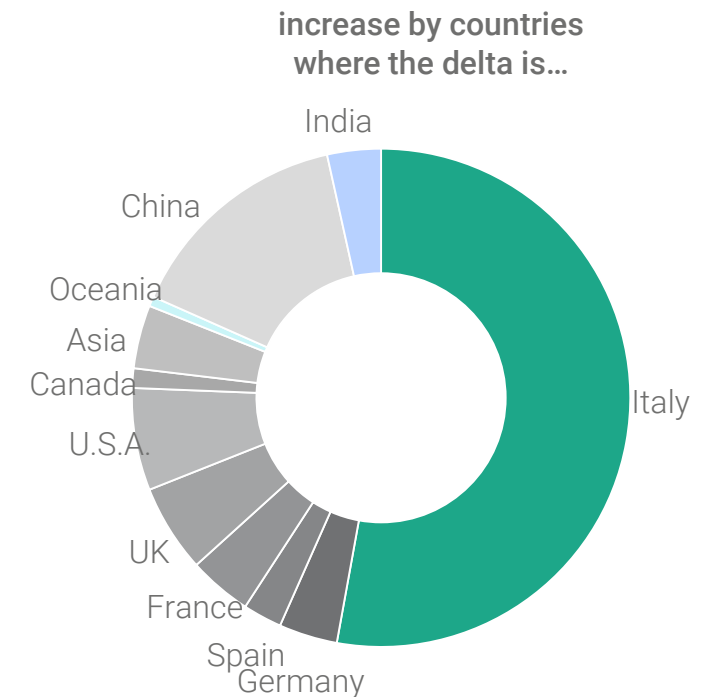
4,042



# PEOPLE EVOLUTION

	FY 2016	FY 2017	%
Production	1,482	1,494	+0.8
Service & After sale	803	894	+11.3
R&D	436	479	+9.8
Sales & Marketing	587	641	+9.2
G & A	310	338	+9.0
ITALY	2,009	2,176	+ 8.3
OUTSIDE ITALY	1,609	1,670	+ 3.8
<b>TOTAL</b>	<b>3,618</b>	<b>3,846</b>	<b>+6.3</b>

the labour cost increase is **EURO 23.9** mln vs 2016 (29.0% the 2017 incidence against net sale vs 28.6% in 2016)



