

COMPANY PRESENTATION

STAR CONFERENCE 2018

MILAN, MARCH 27-28

 **BIESSE**GROUP



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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.

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

"...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, reading "Giancarlo Seb". The signature is fluid and cursive, with the first name "Giancarlo" written in a larger, more prominent script than the last name "Seb".

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

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

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

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

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

 **BIESSE**GROUP

Our Values

- A virtuous circle of excellence
- for a constant growth

Revenue

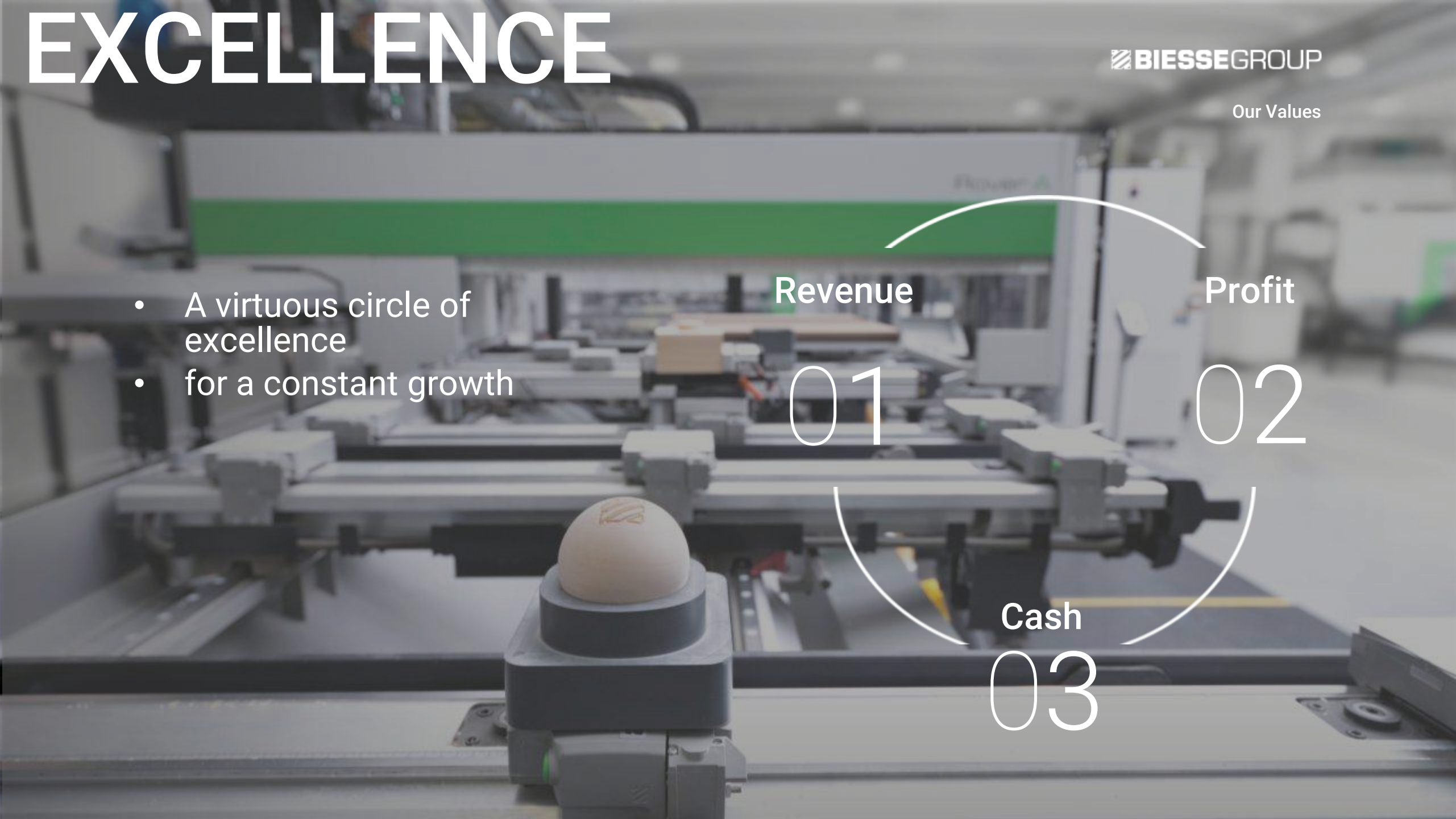
01

Profit

02

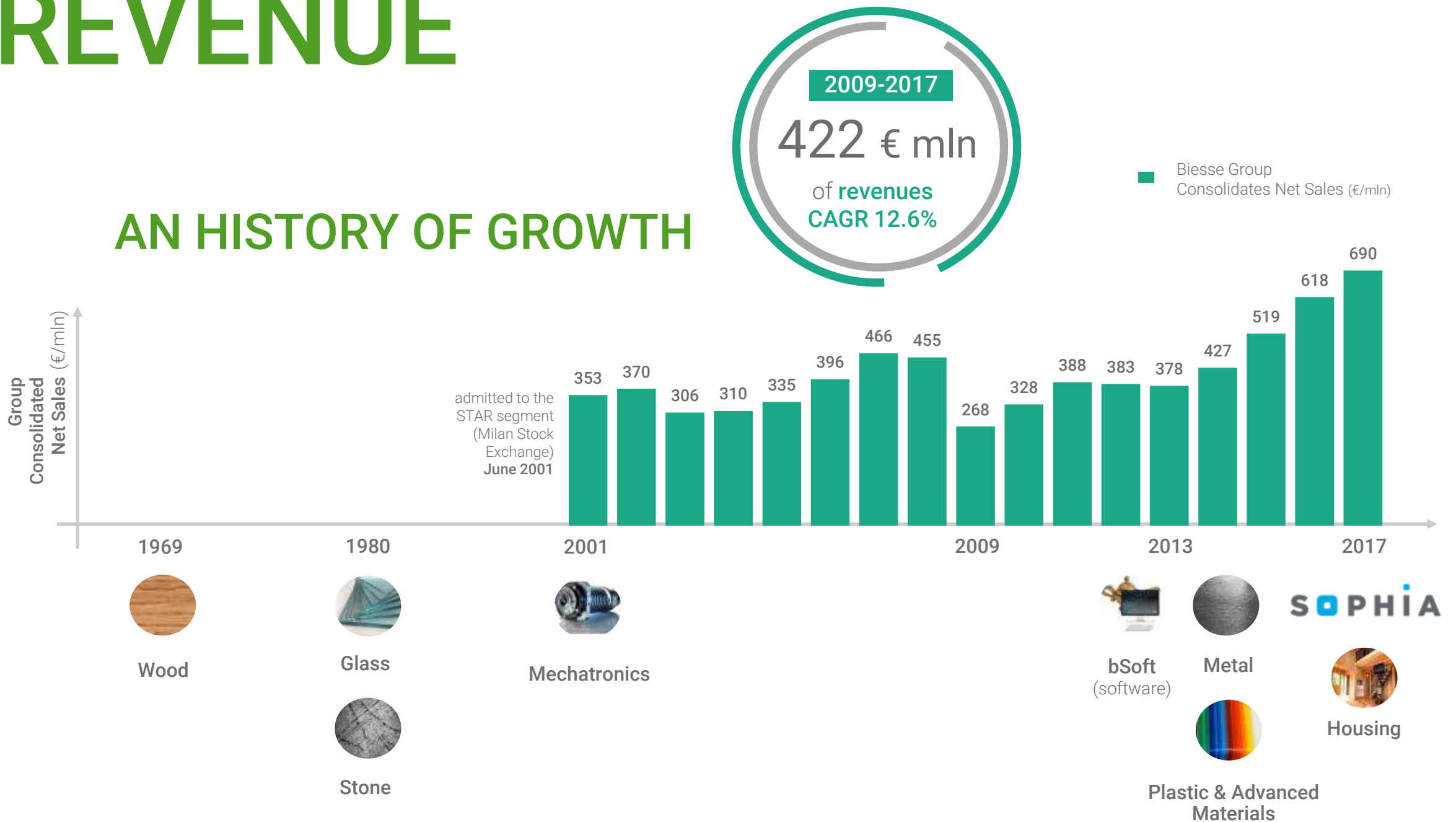
Cash

03



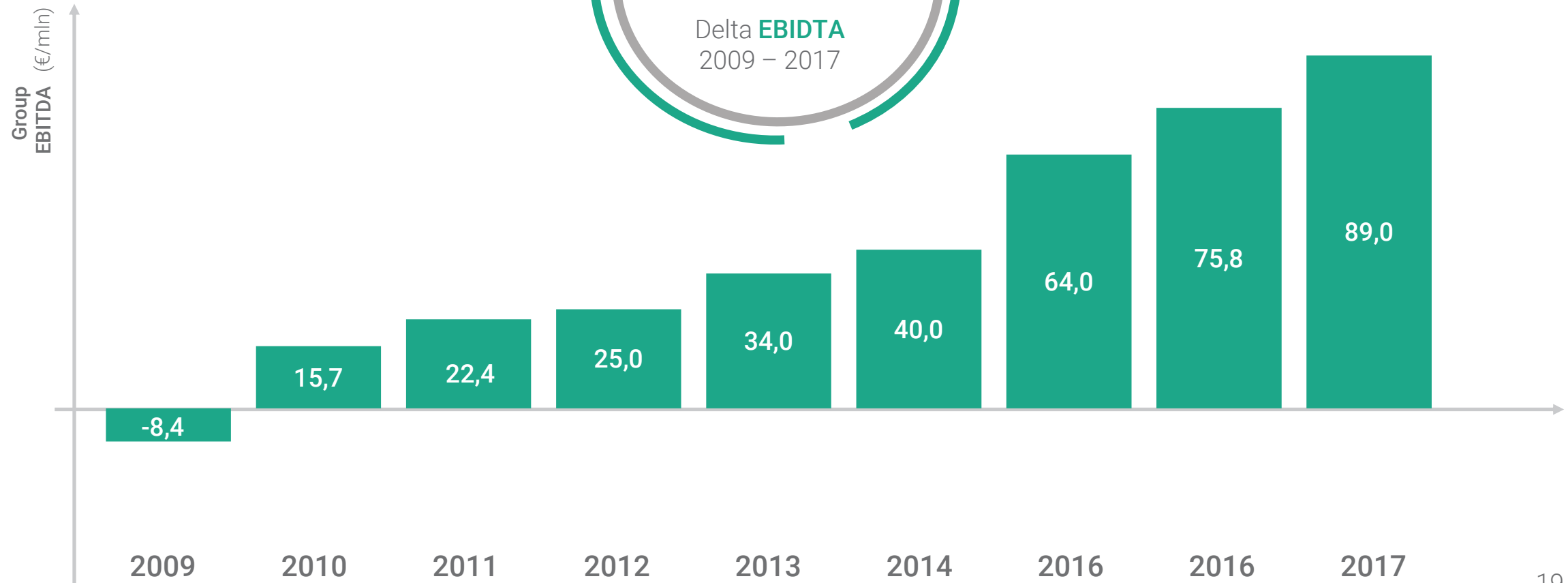
REVENUE

AN HISTORY OF GROWTH



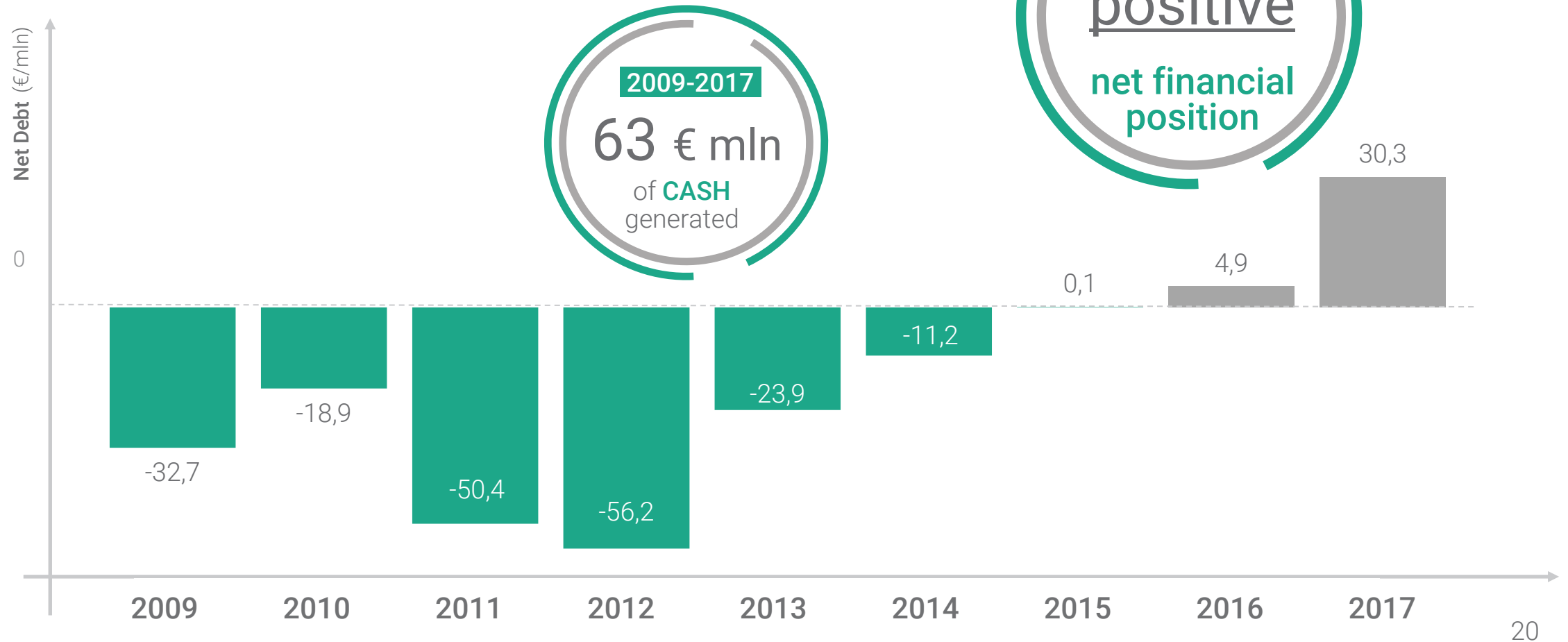
PROFIT

EBITDA



CASH

NET FINANCIAL POSITION



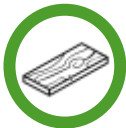
BUSINESS MODEL

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

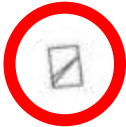
- PRODUCTS
- FOOTPRINT
- DISTRIBUTION
- CUSTOMERS



PRODUCTS AND SERVICES



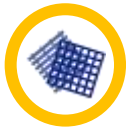
WOOD



GLASS



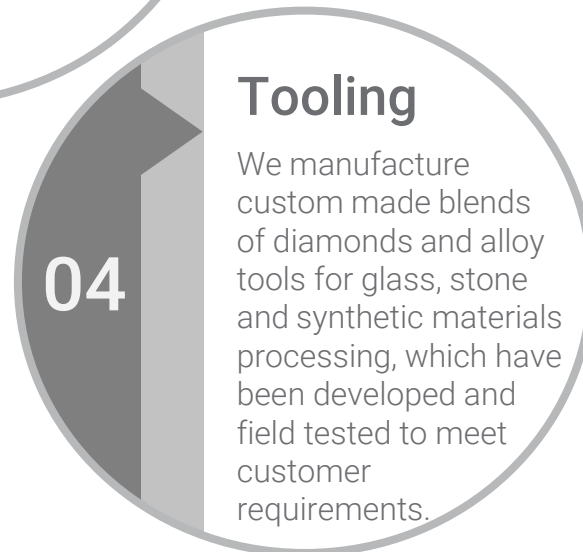
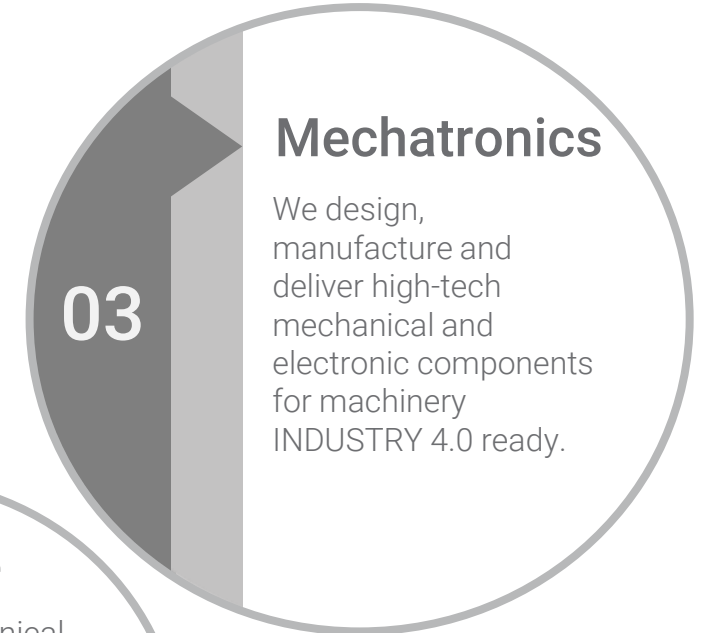
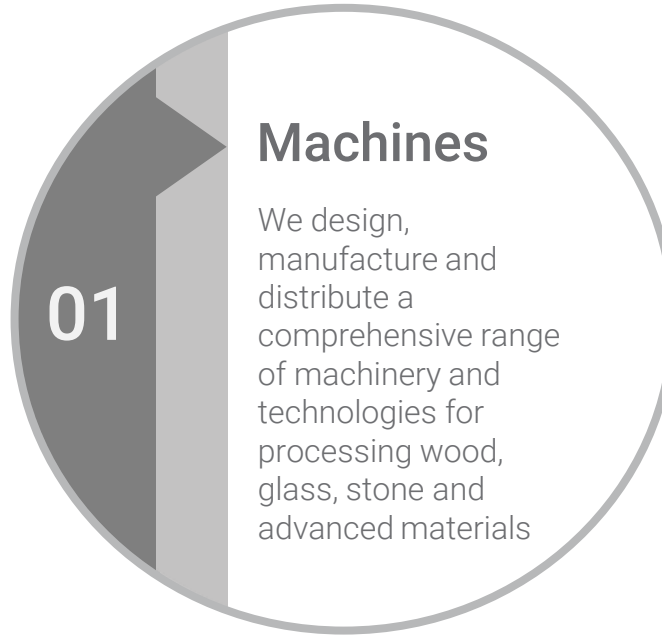
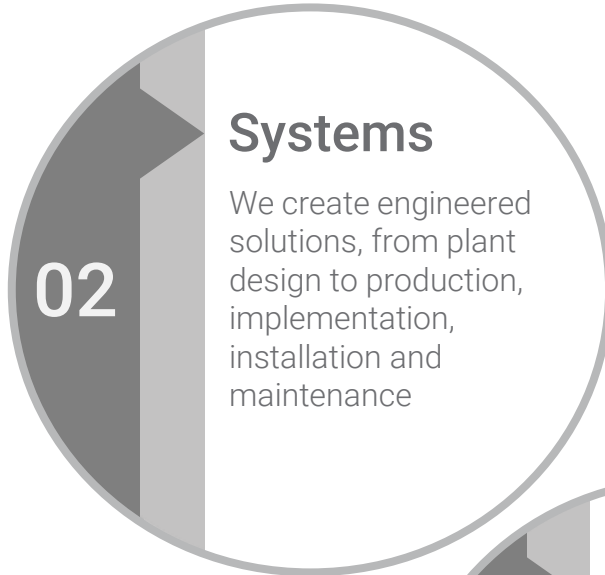
STONE