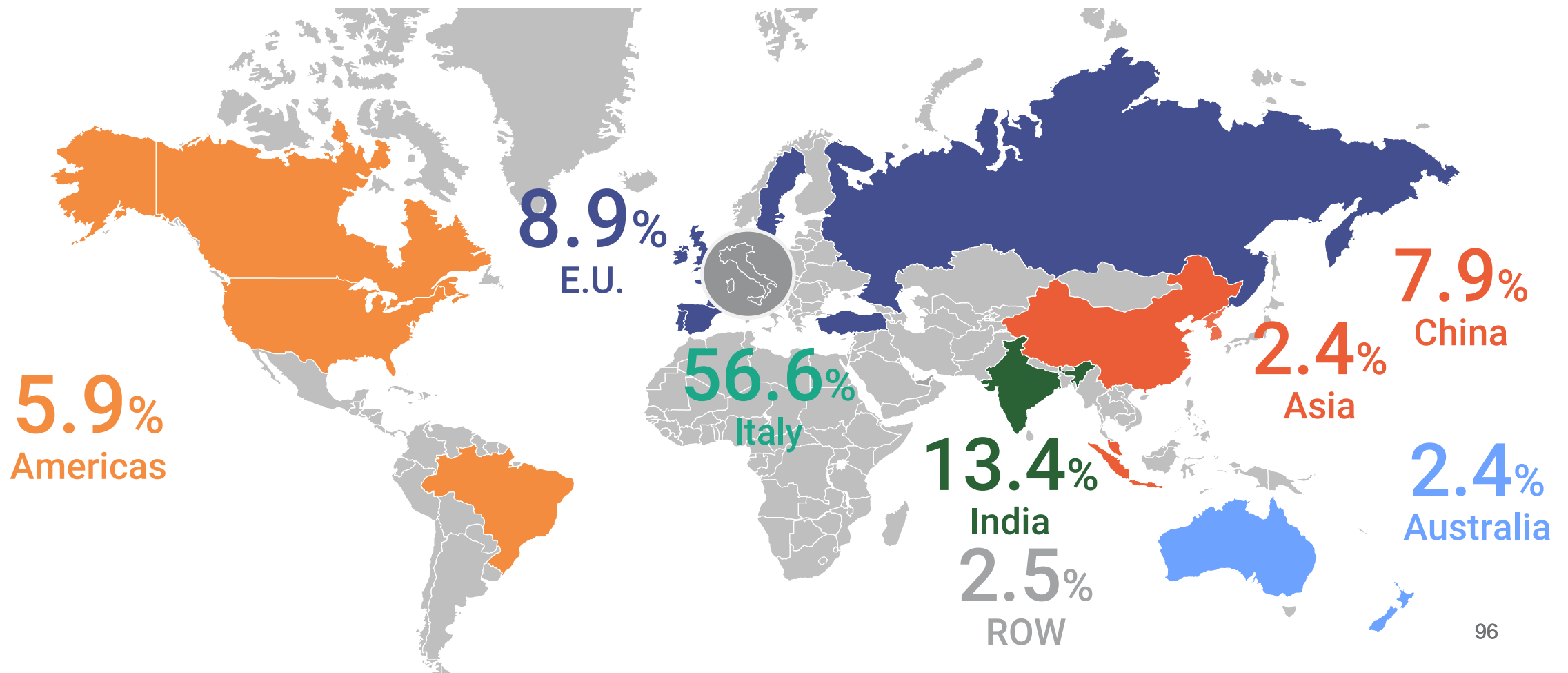
# PEOPLE DISTRIBUTION

BY MAIN COUNTRIES - 2017

**BIESSE GROUP**  
3-Year Business Plan  
Others Figures

People outside Italy: nr. 1,670

People in Italy: nr 2,176

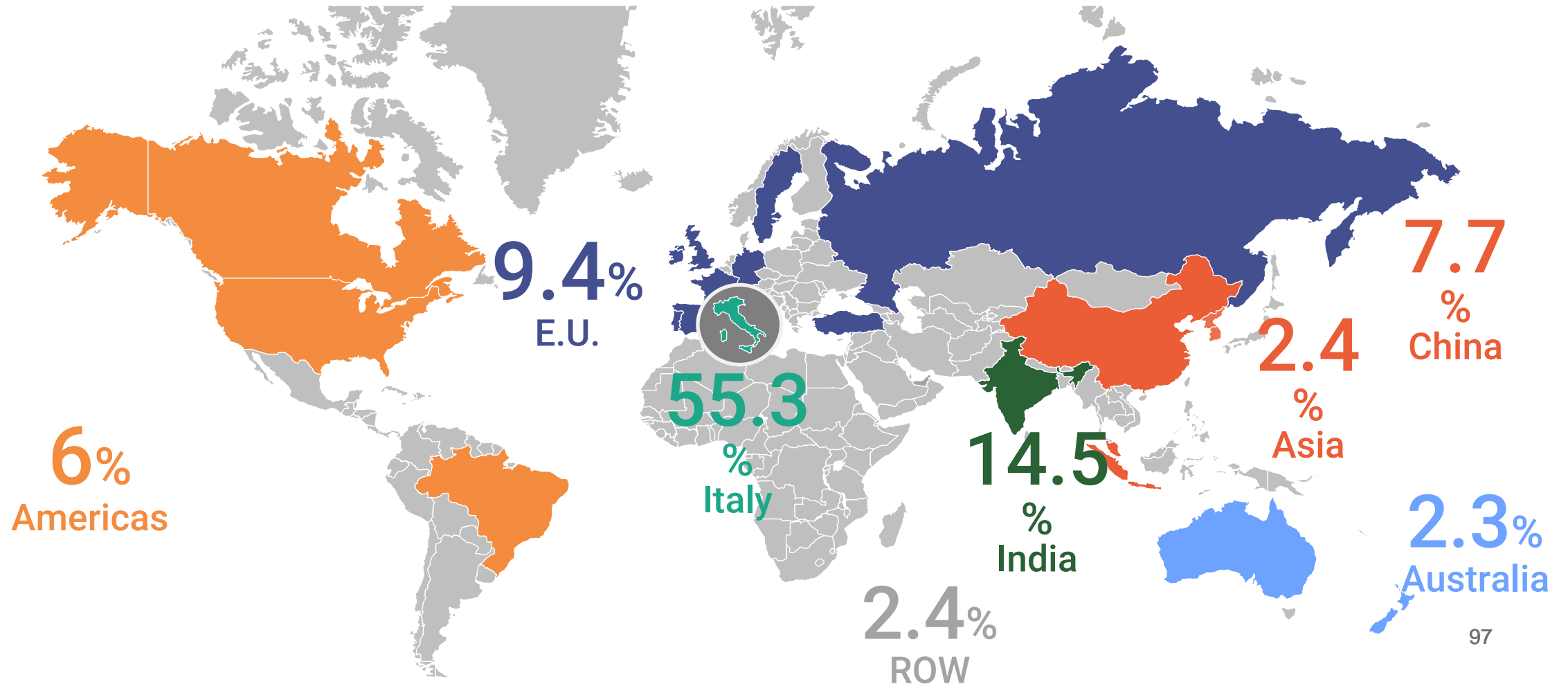


# PEOPLE DISTRIBUTION

BY MAIN COUNTRIES – 2018e

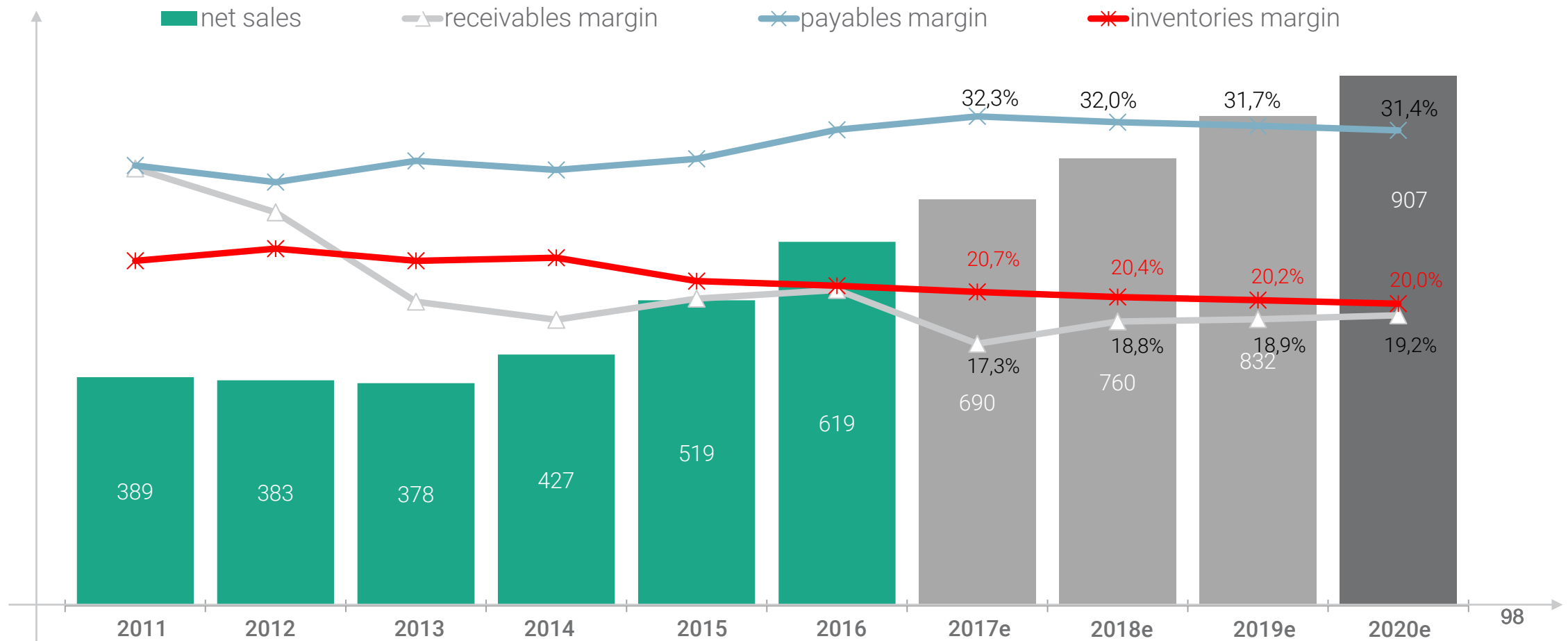
**BIESSE** GROUP  
3-Year Business Plan  
Others Figures