PLASTIC

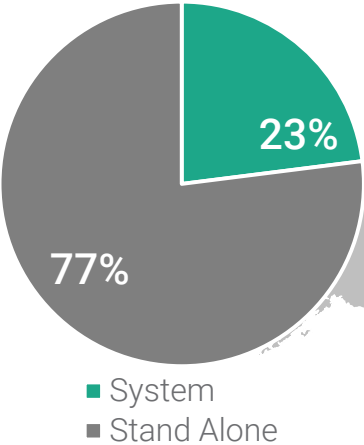


METAL

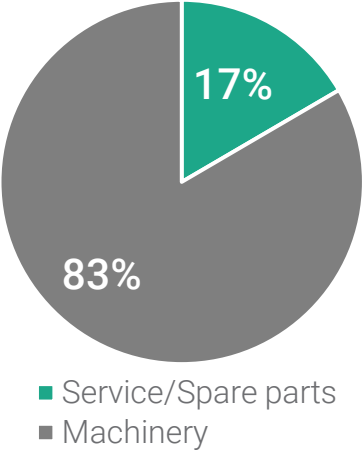


FOOTPRINT

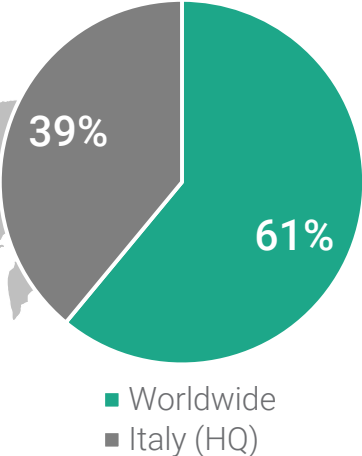
Sales breakdown by type



Sales breakdown by offering

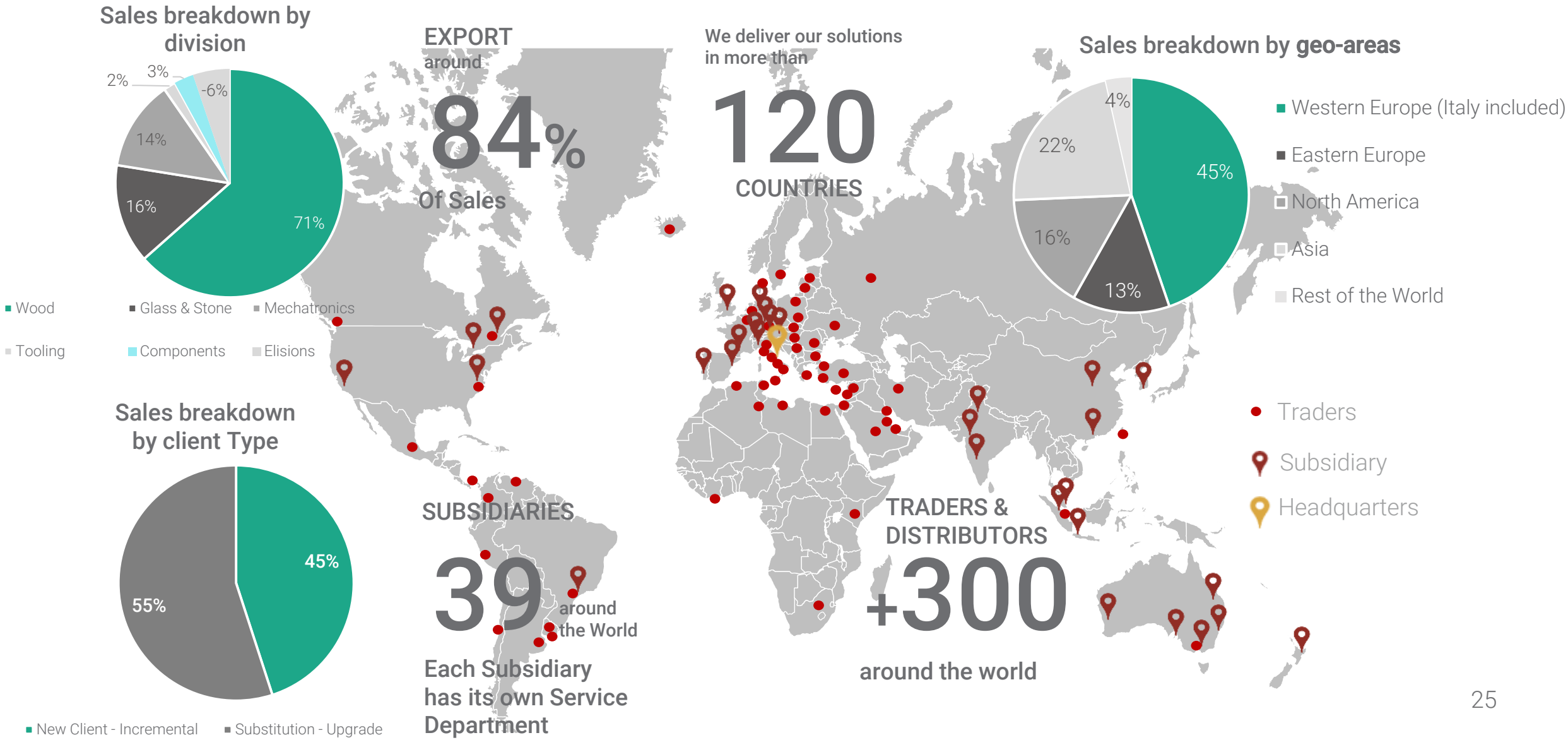


Service engineers distribution by area



DISTRIBUTION

Business Model



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

 **BIESSE**GROUP

Business Model

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 2017

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

- 2017 SUCCESSES
- EXECUTION ON TRACK

2017 SUCCESSES

**Net
Sales**

690.1
€/mln

+11.6%
on 2016

EBITDA

before non recurring items

89.5
€/mln

13.0%
on Net Sales

EBIT

63.6
€/mln

9.7%
on Net Sales **before** non
recurring items

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

66.9
€/mln

**Net
Financial
Position**

+30.3
€/mln

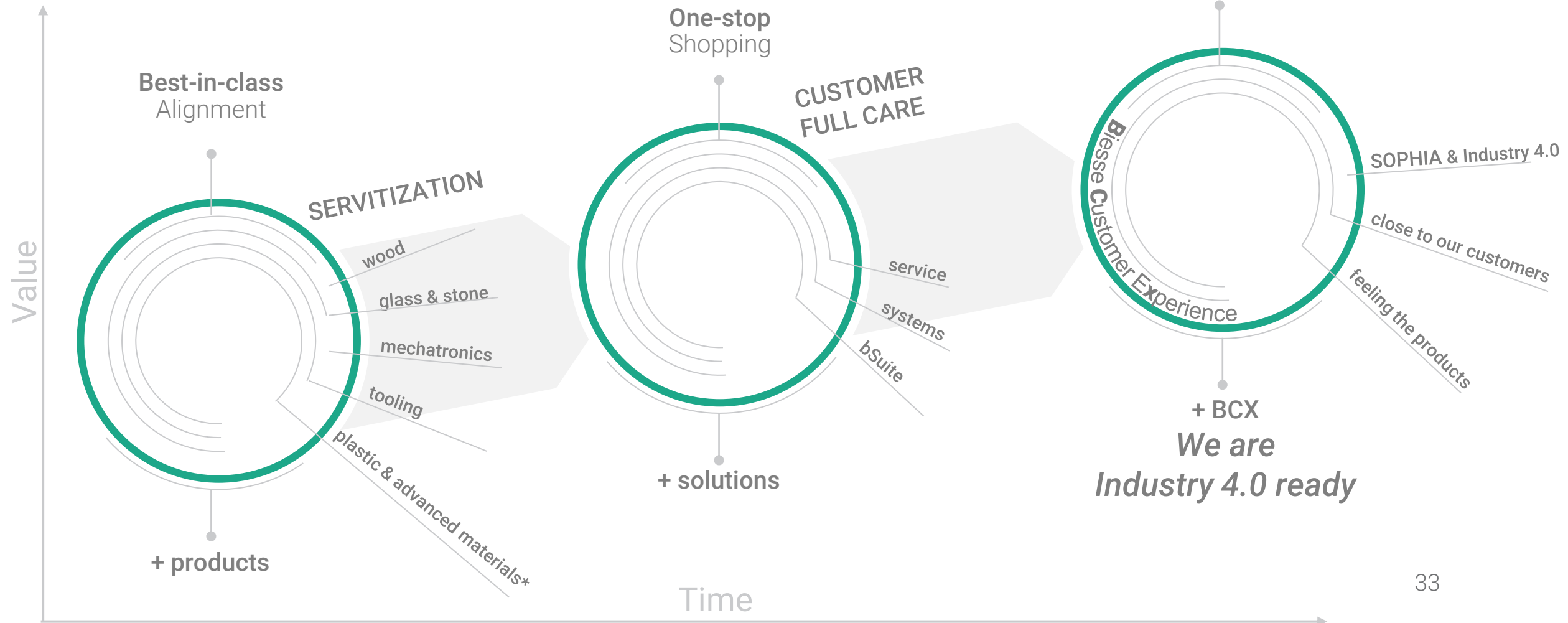
**Orders
Intake**

+17%
vs 2016

+31%
vs 2016

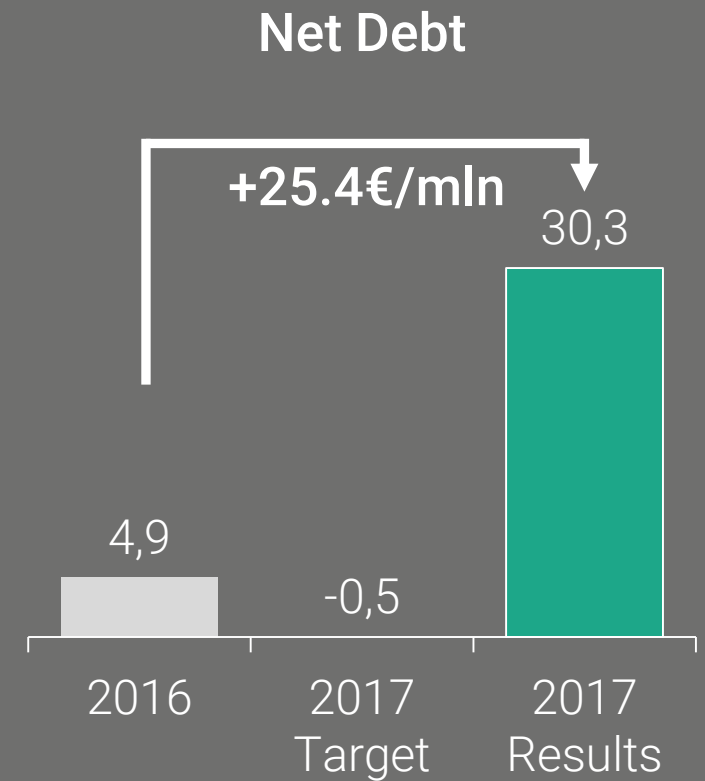
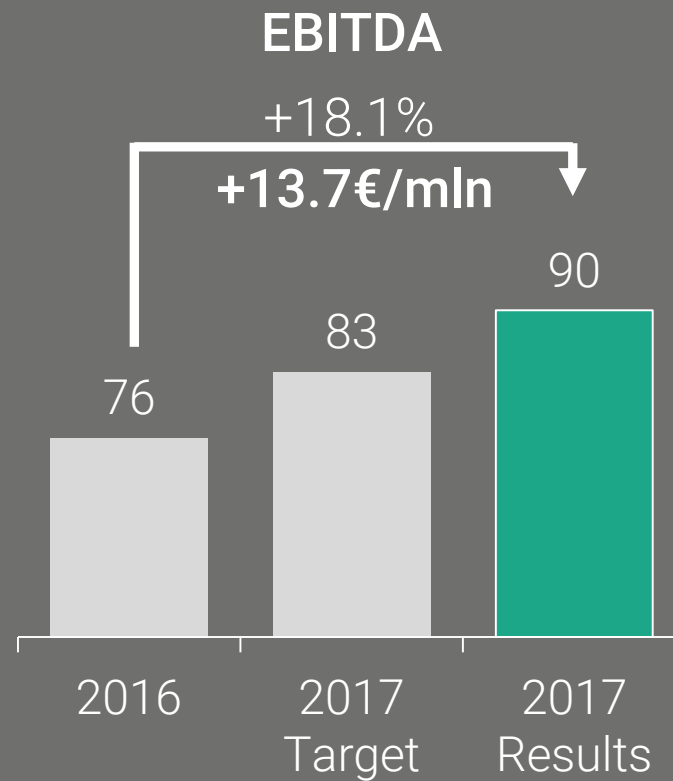
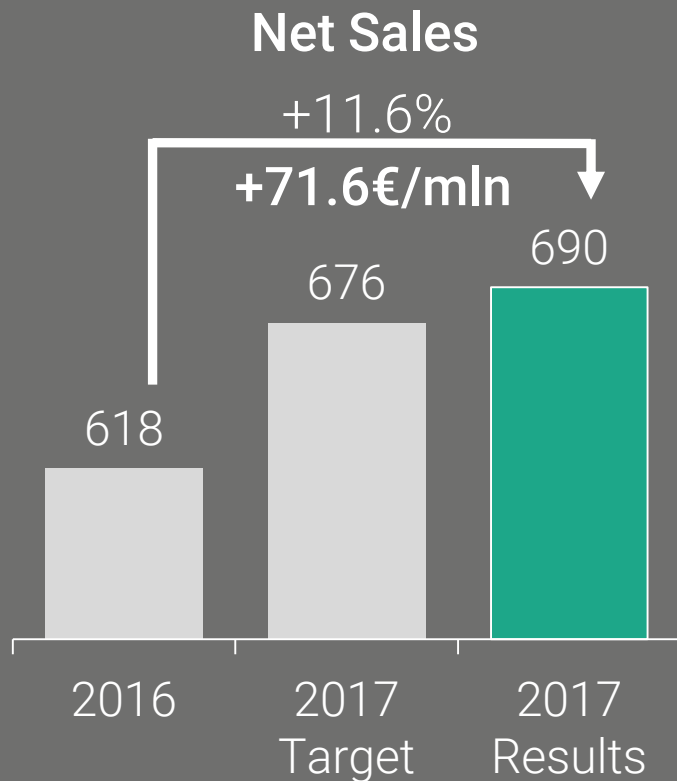
Backlog

EXECUTION ON TRACK



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

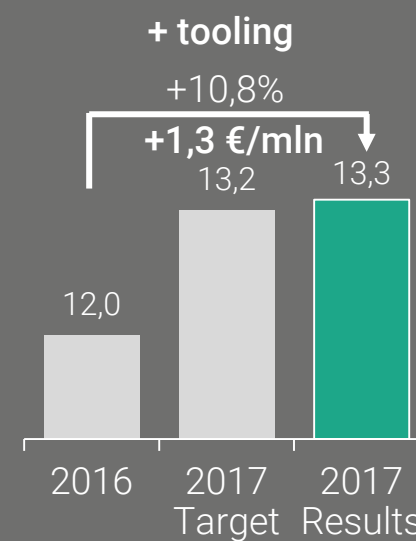
EXCEEDING TARGETS

Best-in-class
Alignment



*Advanced materials

Carbon Fiber
Foam
Composite
Alluminium
Titanium



SOLUTIONS

BUSINESS PLAN UPDATE

2.1 STRATEGY & RESULTS

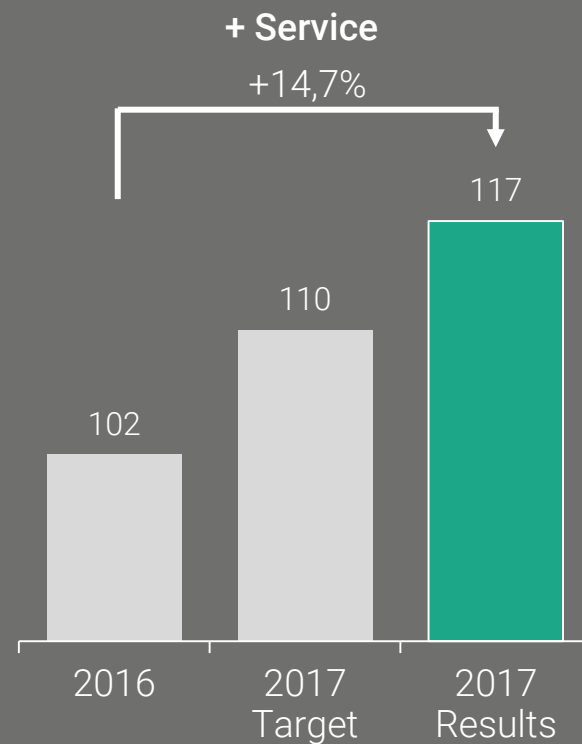
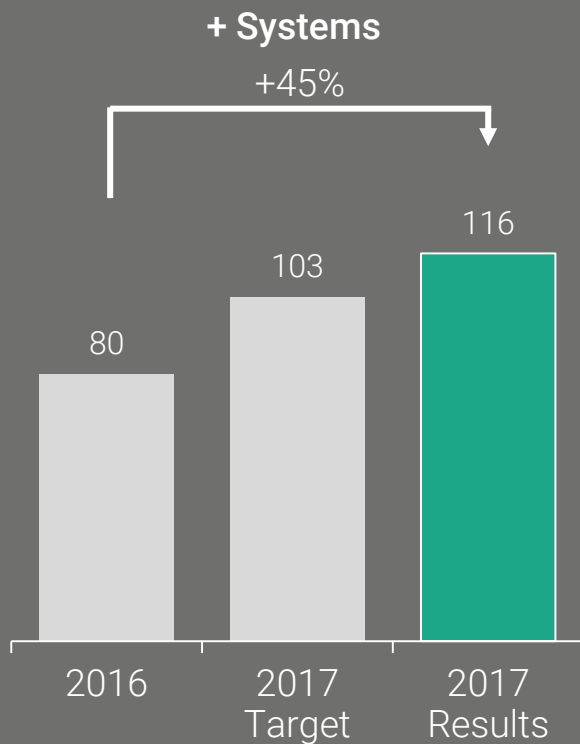
2.2 PRODUCTS

2.3 SOLUTIONS

2.4 CUSTOMER EXPERIENCE

- EXCEEDING TARGETS
- SERVICE
- SYSTEM
- BSUITE ACHIEVEMENT

EXCEEDING TARGETS



SERVICE

 **BIESSE**GROUP

Solutions

- + 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



More than
1000
Systems installed worldwide

bSUITE ACHIEVEMENT



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

BIESSEGROUP

Customer Experience

Differentiation

Take Over



SOPHIA & Industry 4.0

close to our customers

feeling the products

+ customer

We are

Industry 4.0 ready

Revenues in **ASIA**
in 2017

+24.3 mln/€

Revenues in **Western
Europe** in 2017

+28.5 mln/€

1,800
SOPHIA presentation
in 2017

10,000
Demos in 2017

WE SELL SMART FACTORIES

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

 **BIESSE**GROUP

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



SOPHIA IS STILL EVOLVING



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

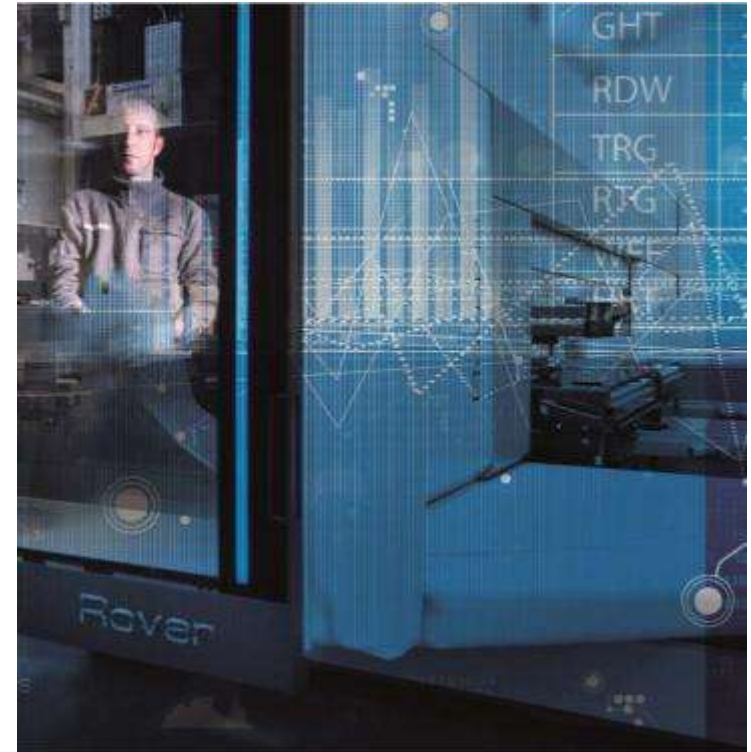
The information gathered and analysed is transformed into useful indications for optimising customer production and product quality, providing extremely opportunities for growth.

TO ACHIEVE GREAT RESULTS



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



WORLDWIDE SHOWS

 **BIESSE**GROUP

Customer Experience



62

Exhibitions

5

Inside events

42

one2one events
& Tech Tour

FEELING THE PRODUCTS

Discovering our factories

HSD:
4.0 factory

Manufacturing
Lab

Training
Academy



WHERE 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

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

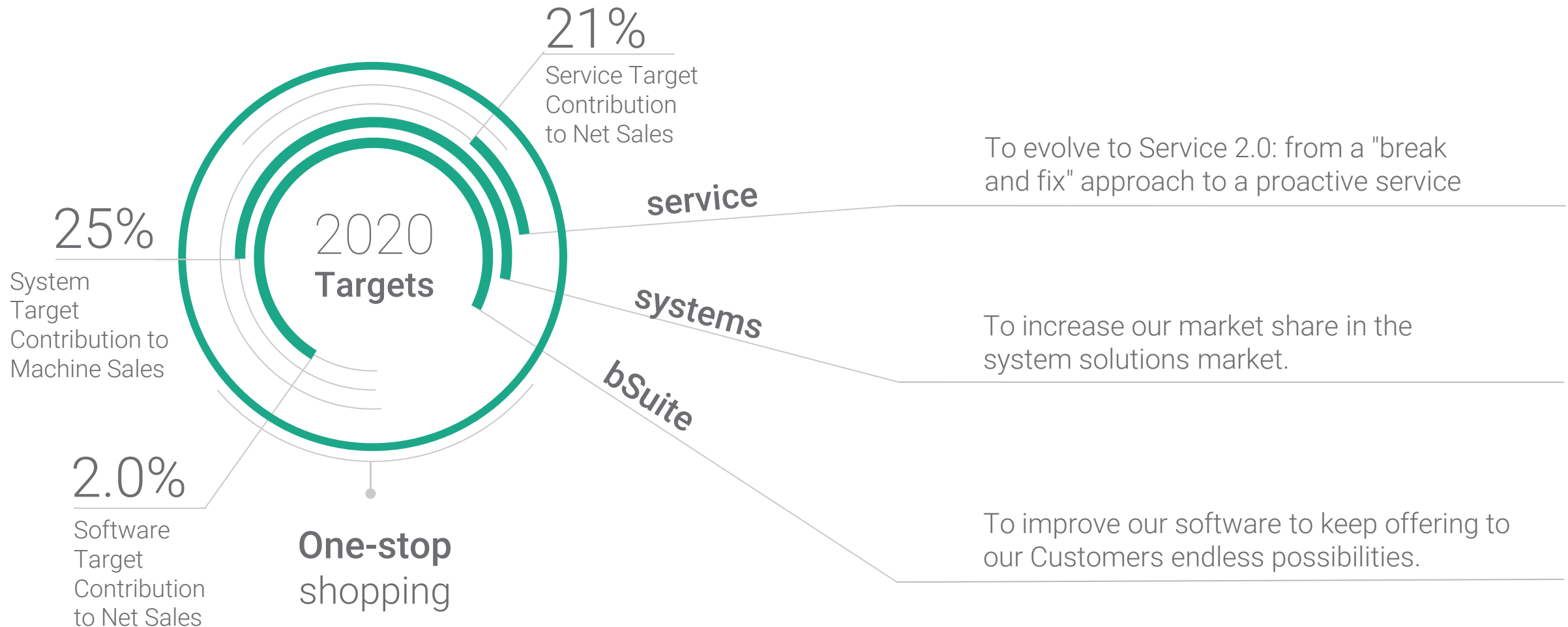
6%

Market Estimated
CAGR 2018-2020

40%

A.M. Division Estimated
CAGR 2018-2020

MORE SOLUTIONS NEW TARGET



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

 **BIESSE**GROUP

[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

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**

[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

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



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**

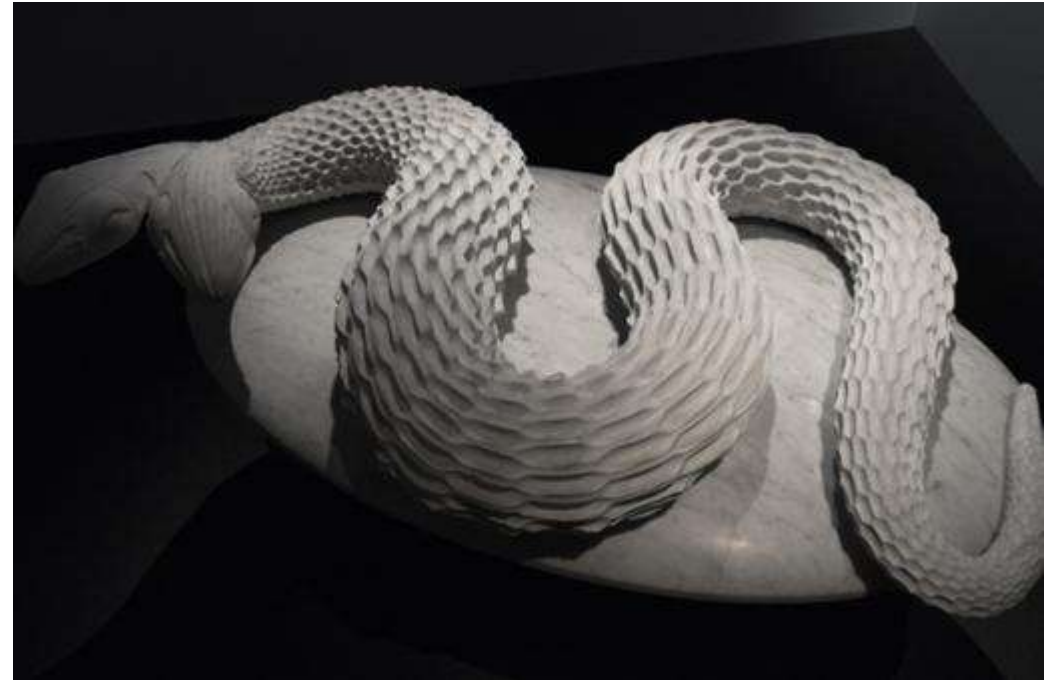


STONE-MARKET



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

[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

TOOLING – GLASS – STONE & CERAMIC MARKET



TOOLING - TARGET

 **BIESSE**GROUP

[More Products](#)

14%

Tooling Division Estimated
CAGR 2018-2020
vs 2017

6%

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

MECHATRONICS MARKET - METAL

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

[More Products](#)

12.9%

Mechatronics Unit
Estimated
CAGR 2018-2020
vs 2017

5%

Market
Estimated
CAGR 2018-2020
vs 2017

26_{mln/€}

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**

[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

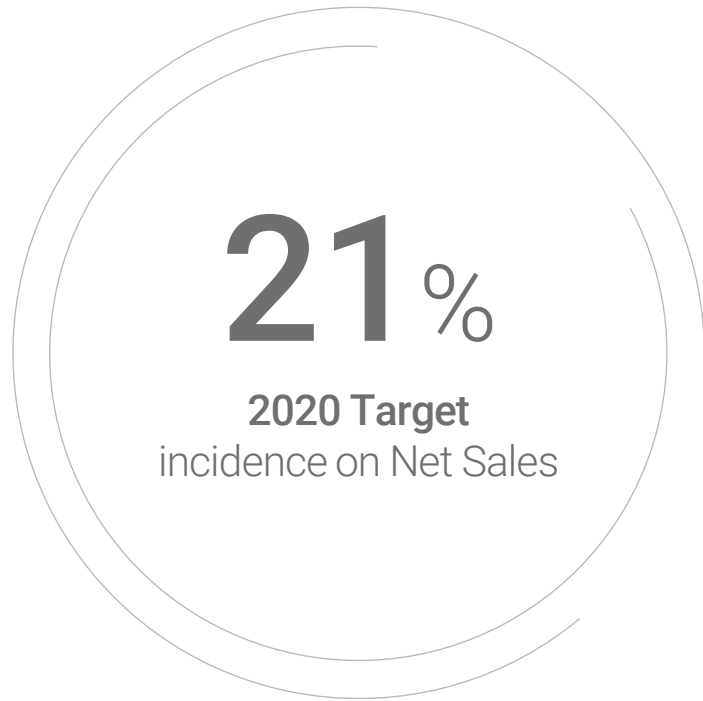
3.4 MORE CUSTOMER EXPERIENCE

▪ 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

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



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

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

Live the Experience at the Biesse Group booth during exhibitions:

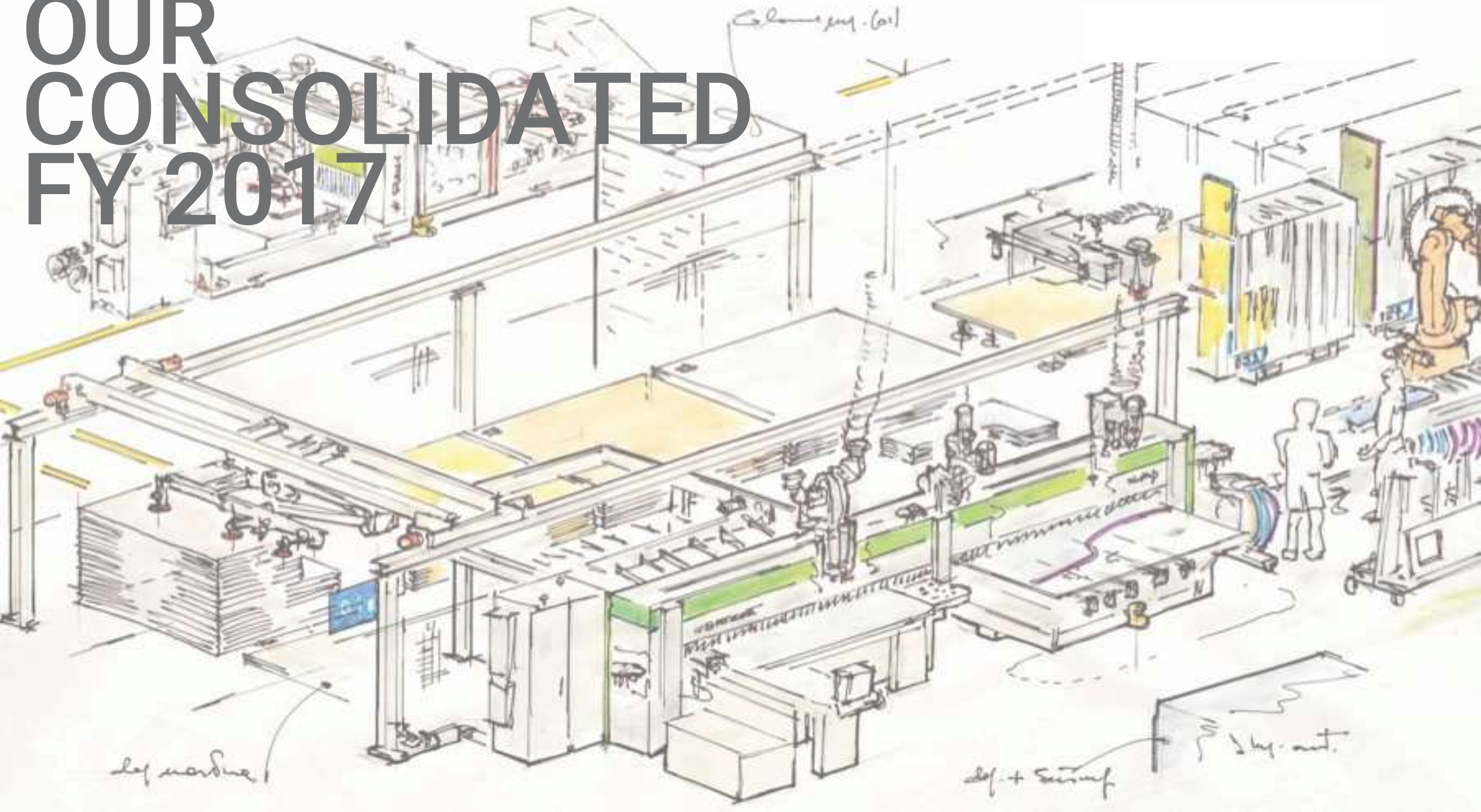
- Virtual Reality
- 4.0 Industry
- Symposium

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

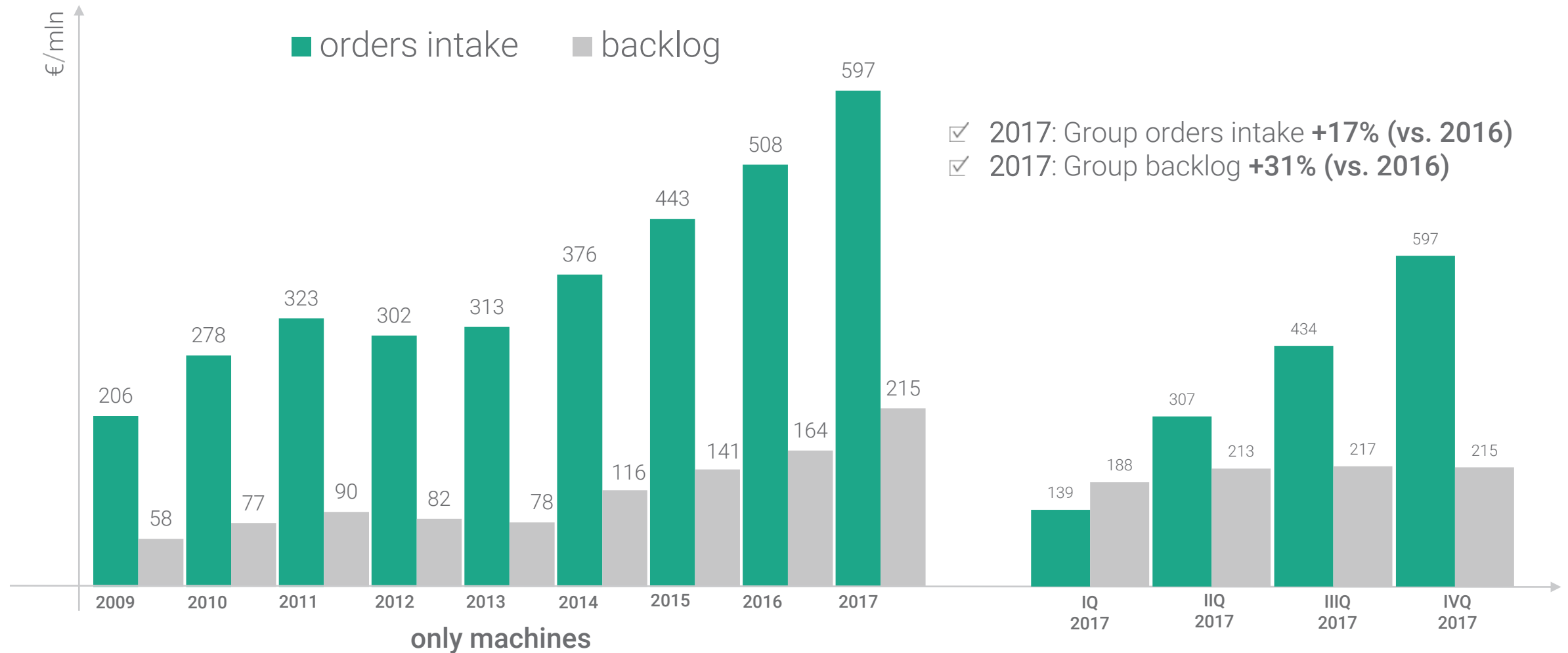
Continue to invest in exhibitions taking part in shows for all sectors including **composites**.