People outside Italy: nr. 2,021  
People in Italy: nr 2,497



# RECEIVABLES PAYABLES INVENTORIES

**BIESSE GROUP**  
3-Year Business Plan  
Others Figures

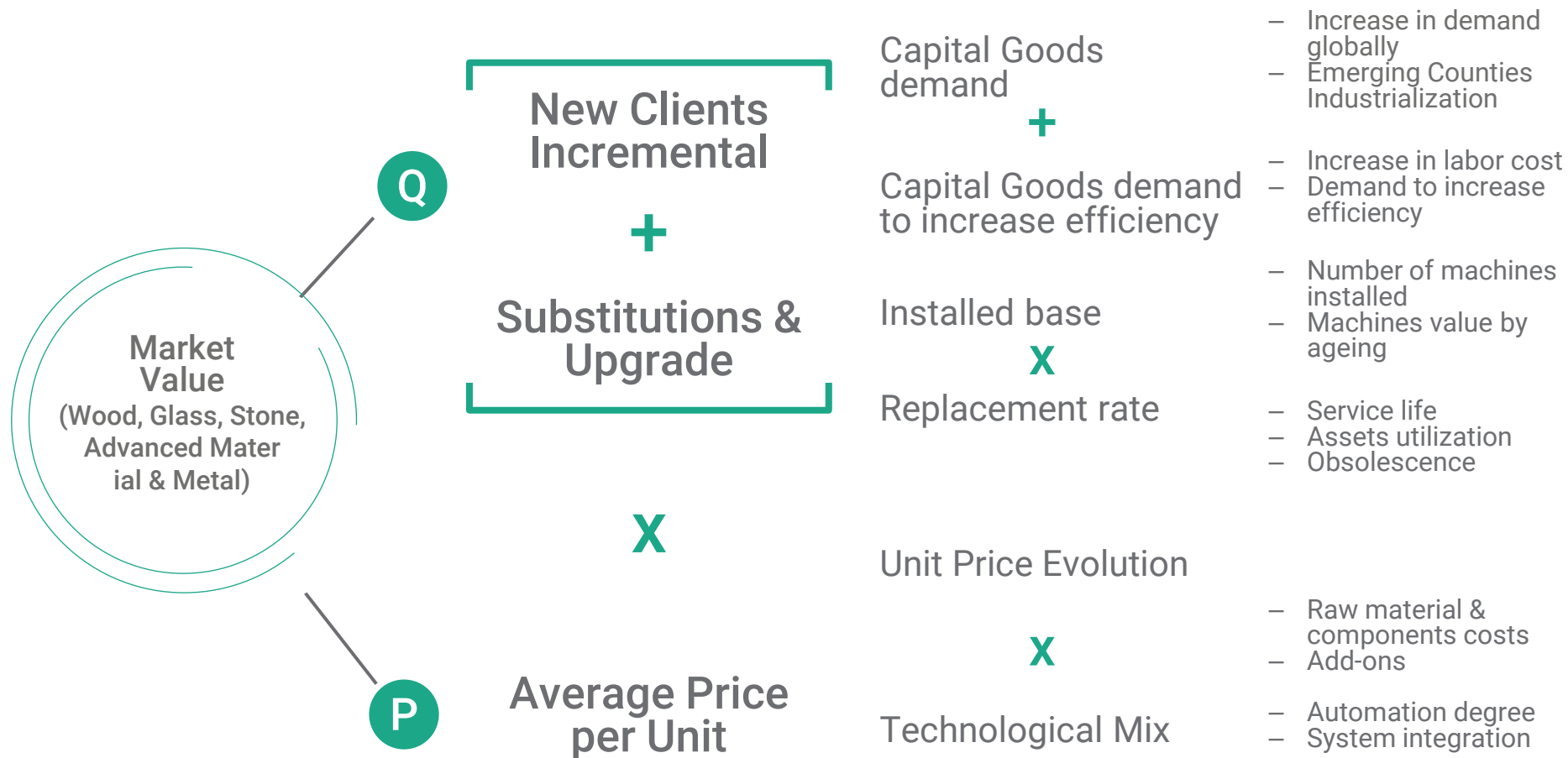


# OUR FUTURE IN FIGURES

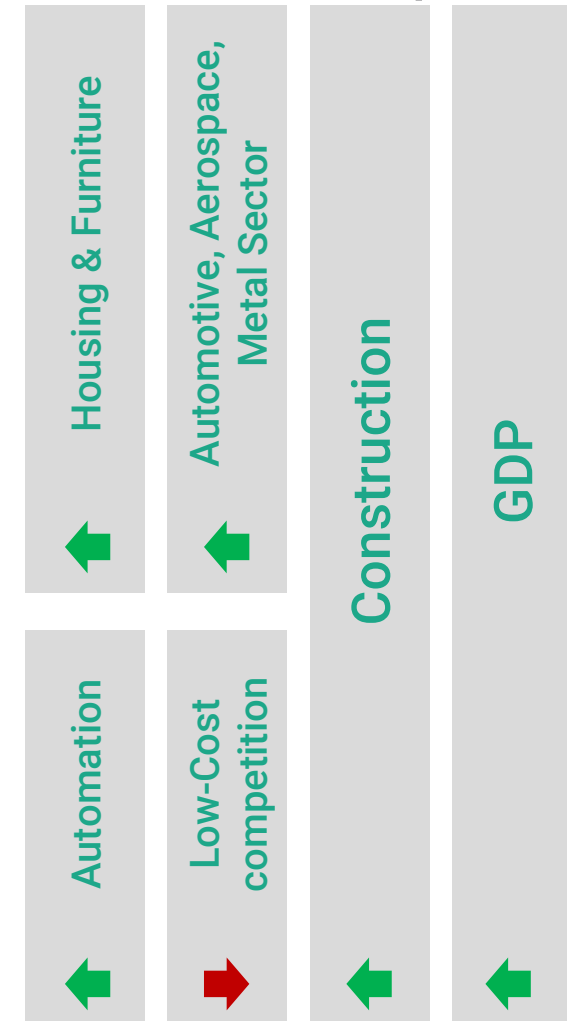
- 4.1 OUR FUTURE IN FIGURES
- 4.2 OTHER FIGURES
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- 4.7 THE SHARE