THE 2017


OUR CONSOLIDATED FY 2017



GROUP ORDERS INTAKE & BACKLOG



EXTRACT OF THE P&L



€/mln	2013	2014	2015	2016	2017
Net sales <i>year -1</i>	378.4 -1.2%	427.1 +12.9%	519.1 +21.5%	618.5 +19.1%	690.1 +11.6%
Cost of good sold	155.9 41.2%	177.6 41.6%	206.1 39.8%	245.1 39.6%	270.1 39.1%
Value added %	147.0 38.8%	167.8 39.3%	212.4 40.9%	252.4 40.8%	288.6 41.8%
Labour cost	112.7 29.8%	128.2 30.0%	148.2 28.6%	176.6 28.6%	199.1 28.9%
overhead	81.8 21.6%	91.0 21.3%	104.7 20.2%	124.5 20.1%	136.1 19.7%
EBITDA %	34.3 9.1%	39.6 9.3%	64.1 12.4%	75.8 12.3%	89.5 13.0%
EBIT %	18.1 4.8%	24.8 5.8%	43.7 8.4%	55.1* 8.9%	63.6* 9.2%

*after non recurring items

tax rate 29.6%

TAX RATE

Tax rate decrease below 30% (29.6% in 2017) less 14.2% (43.8% in 2016)

current taxes:

- patent box effect (HSD) for € 4 mln regarding 3 fiscal years (2015-2017)
- reduction of the tax rate in Italy-Spain-U.S.A.- U.K.
- decreased the fiscal impact of Biesse Manufacturing India for € 1.3 mln

deferred taxes:

- still not “used” as deductions China previous losses (Korex – BTS) impacting for the 3% of the total tax rate

EBITDA BRIDGE



FY 2017 VS FY 2007

 **BIESSE**GROUP

Our Future in Figures

	2007	2017
net sales	466.0 17.5%	690.1 11.6%
labour cost	-103.9 -22.3%	-199.1 -28.9%
EBITDA	79.1 17.0%	89.5 13.0%
EBIT	65.4 14.0%	63.6 9.2%
net result	41.7	42.8

..10 years later

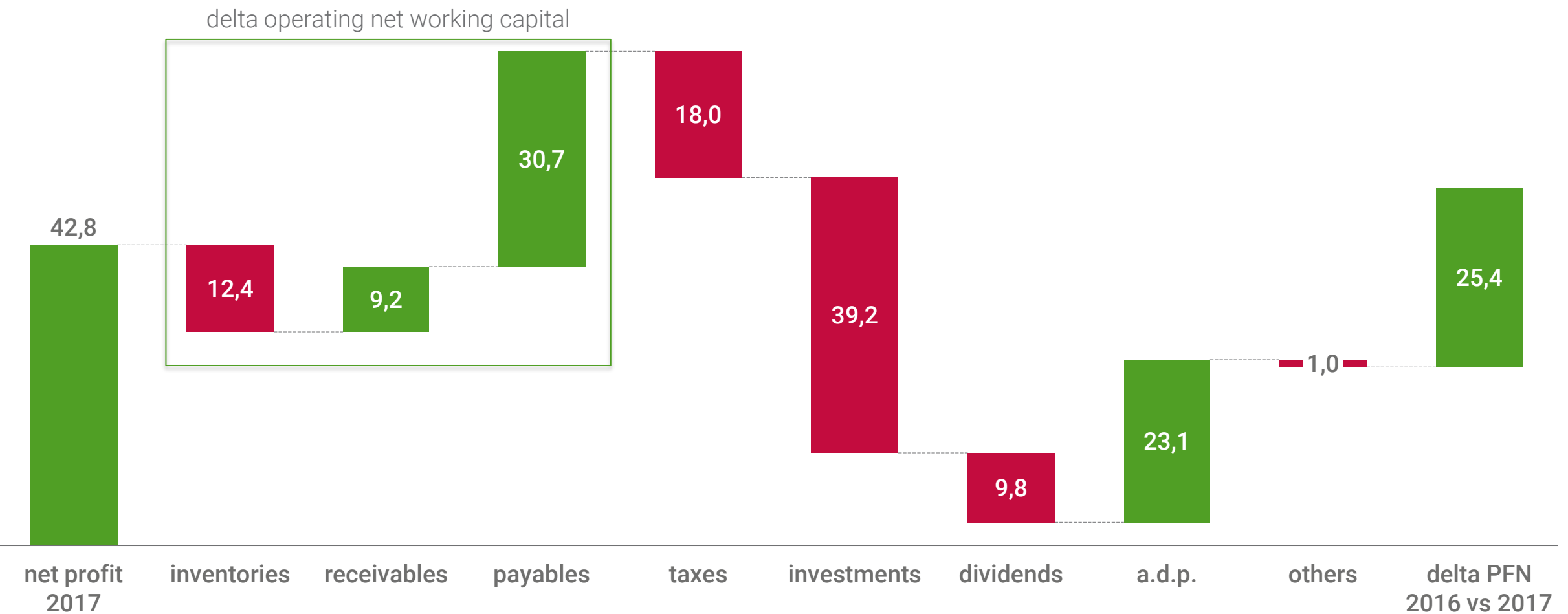
OPERATIVE NET WORKING CAPITAL

€/mln	2013	2014	2015	2016	2017
Inventories % net sales	22.8%	23.0%	21.5%	21.1%	20.8%
Receivables % net sales	20.1%	18.9%	20.3%	20.8%	17.3%
Payables % net sales	29.4%	28.8%	29.5%	31.1%	32.4%
Operating Net Working Capital	51.4	55.6	63.4	66.9	38.7
% net sales	13.6%	13.0%	12.2%	10.8%	5.6%

CASHFLOW

€/mln	2013	2014	2015	2016	2017
Gross Cashflow					
% net sales	52.0 13.8%	38.3 9.0%	46.3 8.9%	46.7 7,5%	74.4 10.8%
Investments	-19.8	-20.8	-25.2	-32.0	-39.2
% net sales	5.2%	4.9%	4.9%	5.2%	5.7%
Net Cashflow					
% net sales	32.2 8.5%	17.5 4.1%	21.1 4.1%	14.7 2.4%	35.2 5.1%
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	4.9	25.4
Net Debt	-23.9	-11.3	0.0	4.9	30.3

CASHFLOW BRIDGE



OUR FUTURE IN FIGURES

- 5.1 OUR FUTURE IN FIGURES
- 5.2 OTHER FIGURES
- 5.3 ANNEX
- 5.4 THE SHARE

OUR FUTURE IN FIGURES

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STABILIZE PROFITABILITY



 **BIESSE GROUP**

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

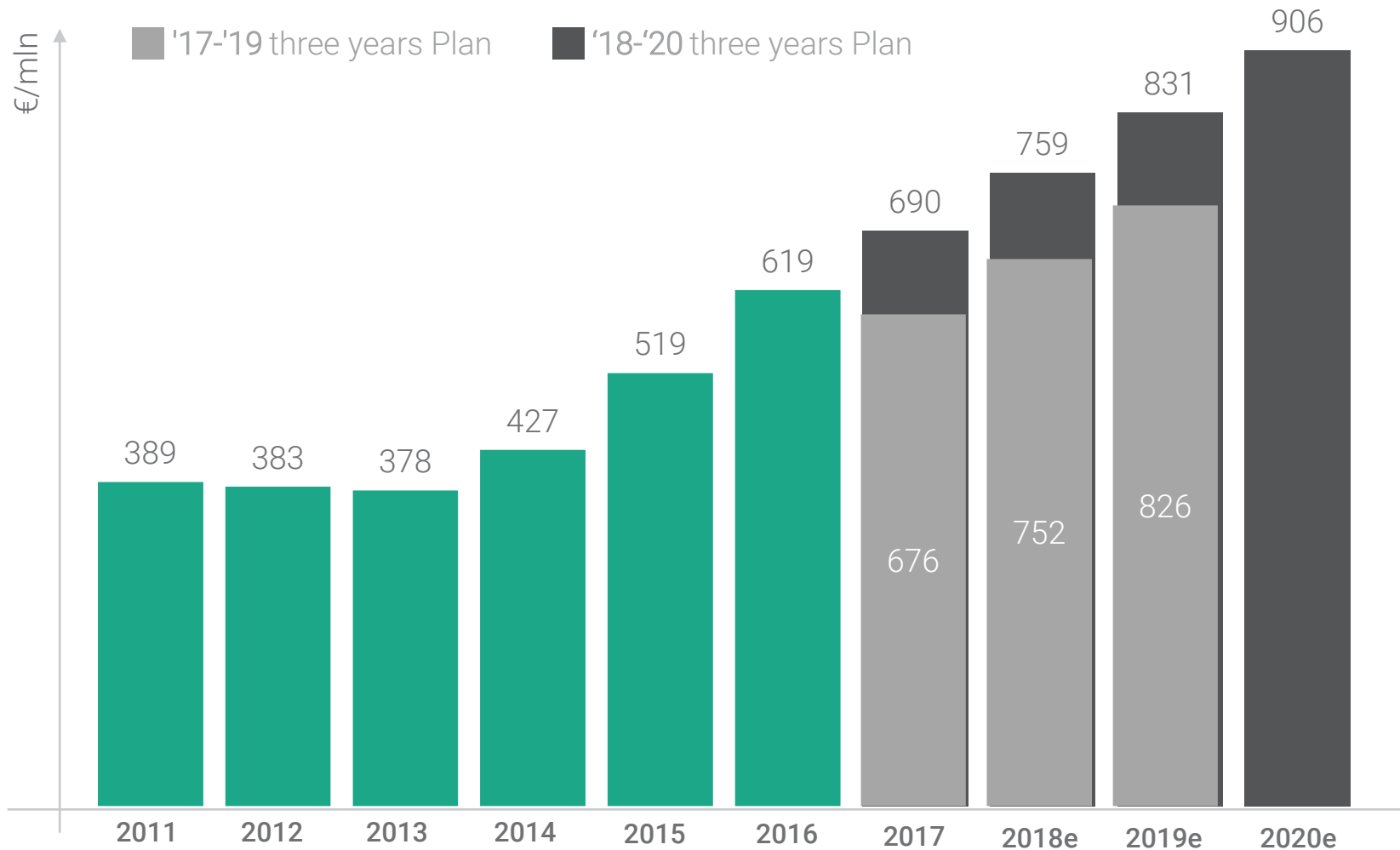


Continuing to pursue an **organic growth**.

- ✓ **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

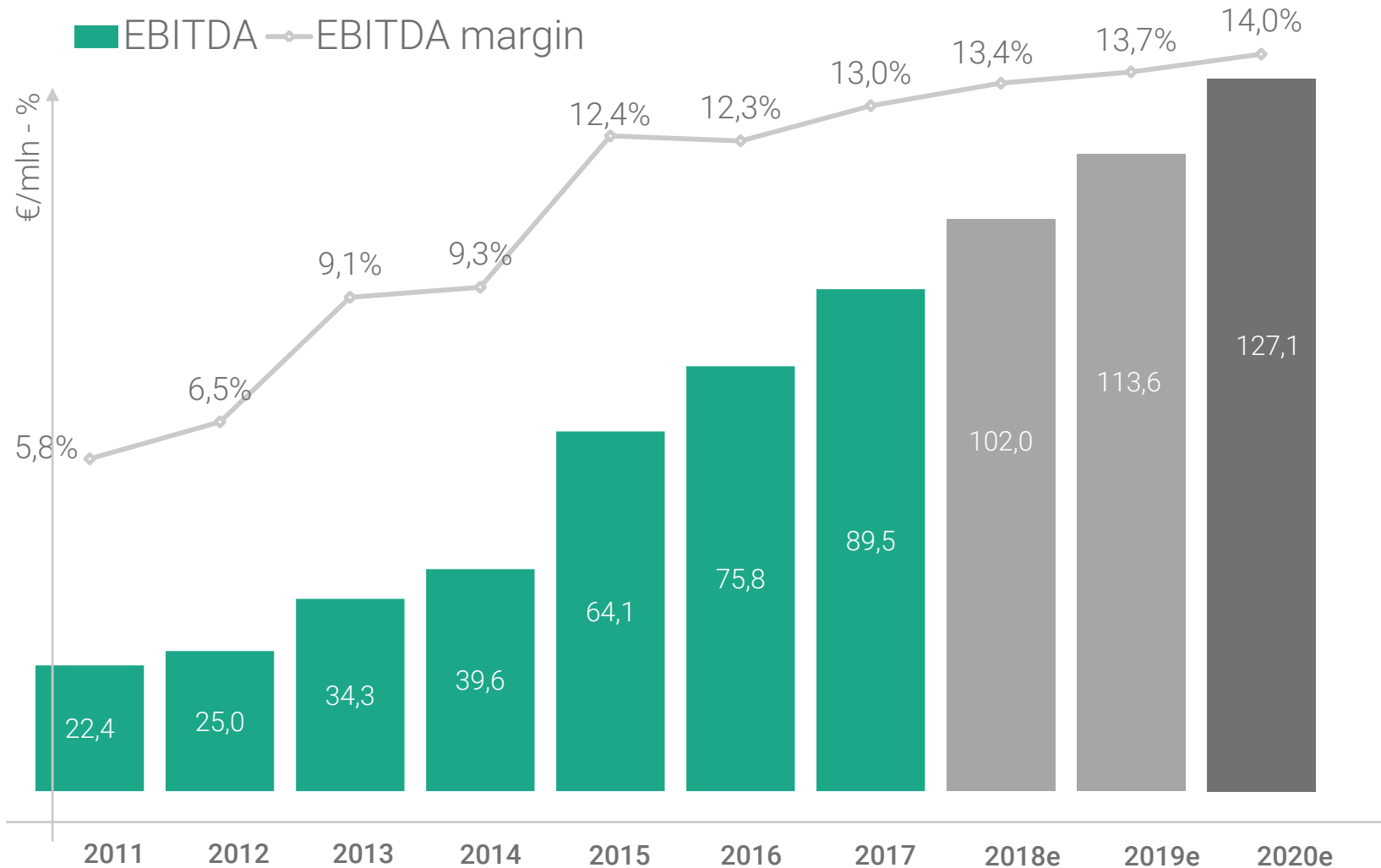
the “old” and the “new one”



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

- ✓ In 2017 **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

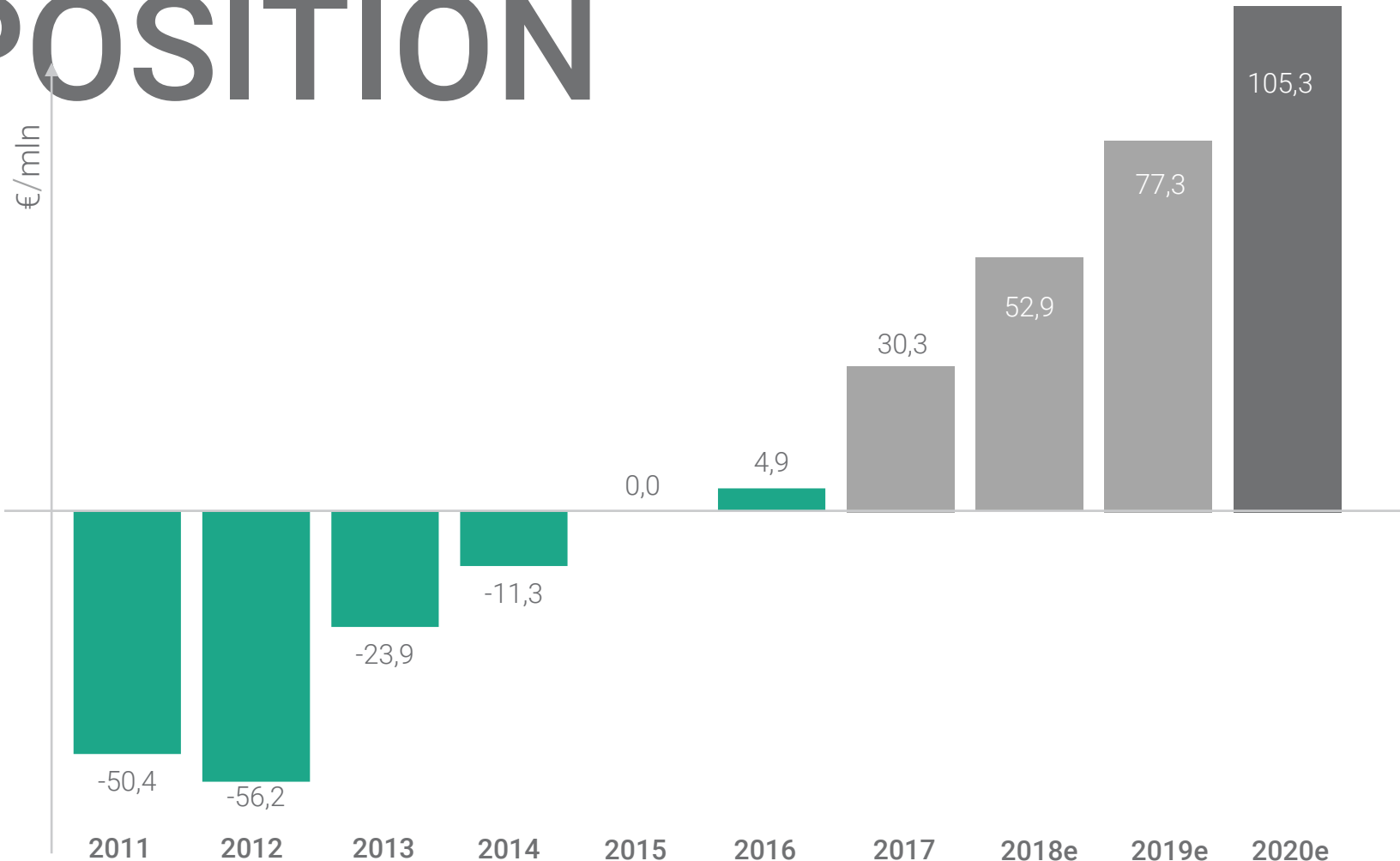
EBITDA



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%**

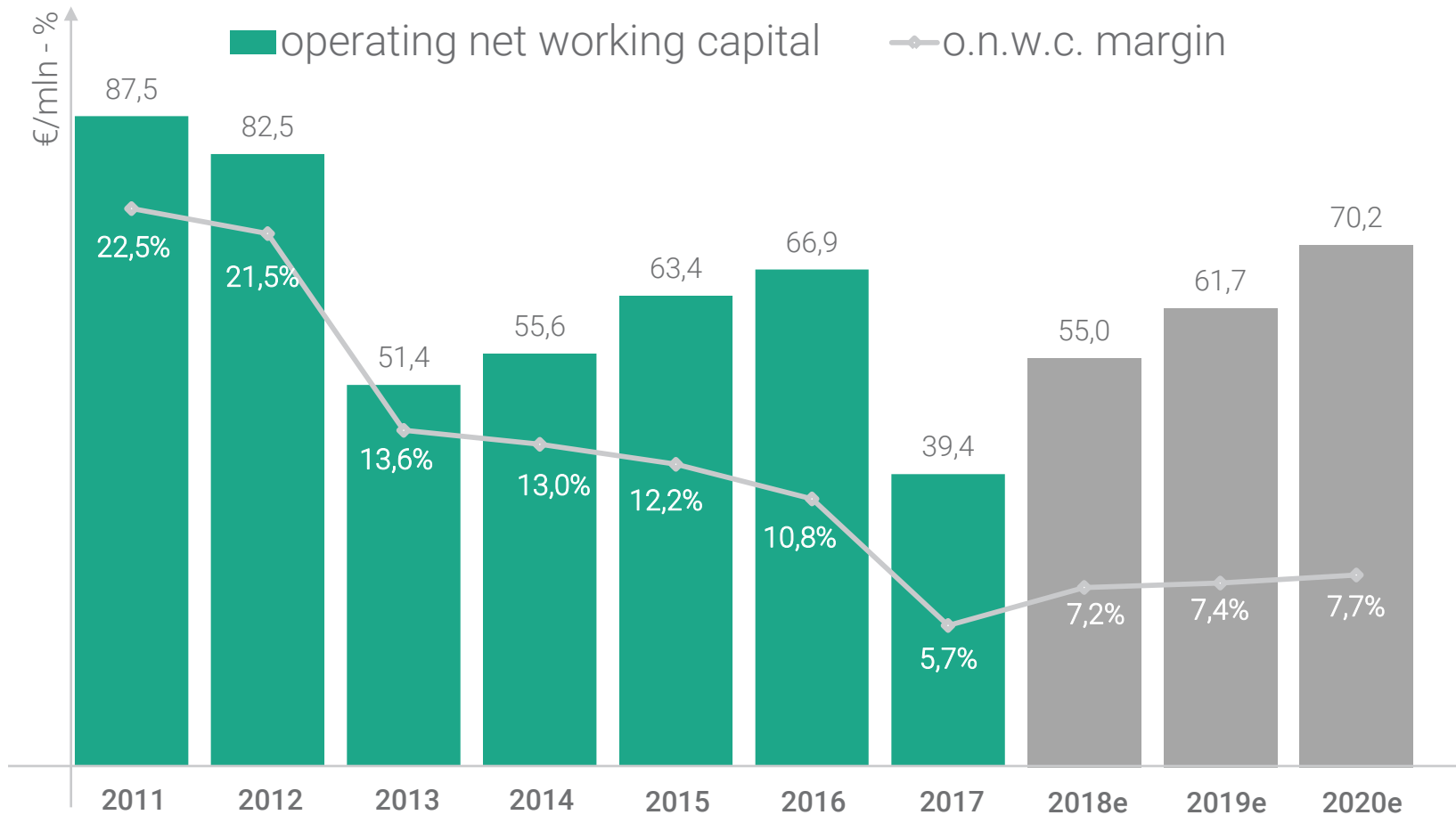
NET FINANCIAL POSITION



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

OPERATIVE NET WORKING CAPITAL



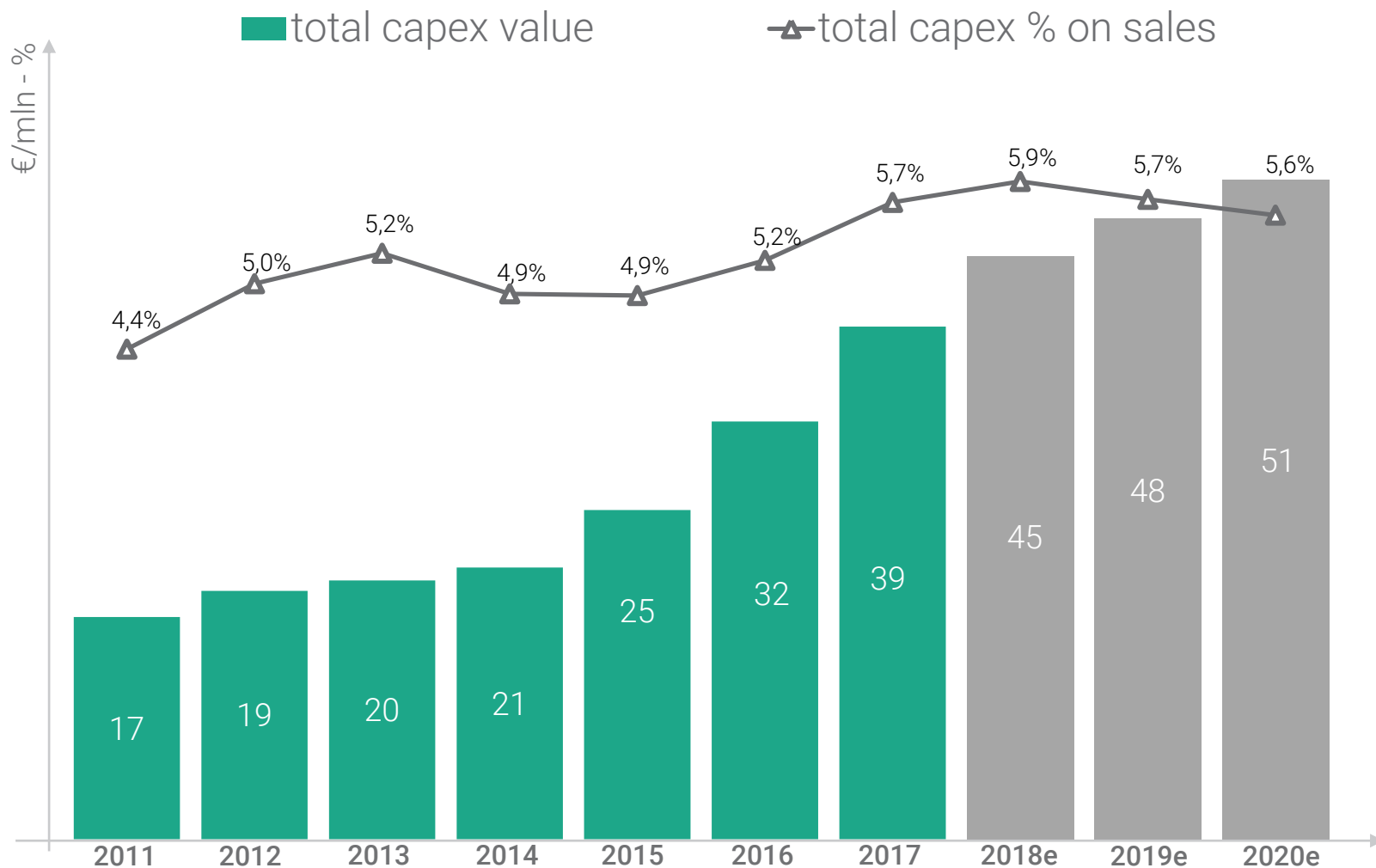
control our Operating Net Working Capital.

- ✓ Maintaining **Operating Net Working Capital** incidence on Net Sales **below 9-10%**
- ✓ 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

- 5.1 OUR FUTURE IN FIGURES
- 5.2 OTHER FIGURES
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CAPEX*



*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



- ✓ **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

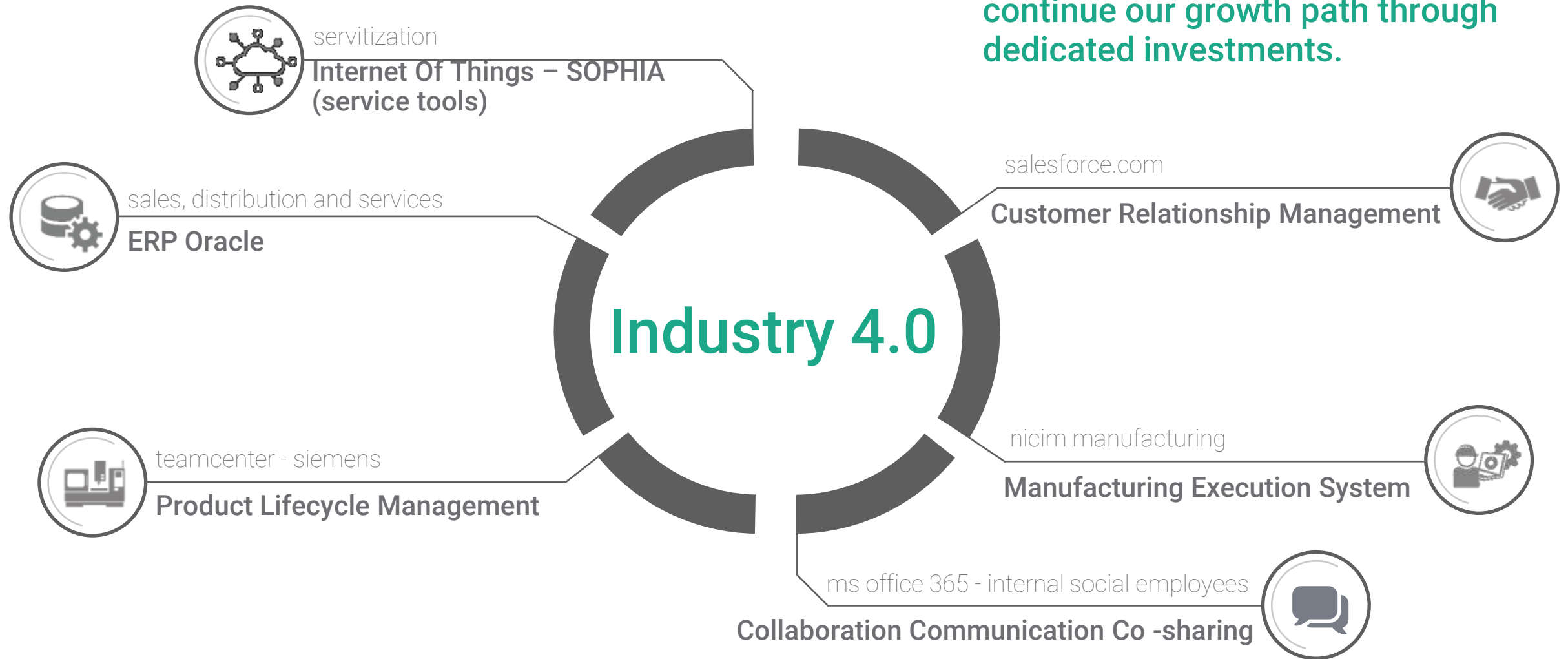


- ✓ **Mechatronics** Italian plant (HSD S.p.A.) components production machines (rotary tables) and production plant



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

CAPEX: INTANGIBLES



EXTRACT OF THE P&L

Others Figures

€/mln	2013	2014	2015	2016	2017		2020e	Targets
Net sales <i>year -1</i>	378.4 -1.2%	427.1 +12.9%	519.1 +21.5%	618.5 +19.1%	690.1 +11.6%	CAGR 9.5%	906.2	
Cost of good sold	155.9 41.2%	177.6 41.6%	206.1 39.8%	245.1 39.6%	270.1 39.1%		348.1 38.4%	
Value added %	147.0 38.8%	167.8 39.3%	212.4 40.9%	252.4 40.8%	288.6 41.8%	CAGR 10.8%	393.1 43.4%	
Labour cost	112.7 29.8%	128.2 30.0%	148.2 28.6%	176.6 28.6%	199.1 28.9%		266.0 29.3%	< 30% incidence
overhead	81.8 21.6%	91.0 21.3%	104.7 20.2%	124.5 20.1%	136.1 19.7%		167.7 18.5%	< 20% incidence
EBITDA %	34.3 9.1%	39.6 9.3%	64.1 12.4%	75.8 12.3%	89.5 13.0%	CAGR% 12.4%	127.1 14.0%	
EBIT %	18.1 4.8%	24.8 5.8%	43.7 8.4%	55.1* 8.9%	63.6* 9.2%	CAGR 14.6%	95.7 10.6%	

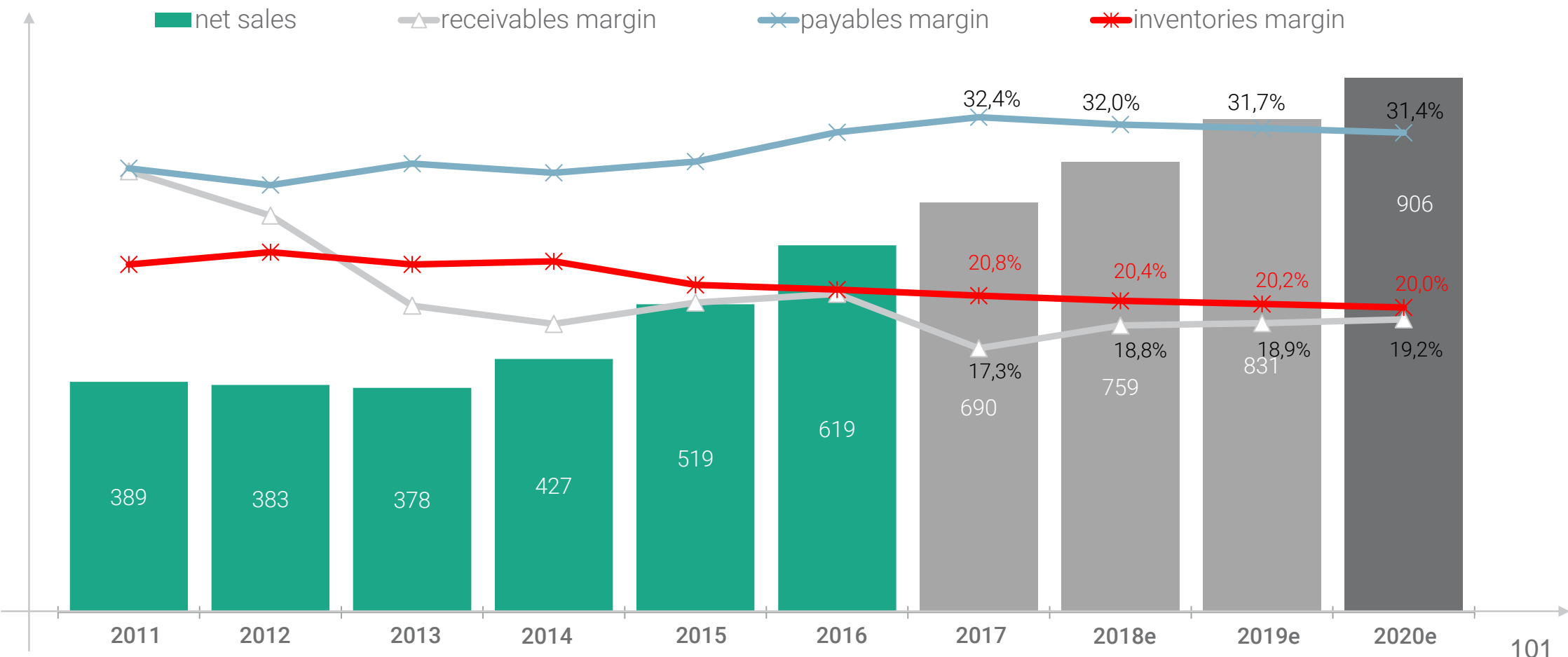
*after non recurring items

tax rate 29.6%

OPERATIVE NET WORKING CAPITAL

€/mln	2013	2014	2015	2016	2017	2020e	Targets
Inventories % net sales	22.8%	23.0%	21.5%	21.1%	20.8%	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%	32.4%	31.4%	DPO 120 days
Operating Net Working Capital	51.4	55.6	63.4	66.9	38.7	70.2	
% net sales	13.6%	13.0%	12.2%	10.8%	5.6%	7.7%	