# MACHINES MARKET VALUE



## Drivers and impact

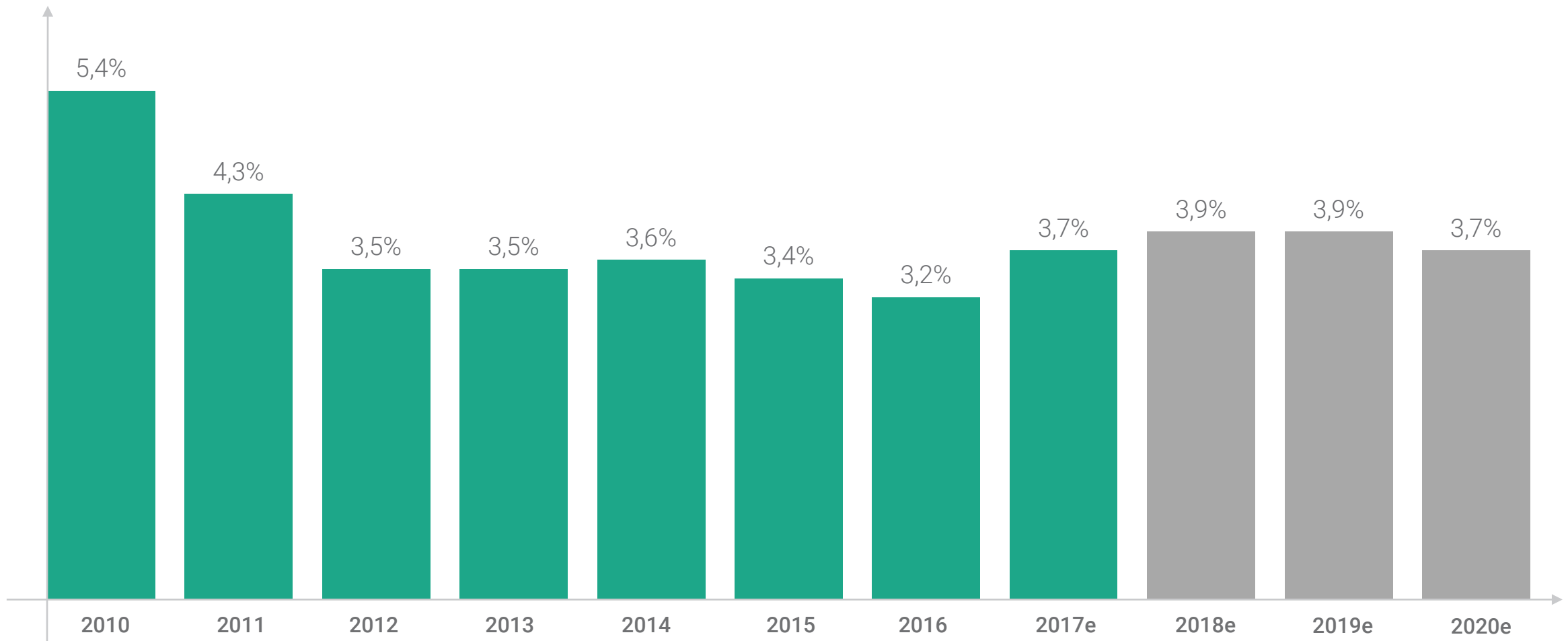


# MACROECONOMIC CONTEXT

 **BIESSE**GROUP  
3-Year Business Plan  
Annex



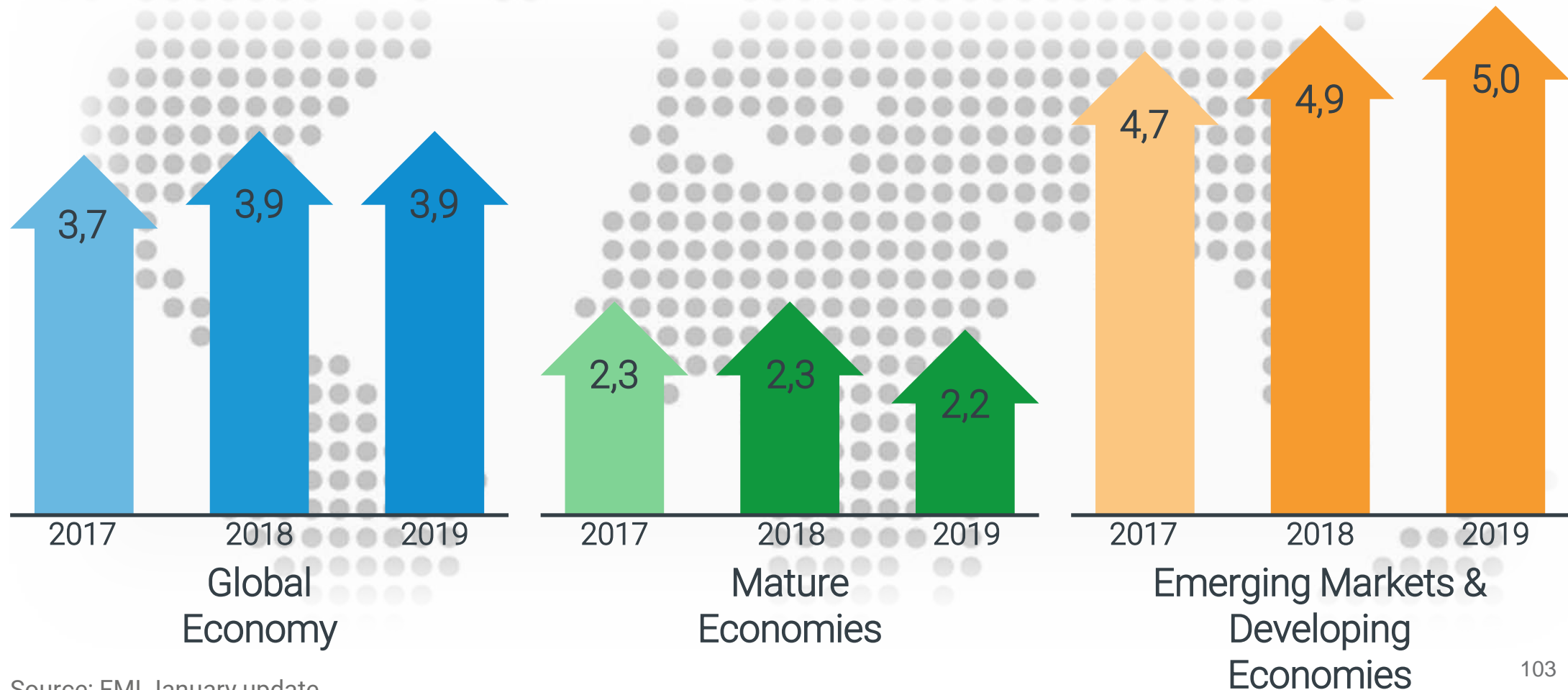
# WORLD GDP



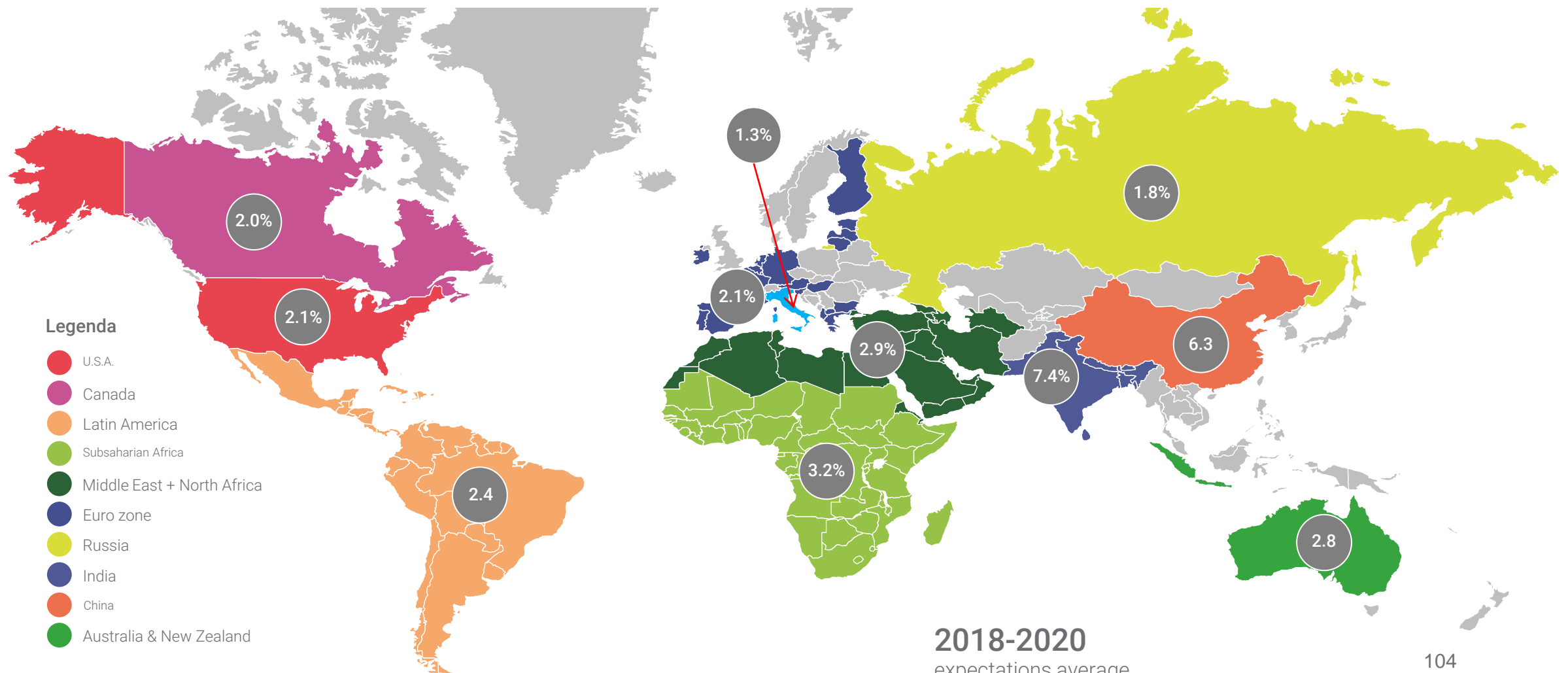
Source: Bloomberg January 2018 statistics

# FMI RECENT UPDATED OPTIMISM

Global economic activity continues to firm up



# WORLD GDP BY MAIN MACRO AREA

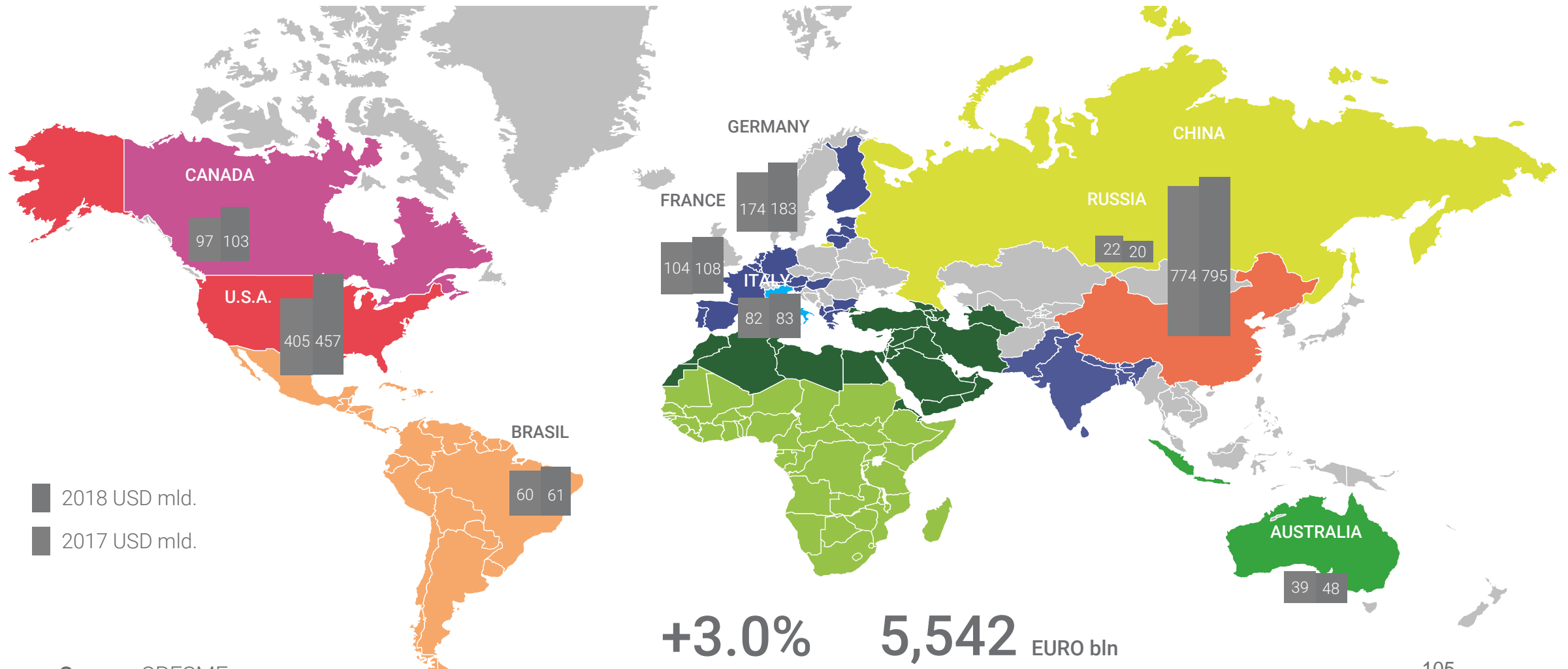


**2018-2020**  
expectations average

Source: Bloomberg January 2018 statistics

# MAIN REFERENCE MARKETS:HOUSING

**BIESSE**GROUP  
3-Year Business Plan  
Annex



■ 2018 USD mld.  
■ 2017 USD mld.

Source: CRESME

**+3.0%**

housing projected  
investments 2018

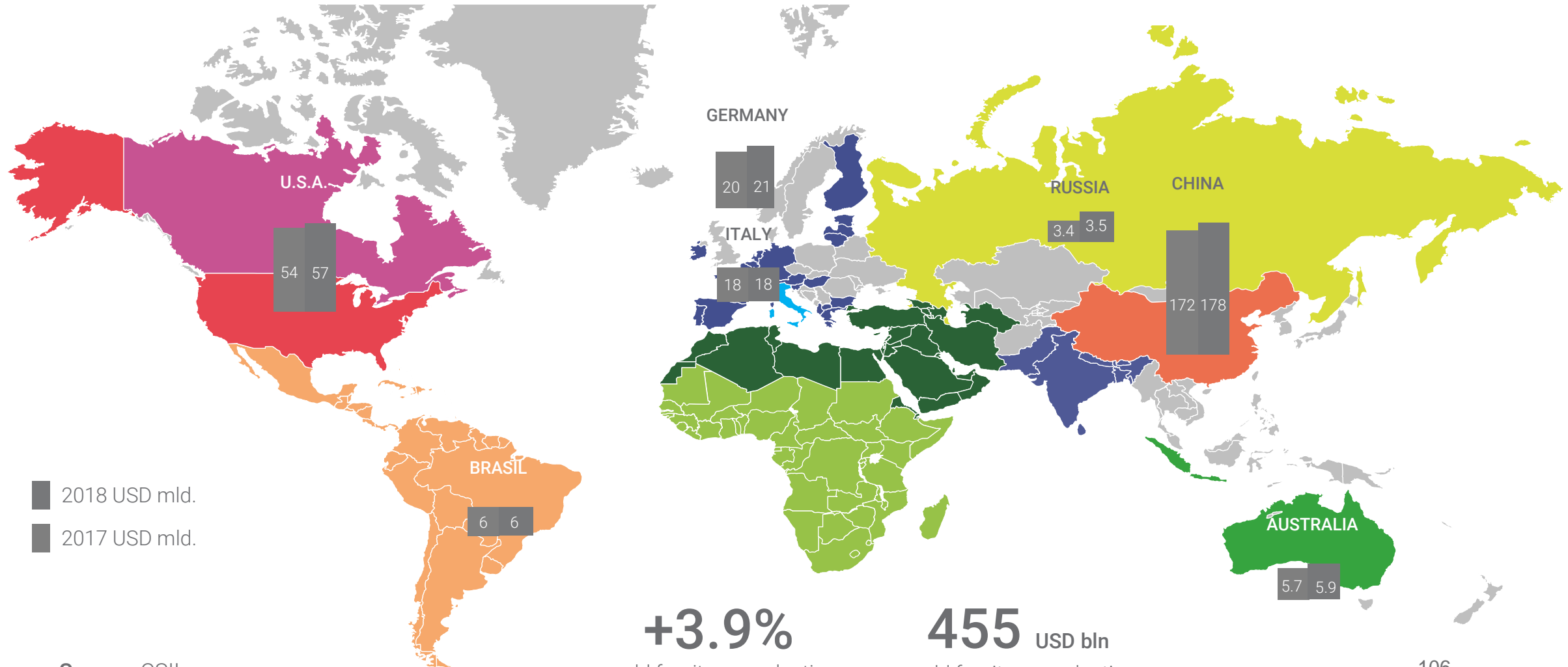
**5,542** EURO bln

world housing investments  
(dimension)



# MAIN REFERENCE MARKETS:FURNITURE

**BIESSE**GROUP  
3-Year Business Plan  
Annex



■ 2018 USD mld.  
■ 2017 USD mld.

Source: CSIL

**+3.9%**

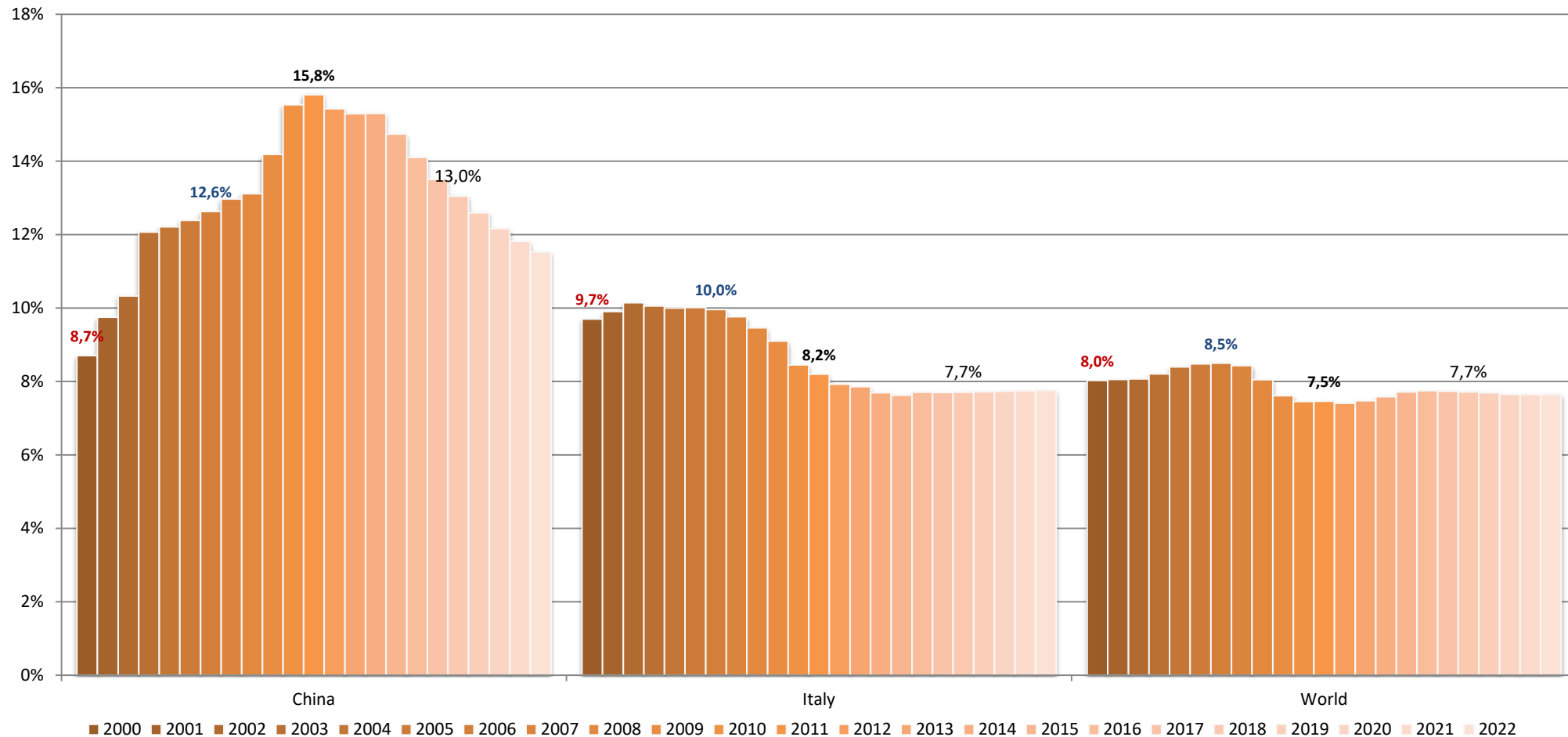
world furniture production  
projection 2018