RECEIVABLES PAYABLES INVENTORIES

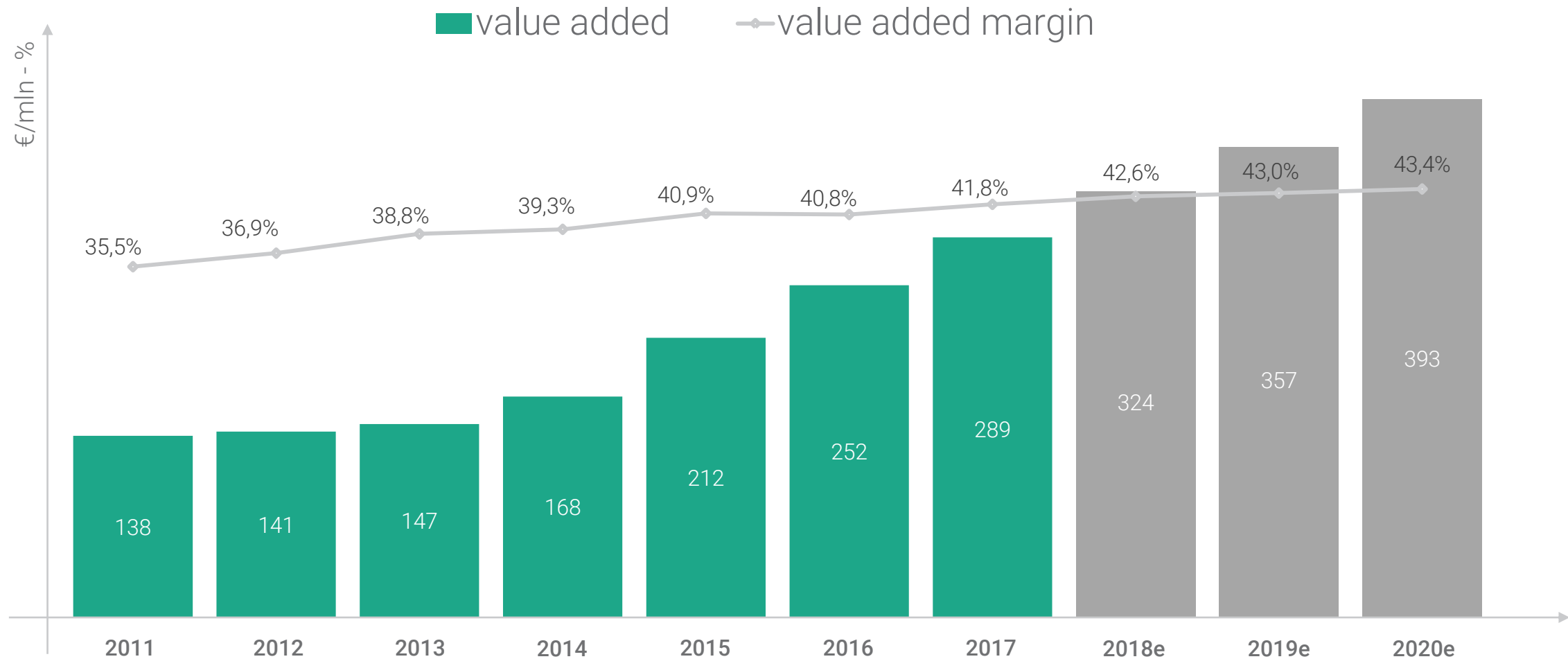


CASHFLOW

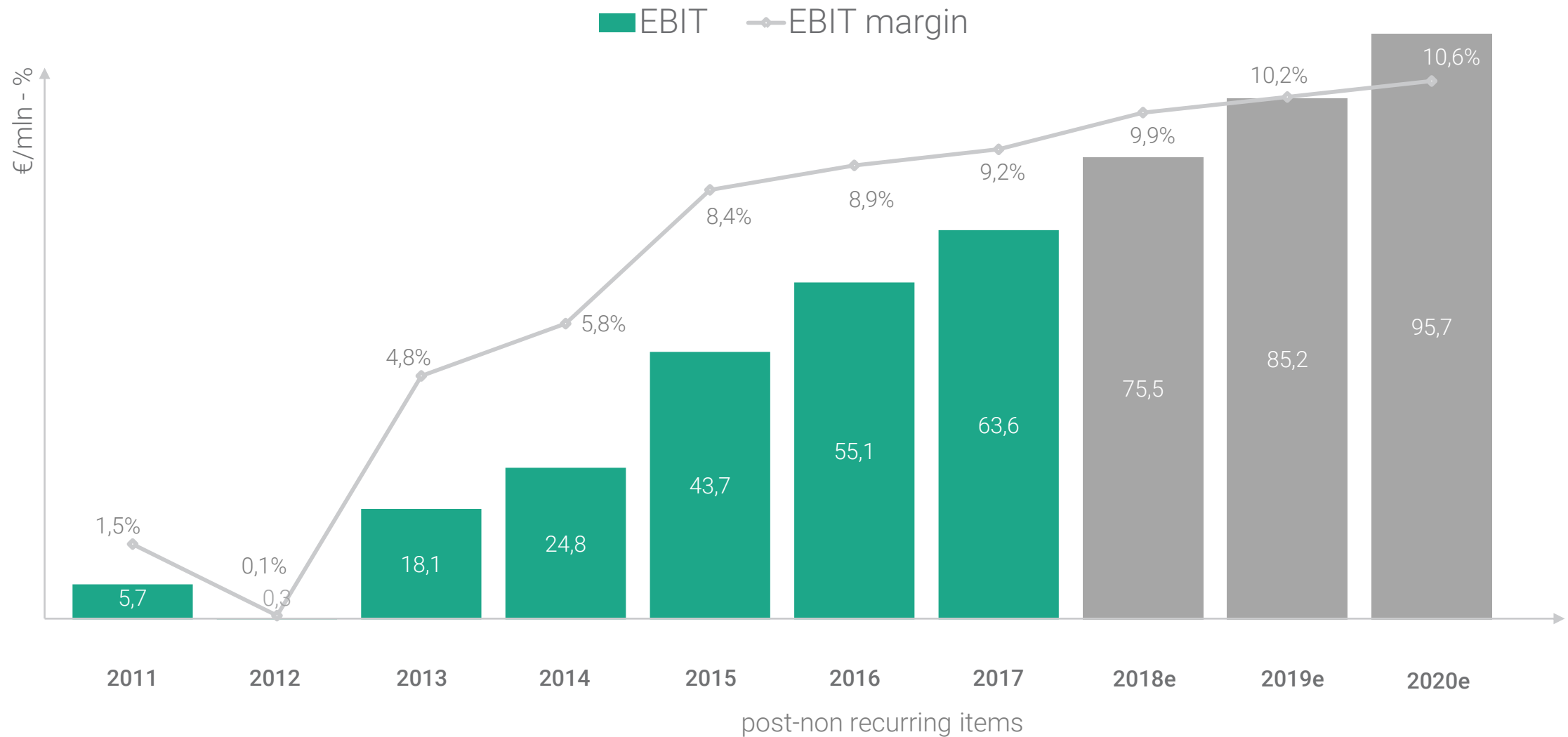
€/mln	2013	2014	2015	2016	2017	2020e
Gross Cashflow % net sales	52.0 13.8%	38.3 9.0%	46.3 8.9%	46.7 7,5%	74.4 10.8%	95.2 10.5%
Investments % net sales	-19.8 5.2%	-20.8 4.9%	-25.2 4.9%	-32.0 5.2%	-39.2 5.7%	-50.5 5.6%
Net Cashflow % net sales	32.2 8.5%	17.5 4.1%	21.1 4.1%	14.7 2.4%	35.2 5.1%	44.7 4.9%
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	€ 28.1 vs 2019e
Net Debt	-23.9	-11.3	0.0	4.9	30.3	105.3



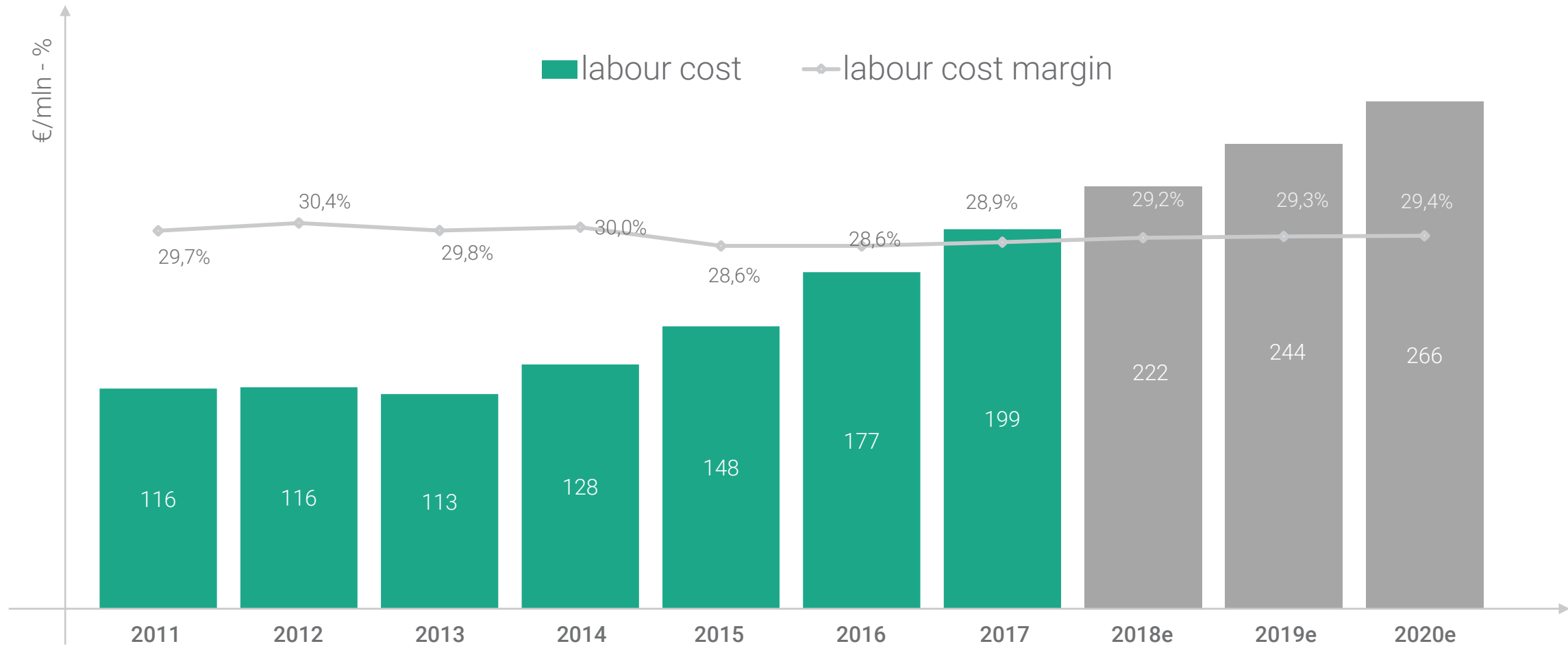
VALUE ADDED



EBIT



LABOUR COST



PEOPLE DISTRIBUTION

(Without interim people)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	
Production % 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%	
Service & After sale % of total people	568 24%	577 21%	574 21%	613 22%	628 22%	690 22%	803 22%	894 23%	
R&D % of total people	293 12%	316 12%	338 12%	321 12%	361 13%	383 13%	436 12%	479 12.5%	
Sales & Marketing % of total people	340 13%	361 13%	364 13%	351 13%	439 15%	495 15%	587 16%	641 17%	
G & A % of total people	202 9%	233 9%	242 9%	235 9%	252 9%	273 9%	310 8.5%	338 8.8%	
ITALY % 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%	
OUTSIDE ITALY** % 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%	
TOTAL	2.368	2.737	2.782	2.695	2.881	3.176	3.618	3.846	106

PEOPLE DISTRIBUTION

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
ITALY % 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%
OUTSIDE ITALY** % 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%
TOTAL	2.368	2.737	2.782	2.695	2.881	3.176	3.618	3.846

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)