**455** USD bln

world furniture production  
(dimension)

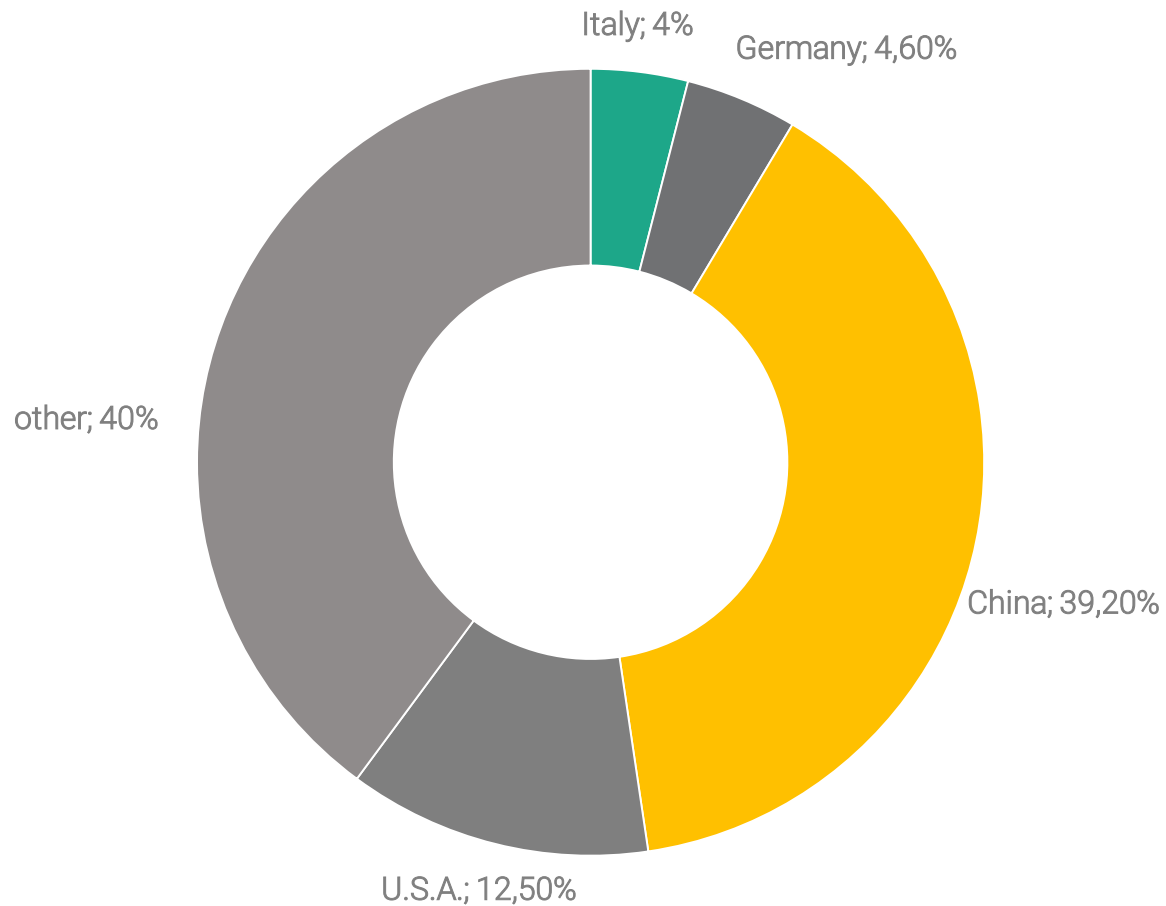
# MAIN REFERENCE MARKETS:HOUSING

(BUILDING INVESTMENTS RESIDENTIAL + NON RESIDENTIAL)



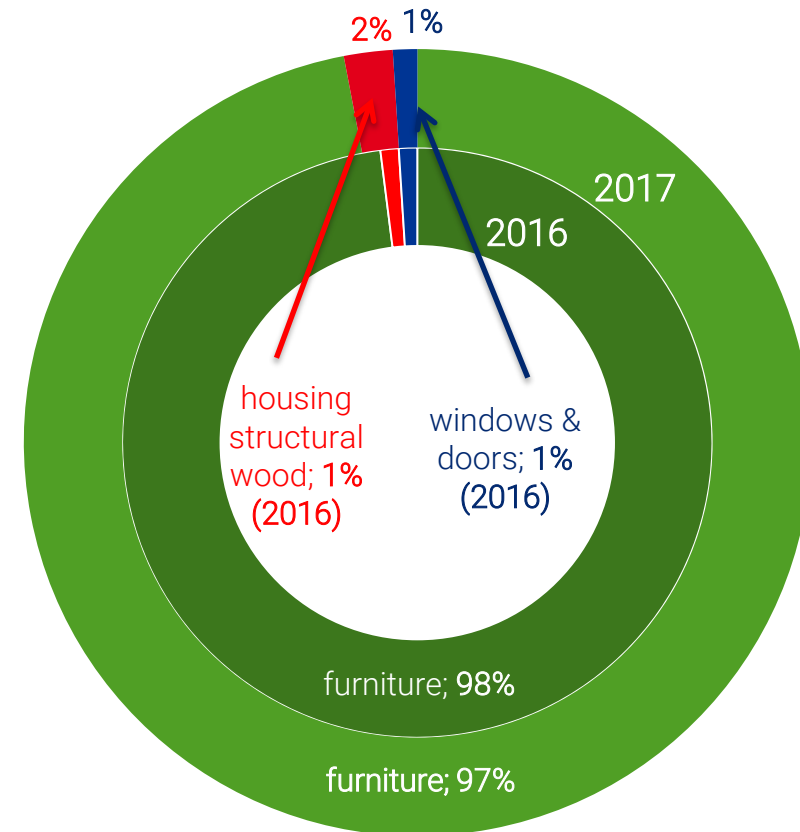
# MAIN REFERENCE MARKETS:

furniture consumption by countries



Source: CSIL

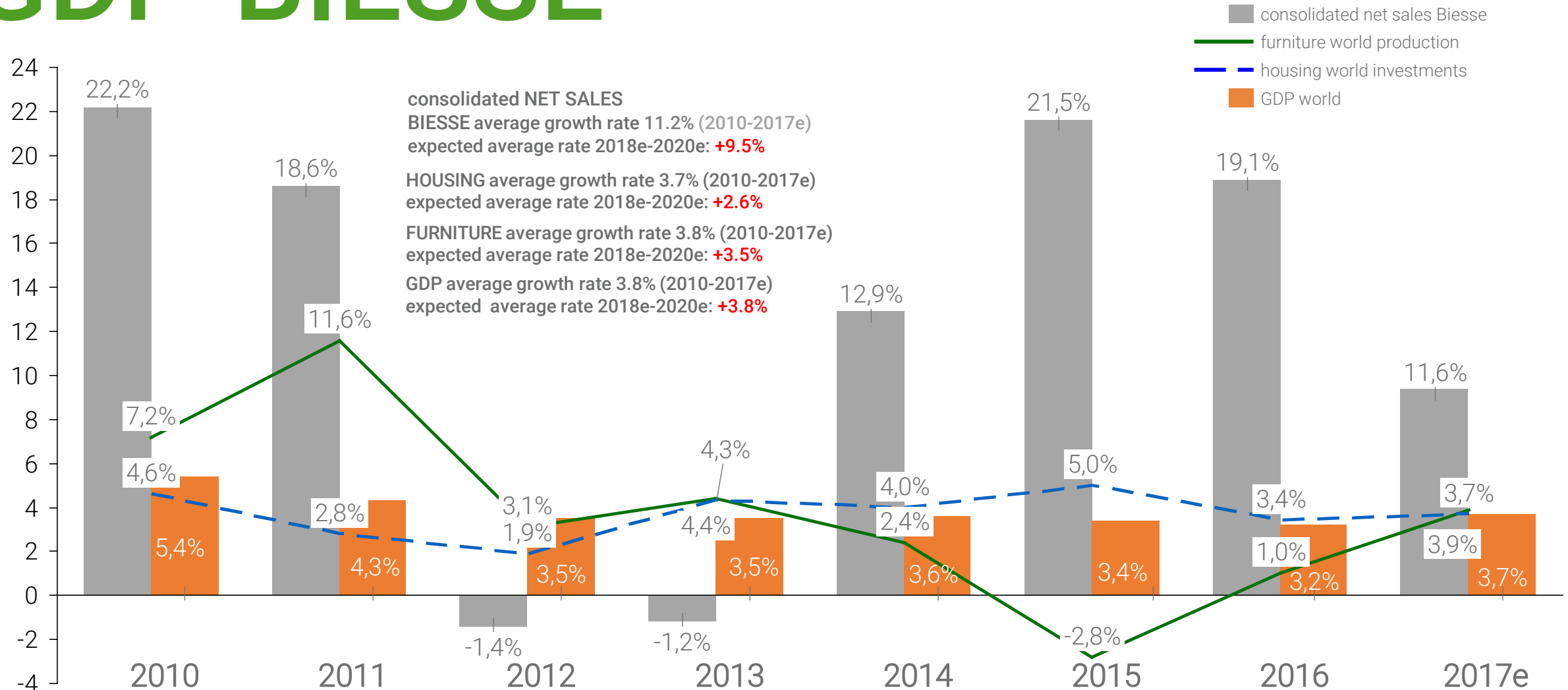
where Biesse is insisting...:



Source: Biesse

# HOUSING-FURNITURE GDP-BIESSE

**BIESSE** GROUP  
3-Year Business Plan  
Annex



Source: Bloomberg – CSIL - CRESME

# ASSOCIATIONS (WOOD/MACHINERIES)

“

«During the year that has just ended, we saw an increase in production of 11.6% with a strong impact of the domestic sector (+13%).

With regard to the expectations for 2018, Acimall anticipates a prudent growth between **3-5%**. Conditioned, as ever, by the results of the planned policies of incentivisation».



Italian woodworking machineries  
& tools manufacturers association

“

«Excellent results for the year 2017 with a global increase for the production of 10.1%. This result has been mainly due by the uptrend in the domestic market (+ 13.8%) that is therefore beating the pre-crisis level. The expectations for the 2018 are for a general increase of **8.2%** still mainly driven and supported by the incentives (fiscals and economics) and the Industry 4.0 development».



Italian machines tools, robots and  
automation manufactures association

“

«The woodworking machinery production totally rised again in 2017 especially with the domestic market overlapping (+20%) the export portion (+12%). The expectations for the 2018 are still positive with a general 3% growth rate. In particular the woodworking segment is seen growing with a **8%** rate.».



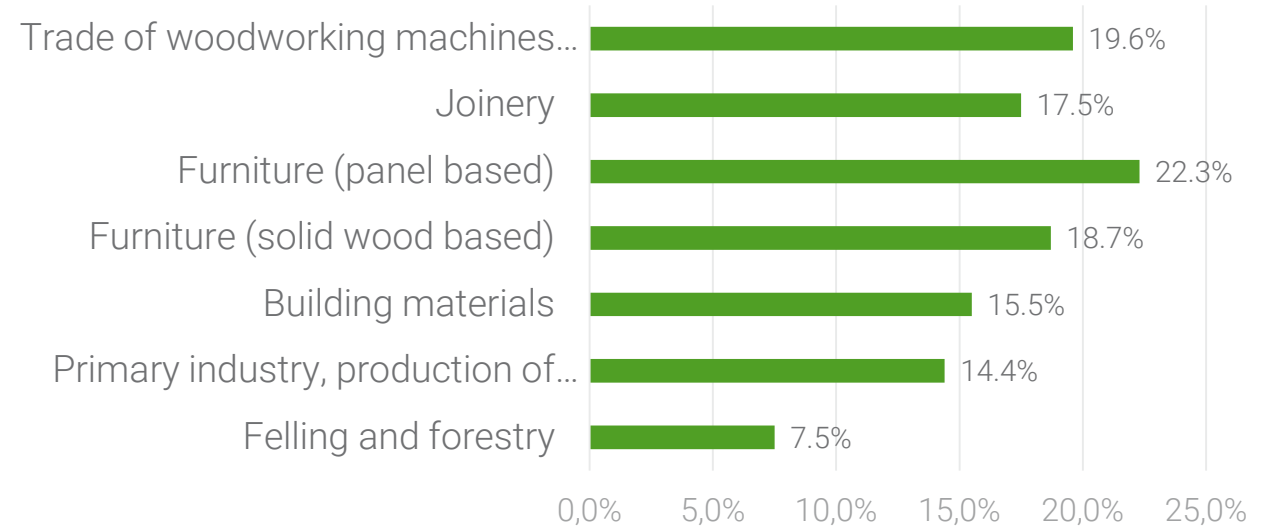
Verband Deutscher Maschinen- und  
Anlagenbau, Mechanical  
Engineering Industry Association

# ACIMALL FOCUS

## (XYLEXPO 2018 PRESENTATION EXTRACT)



Italian GDP outlook



### INDUSTRY 4.0: THE ITALIAN WAY GOVERNMENT GUIDELINES

- A public investment of about 20 billion euro.
- A super and hyper-amortization of 130% and 250%.
- A 50% tax credit on R&D investments.

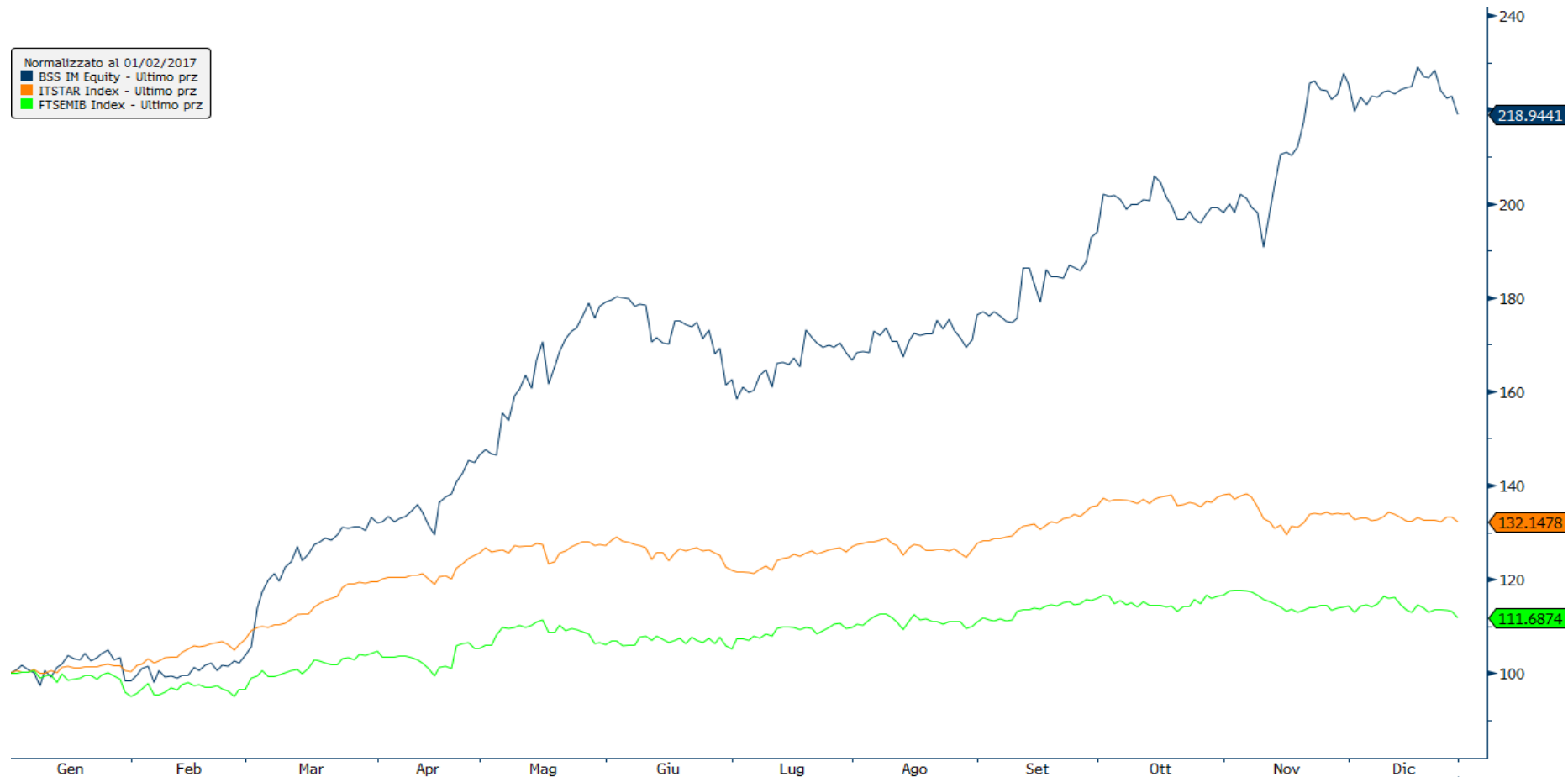


# OUR FUTURE IN FIGURES

- 4.1 OUR FUTURE IN FIGURES
- 4.2 OTHER FIGURES
- 4.3 ANNEX
- 4.7 THE SHARE

# BIESSE SHARE 2017 TREND: VS INDEX

**BIESSE** GROUP  
3-Year Business Plan  
The Share



BSS IM Equity (Biesse SpA) BIESSE VS PEERS Giornaliero 02JAN2017-31DEC2017

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# BIESSE SHARE HISTORICAL TREND (SINCE IPO):

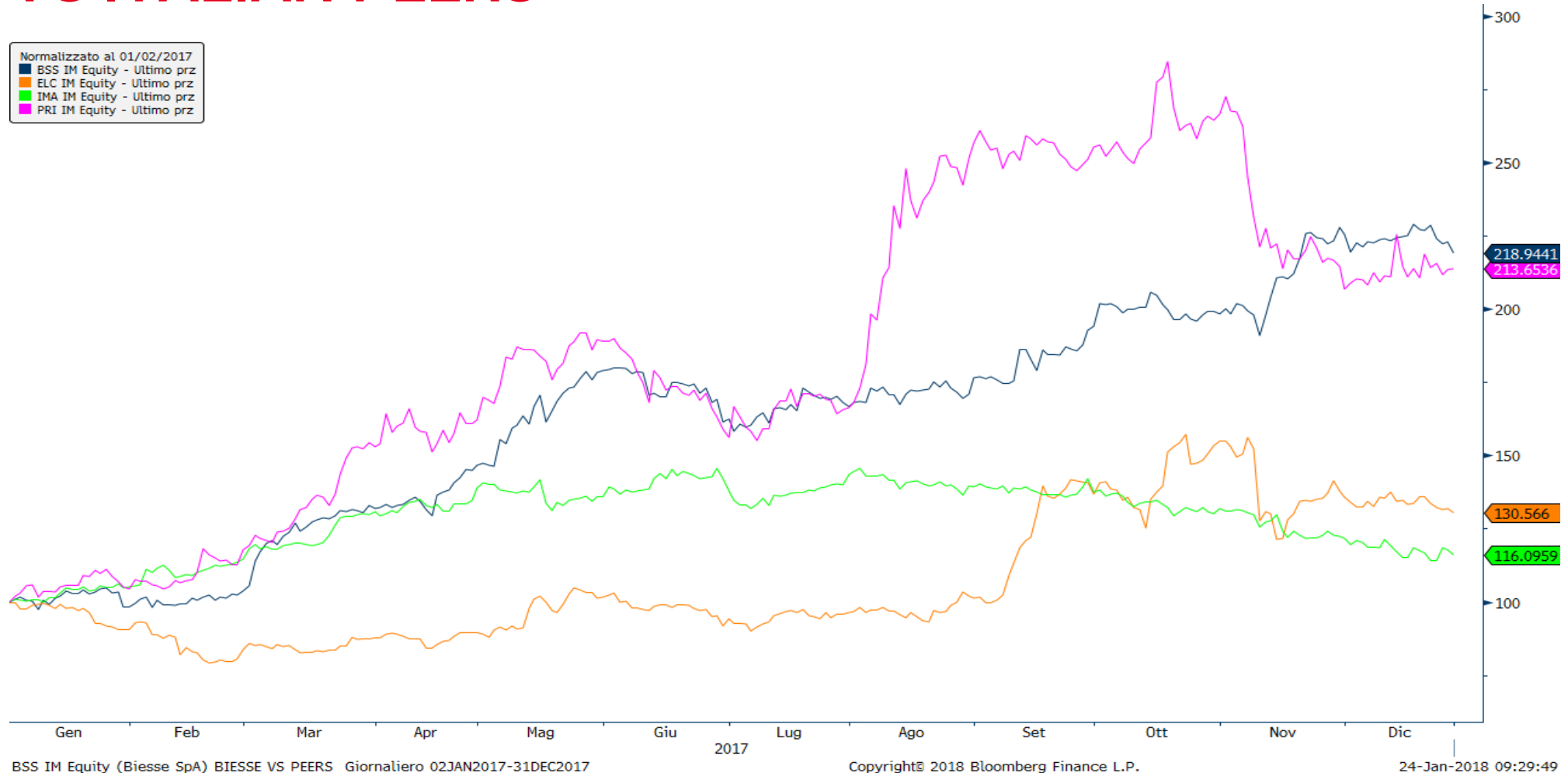
VS INDEX

**BIESSE**GROUP  
3-Year Business Plan  
The Share



# BIESSE SHARE 2017 TREND: VS ITALIAN PEERS

**BIESSE** GROUP  
3-Year Business Plan  
The Share



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