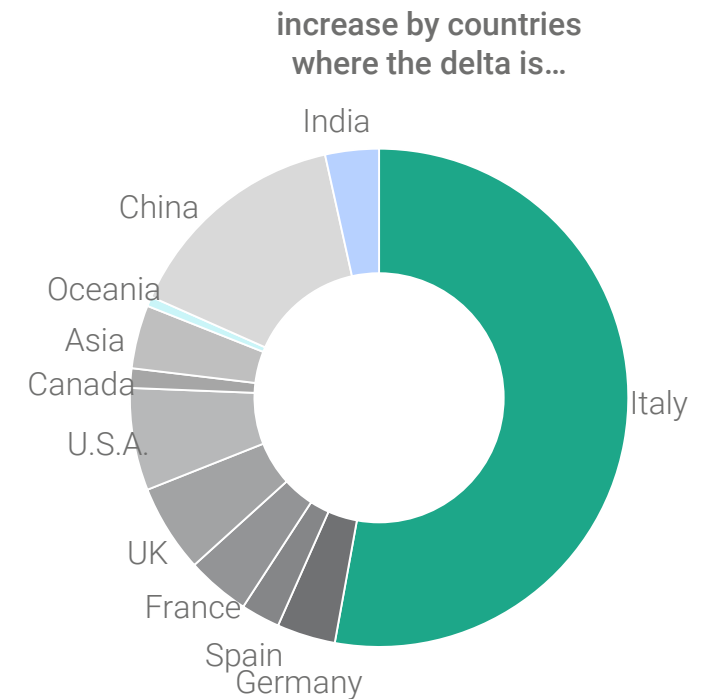


4,042

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
TOTAL	3,618	3,846	+6.3

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

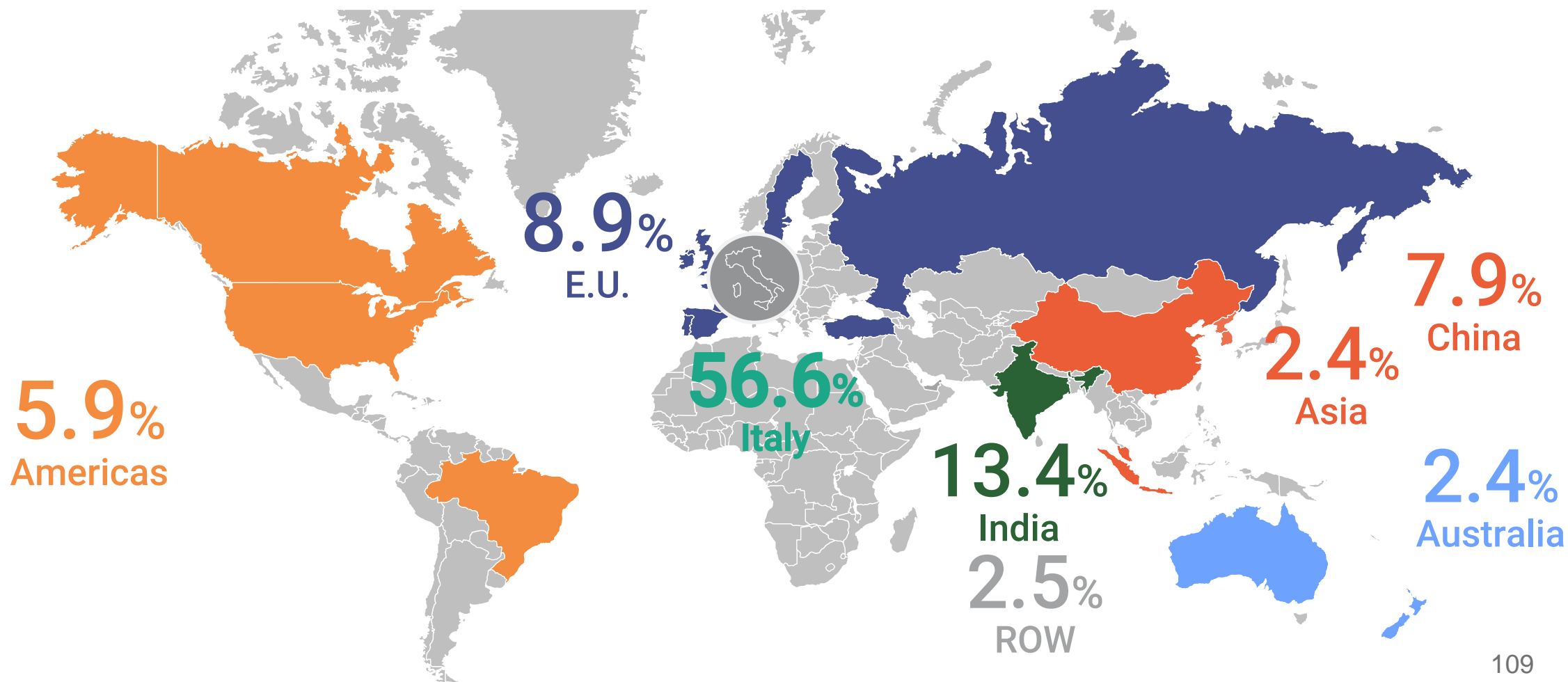
BY MAIN COUNTRIES - 2017

 **BIESSE GROUP**

Others Figures

People outside Italy: nr. 1,670

People in Italy: nr 2,176

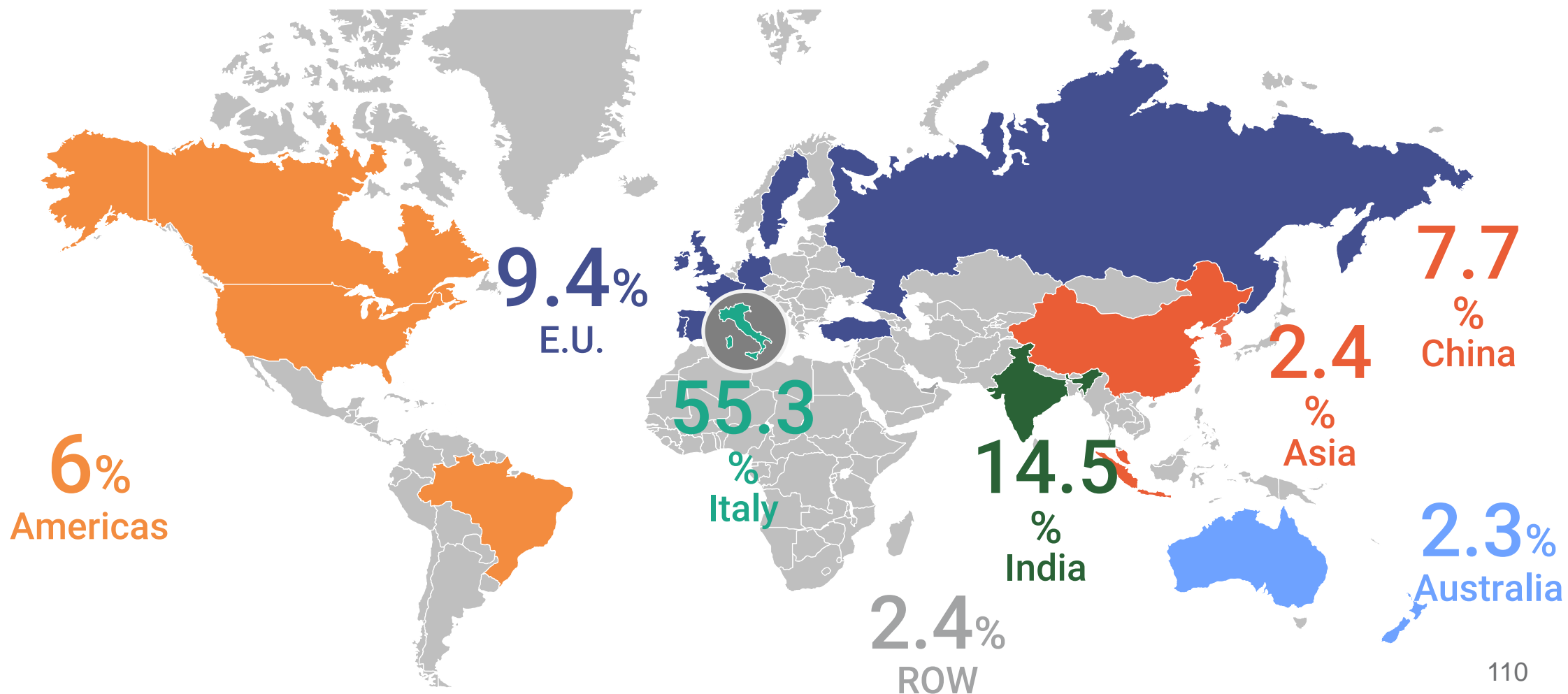


PEOPLE DISTRIBUTION

BY MAIN COUNTRIES – 2018e

People outside Italy: nr. 2,021

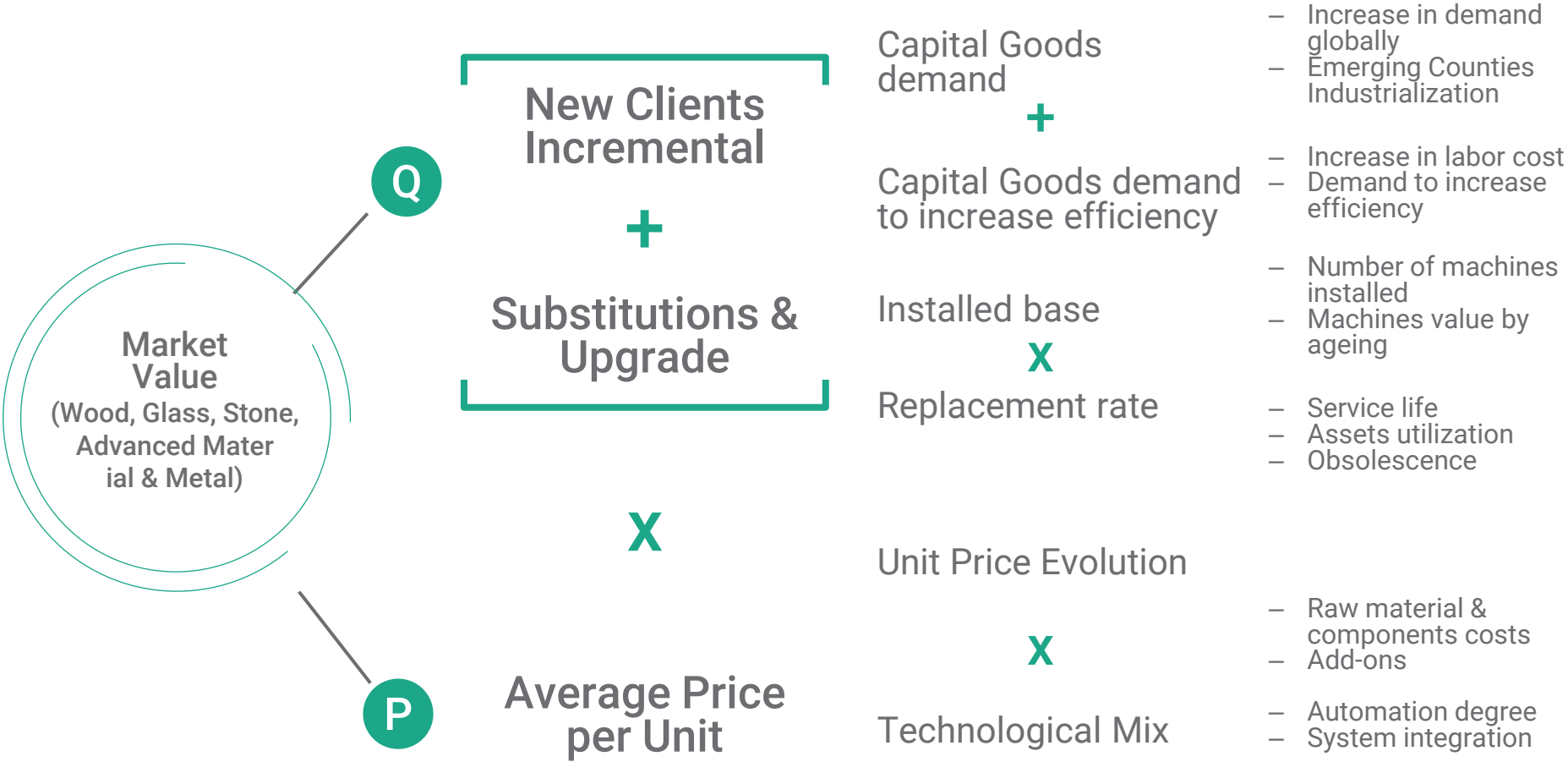
People in Italy: nr 2,497



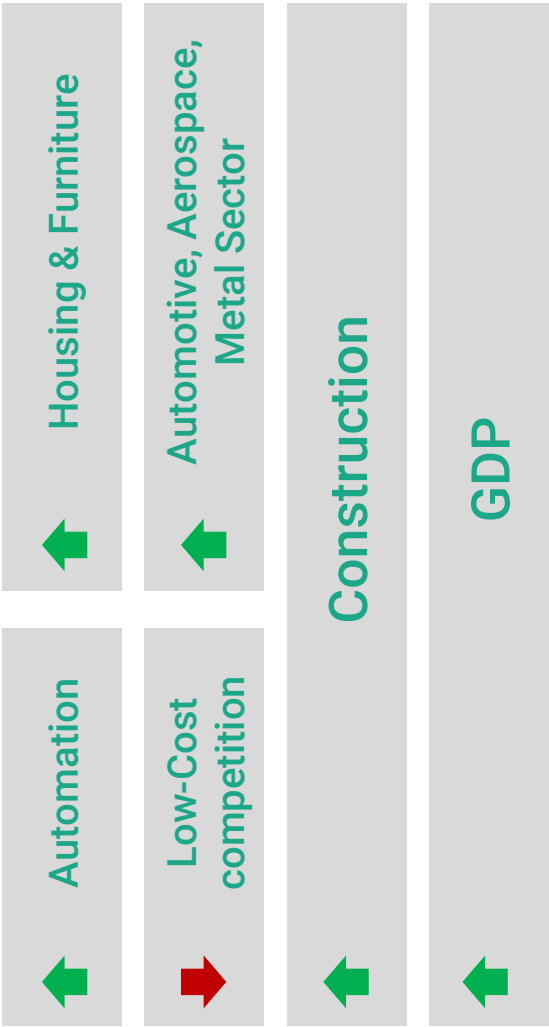
OUR FUTURE IN FIGURES

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MACHINES MARKET VALUE



Drivers and impact



FINANCIAL CALENDARS NEXT EVENTS

May
11th

Biesse Board of Directors

IQ 2018 approval

August
3rd

Biesse Board of Directors

IH 2018 approval

within the
2018
first half

HSD debut
(STAR segment)

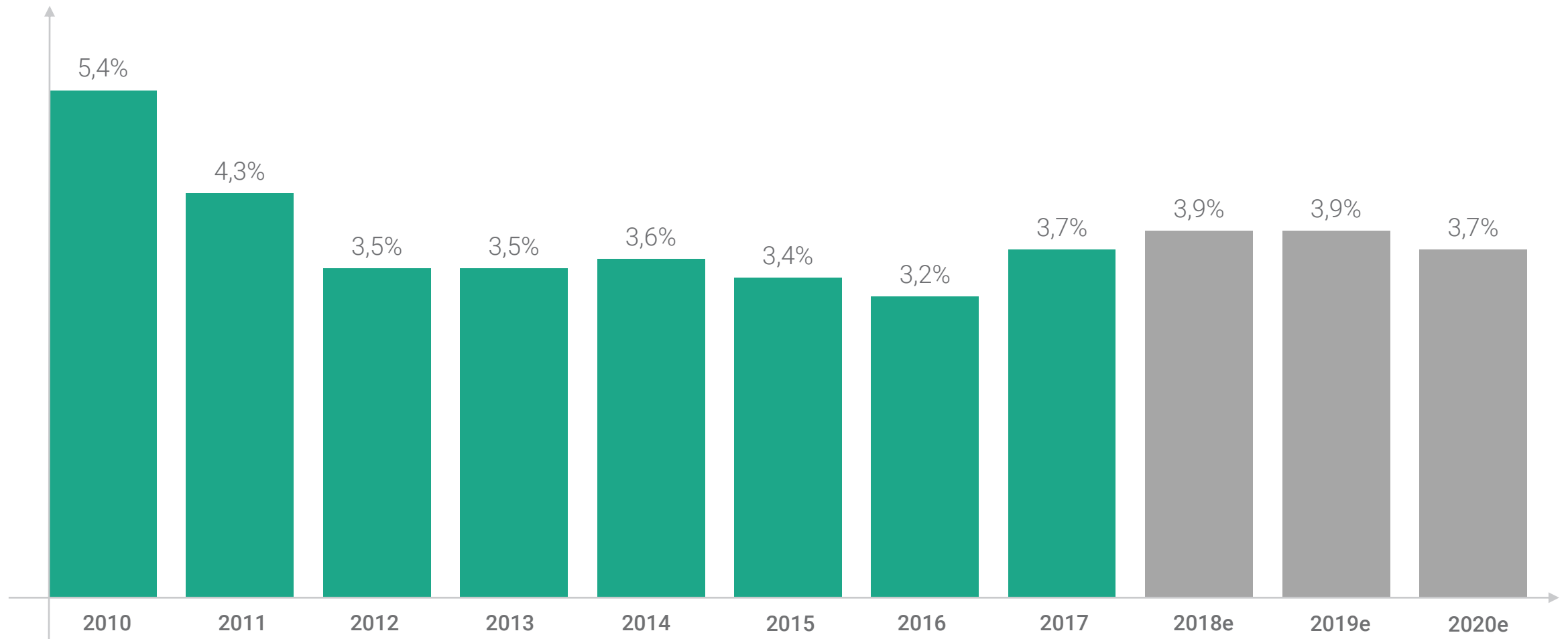
MACROECONOMIC CONTEXT

 **BIESSE**GROUP

Annex



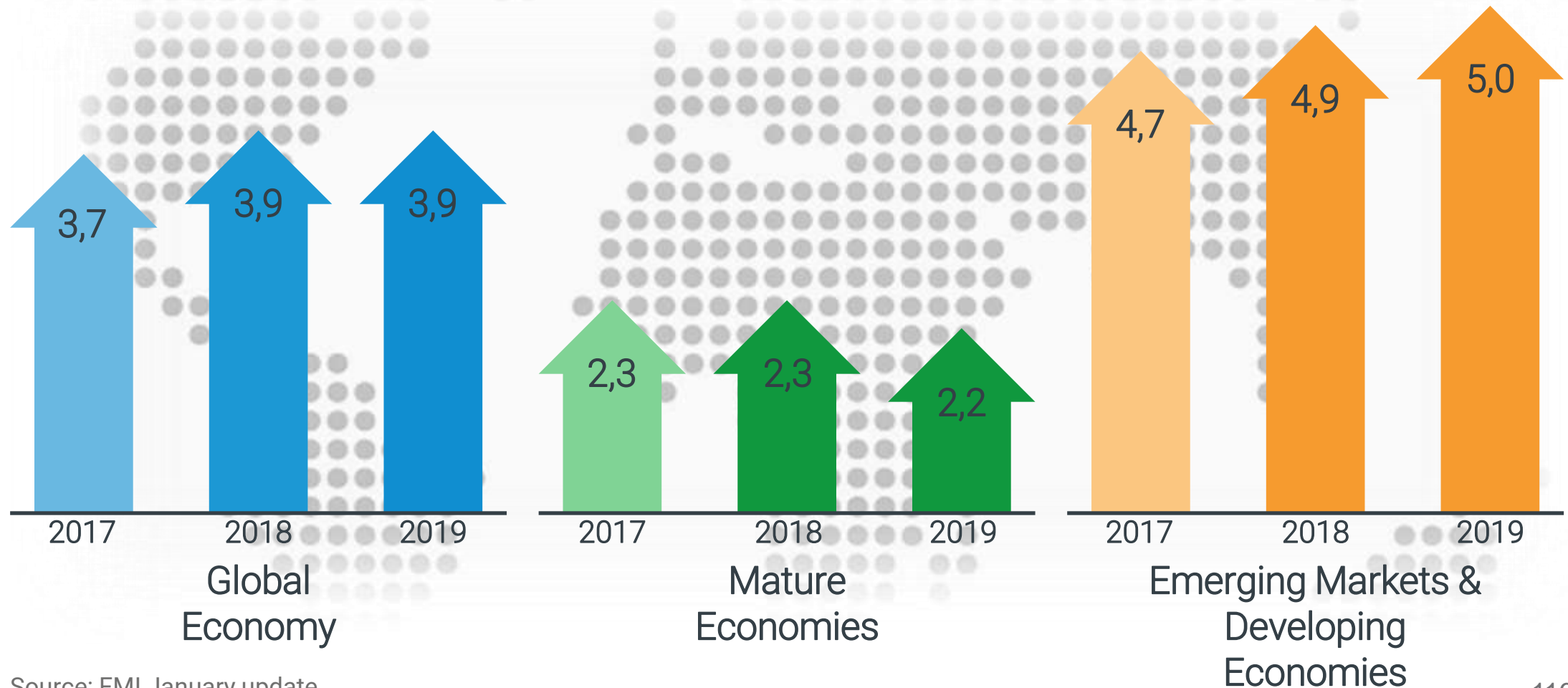
WORLD GDP



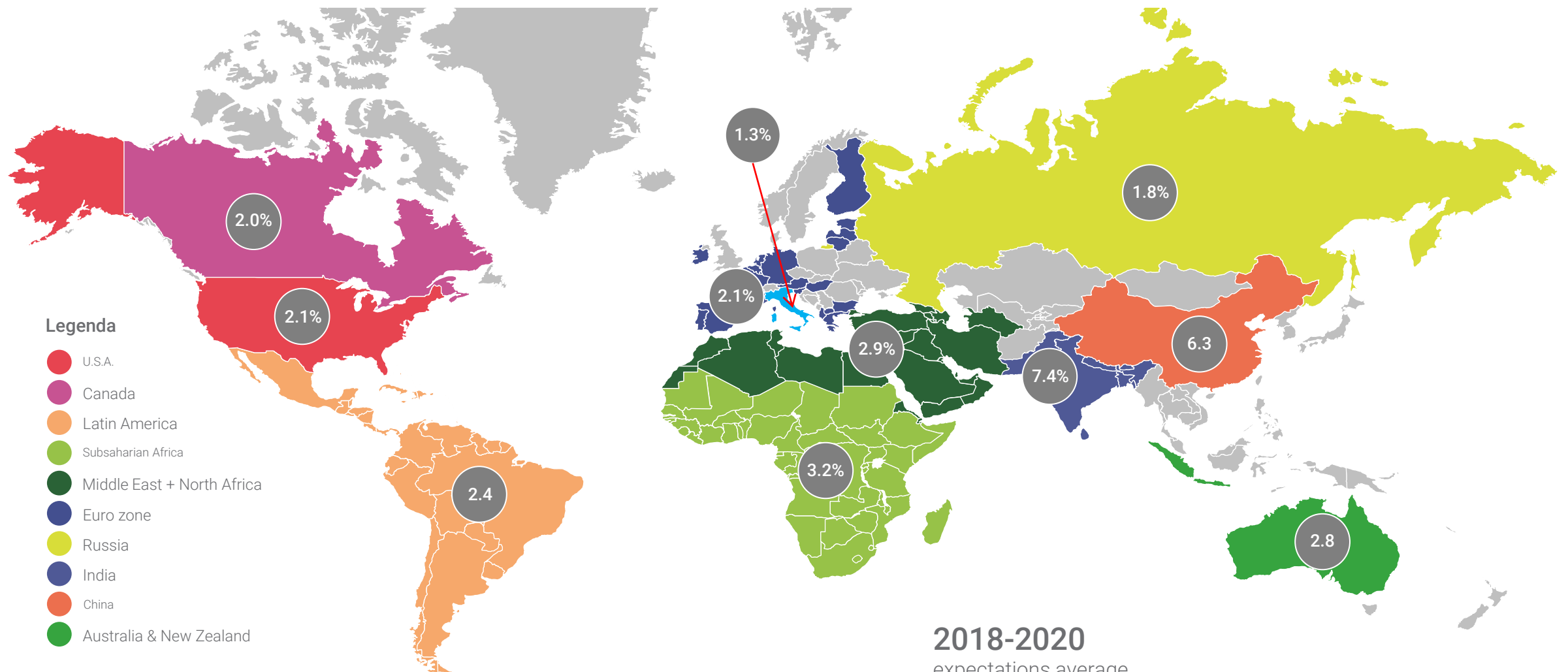
Source: Bloomberg January 2018 statistics

FMI RECENT UPDATED OPTIMISM

Global economic activity continues to firm up



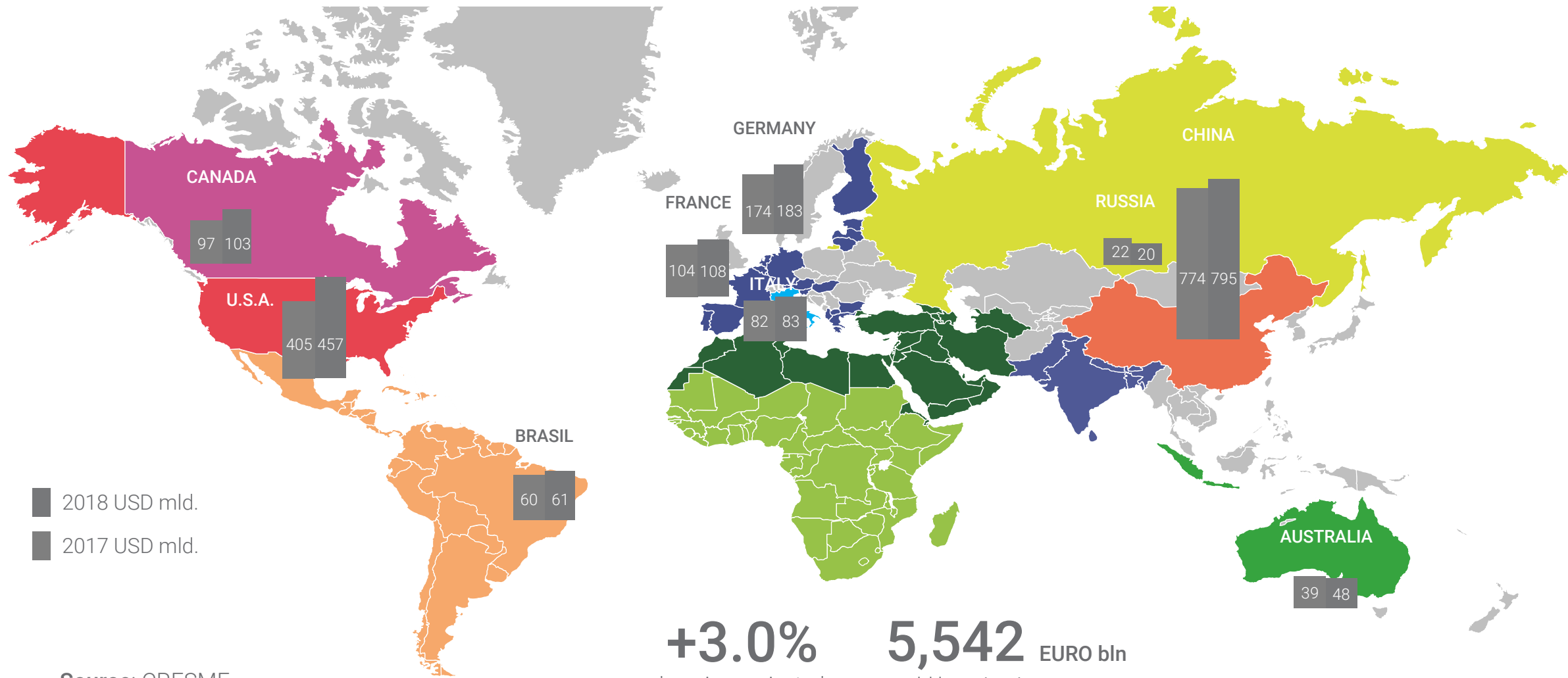
WORLD GDP BY MAIN MACRO AREA



2018-2020
expectations average

Source: Bloomberg January 2018 statistics

MAIN REFERENCE MARKETS:HOUSING



 2018 USD mld.
 2017 USD mld.

Source: CRESME

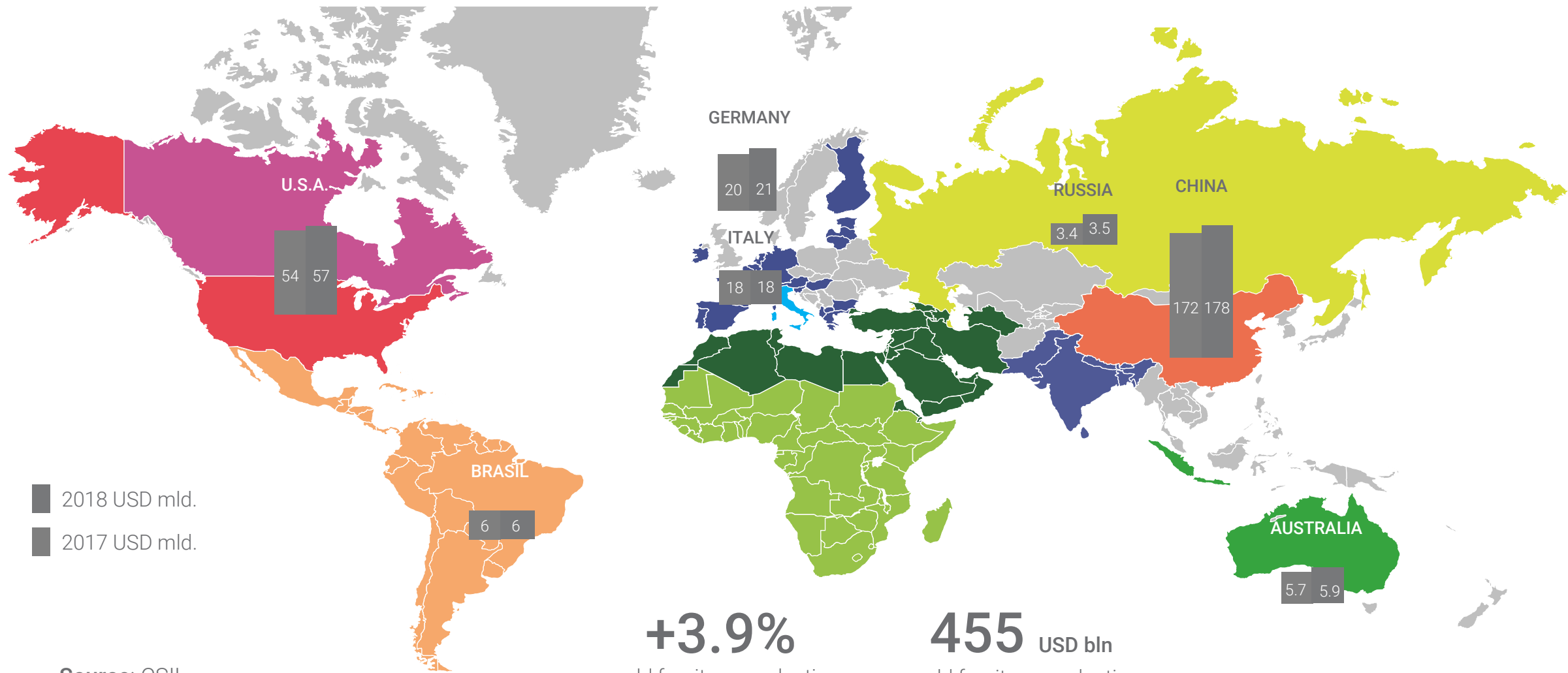
+3.0%

housing projected
investments 2018

5,542 EURO bln

world housing investments
(dimension)

MAIN REFERENCE MARKETS:FURNITURE



Source: CSIL

+3.9%

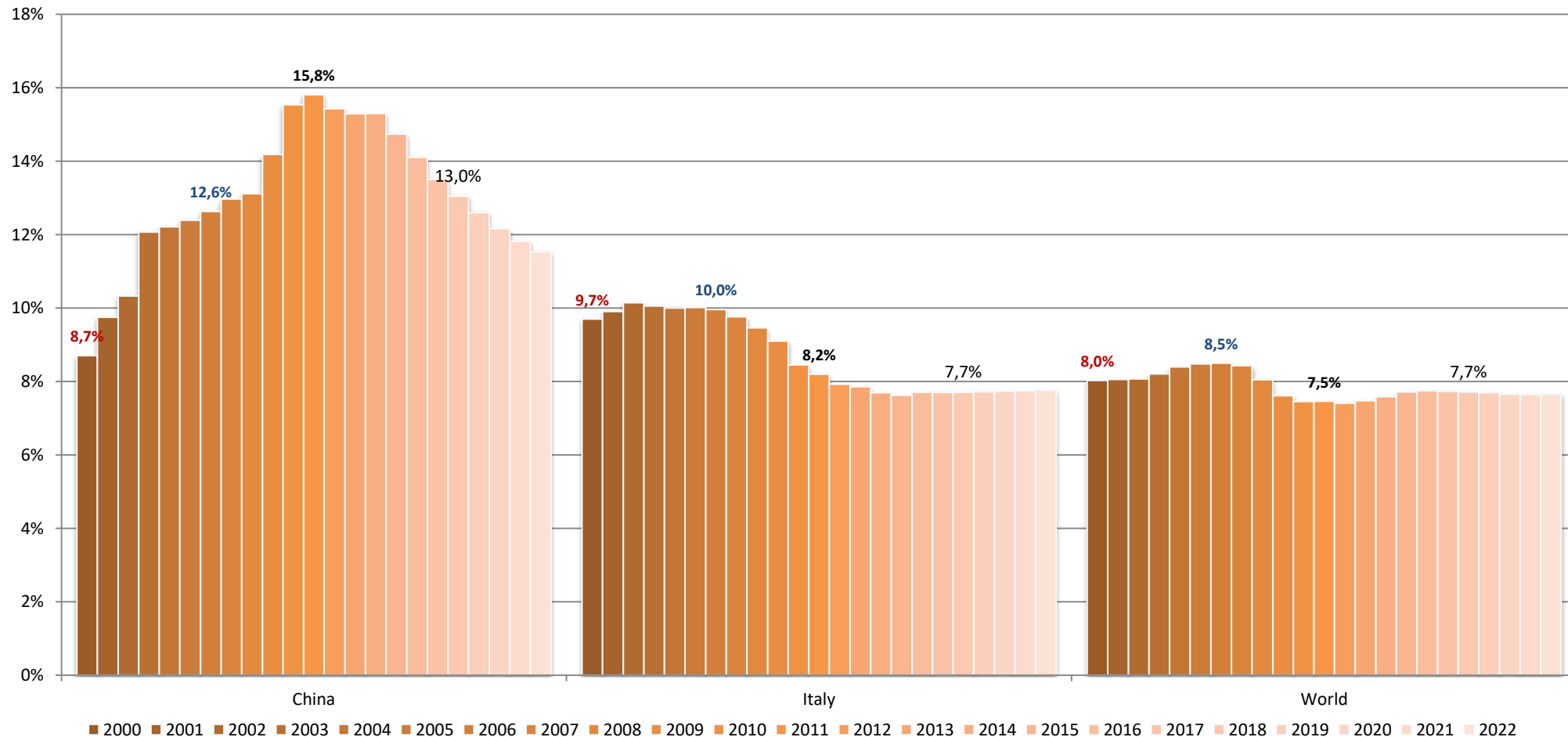
world furniture production
projection 2018

455 USD bln

world furniture production
(dimension)

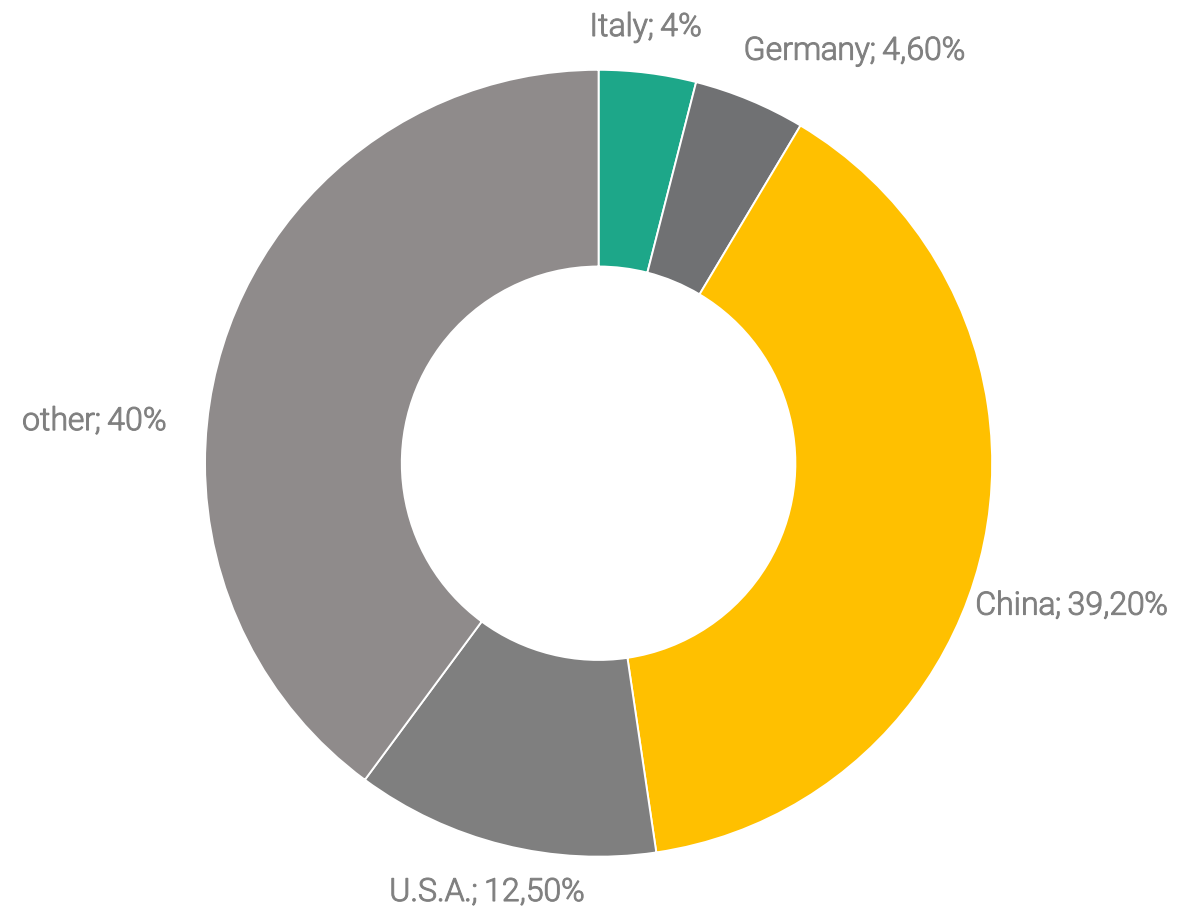
MAIN REFERENCE MARKETS:HOUSING

(BUILDING INVESTMENTS RESIDENTIAL + NON RESIDENTIAL)



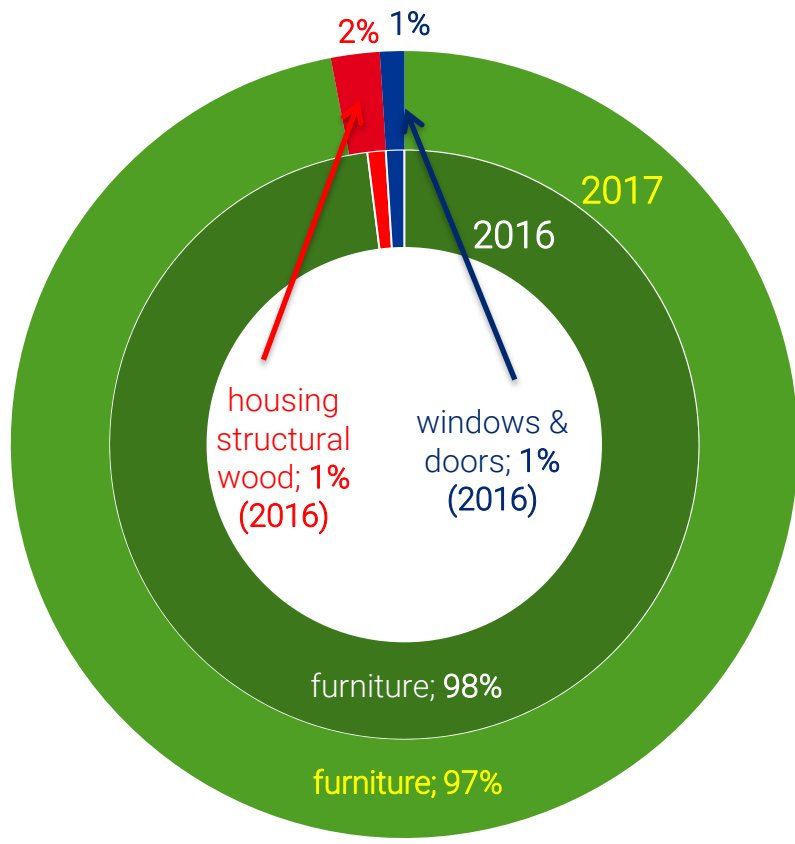
MAIN REFERENCE MARKETS:

furniture consumption by countries



Source: CSIL

where Biesse is insisting...:

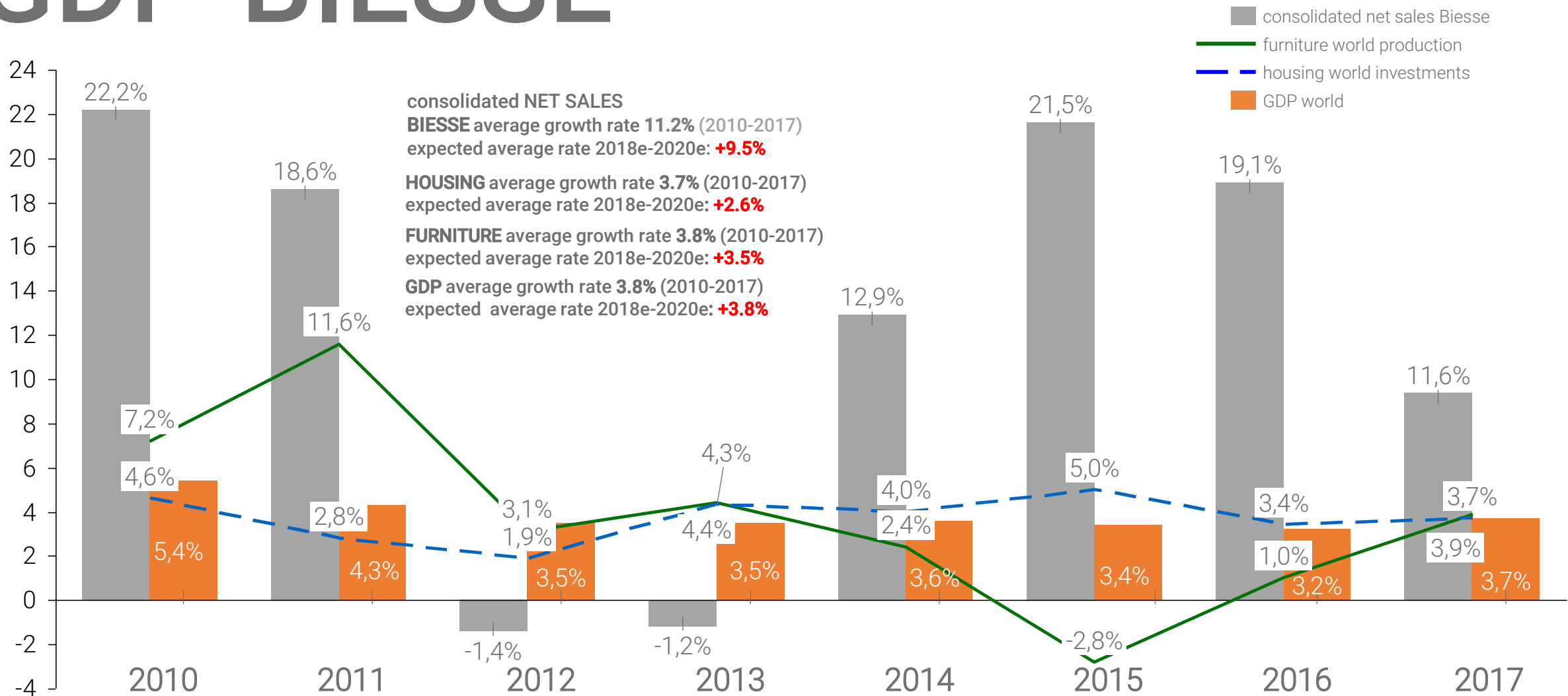


Source: Biesse

HOUSING-FURNITURE GDP-BIESSE

BIESSEGROUP

Annex



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 incentivitation».



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 2017specially 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.».



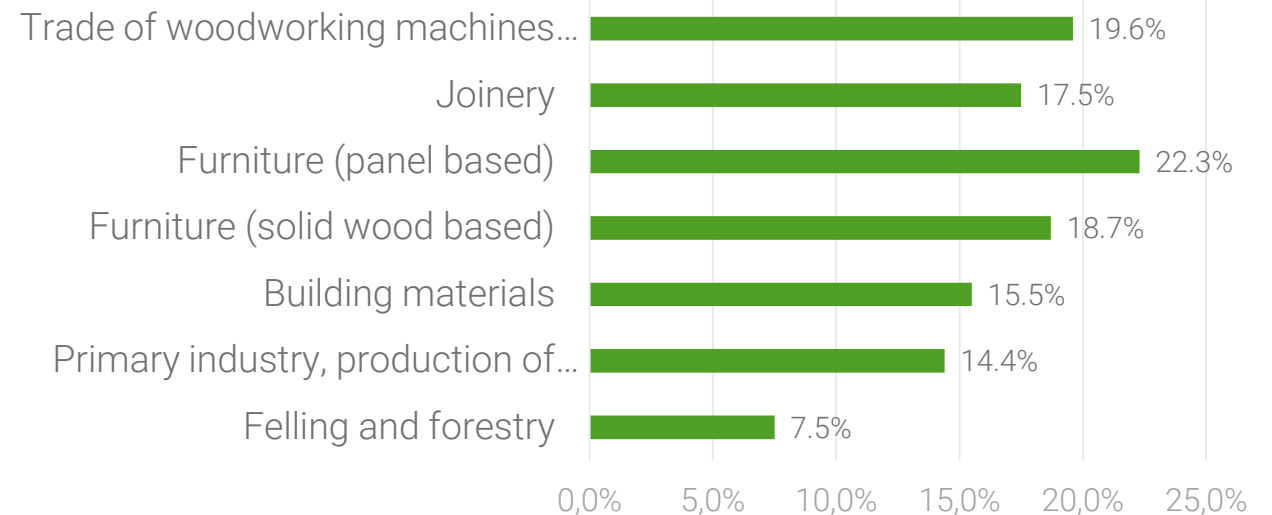
**Verband Deutscher Maschinen- und
Anlagenbau, Mechanical
Engineering Industry Association**

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

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BIESSE SHARE 2017 TREND: VS INDEX

 **BIESSE**GROUP

The Share



BIESSE SHARE HISTORICAL TREND (SINCE IPO): VS INDEX



BIESSE SHARE 2017 TREND: VS ITALIAN PEERS



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Investor Relator Manager
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BIESSEGROUP.COM