

# COMPANY PRESENTATION

SEPTEMBER 4<sup>TH</sup> 2019

MILAN, INDUSTRIAL DAY

 **BIESSE**GROUP

# Disclaimer

- ✓ This presentation has been prepared independently by Biesse S.p.A. and can be used only during meetings with investors and financial analysts. It's solely for information purposes and it may contain statements regarding future financial performances and Company's expectations
- ✓ Biesse is not responsible for the content processed by third parties and content indicated in this Document. No liability is accepted by or on behalf of Biesse for any errors, omissions or inaccuracies contained in this presentation.
- ✓ Any forward looking statements are not guarantees of future performances and is related only of the date of this document. They are based on the Group's current state of knowledge, future expectations and projections about the future events. By their nature they are subject to inherent risks and uncertainties.
- ✓ Further information concerning the Group results, including factors that could materially affect the Company itself (i.e. IFRS) will be included and detailed in the Financial Statement of the Group.
- ✓ For further details on the Biesse S.p.A. reference should be made to publicly available information. including the Quarterly Reports, the Half Annual Report, the Annual Reports and the Three Years Business Plan.
- ✓ Any reference to past performance of the Biesse S.p.A. shall not be taken as an indication of future performance.
- ✓ This document does not constitute an offer or invitation to purchase or subscribe for any shares and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.
- ✓ No action should be taken or omitted based on the informations contained in this Document. Biesse accepts no liability for the results of any action taken on the basis of the informations contained in this Document.
- ✓ By attending the presentation you agree to be bound by the foregoing terms.
- ✓ The User is not granted any license or right of use and therefore is not allowed to record such content – in whole or in part- on any type of media, reproduce, copy, publish and use them for any purpose without prior written permission.

# IT'S THE FUTURE THAT MAKES HISTORY.

WE HAVE BEEN DESIGNING INNOVATION  
FOR FIFTY YEARS, DRIVEN BY AN  
INCREDIBLE ENGINE, POWERED BY  
PEOPLE, PASSION AND PRECISION.



 **BIESSE**GROUP

# OUR IDENTITY



# OUR VALUES

 **BIESSE**GROUP

Biesse Group is a global leader founded in Pesaro in 1969 by Giancarlo Selci.  
listed on the Borsa Italiana since 2001 – STAR segment.  
The Group has a strong Italian identity and strongly believe in:

**INNOVATION**

**RELIABILITY**

**RESPECT**

# THE VISION


 BIESSEGROUP

Biesse Group's vision is embodied by the word THINKFORWARD:

a stimulus to **LOOK AHEAD** and **ANTICIPATE**  
**THE FUTURE** setting new standards to drive  
**TECHNOLOGICAL INNOVATION** and  
**DIGITAL** transformation.



# ONE INDUSTRIAL GROUP

 BIESSE GROUP

We manufacture technology for processing wood, glass, stone, advanced materials and metal through specialised business units and 12 manufacturing sites in Italy and worldwide. We operate worldwide with our own key brands: Biesse, Intermac, Diamut, HSD.

4

MAIN BUSINESS DIVISIONS

12

PRODUCTION SITES

Winstore 3D K2

-Y

# ALL OVER THE WORLD

 BIESSEGROUP

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 + 300

SUBSIDIARIES AND  
REPRESENTATIVE  
OFFICES

SELECTED  
DISTRIBUTORS

 BIESSE

 INTERMAC

# BUSINESS MODEL

# PRODUCTS



## 01 Machines

We design, manufacture and distribute a comprehensive range of machinery and technologies for processing wood, glass, stone, metal and advanced materials

## 02 Systems

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

## 03 Mechatronics

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

## 04 Tooling

We manufacture tools for the processing of glass, stone and ceramic. Its synergy with Intermac has enabled it to develop a range of tools, which in terms of reliability, have become a benchmark in the market.

## 05 Service

Through dedicated personnel, we provide professional pre-sale consulting services, and continuous after sales assistance to ensure the correct installation and start-up of machinery, software and Systems.

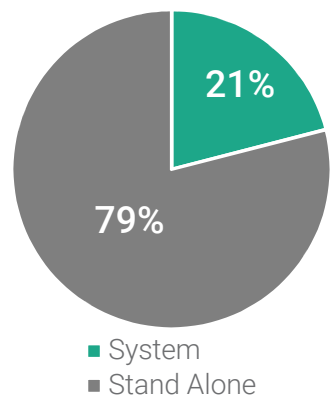
## 06 Software

We have developed our software solutions by closely observing the work carried out by the customer every day, with simple interfaces, designed to make everyday use of the machine practical.

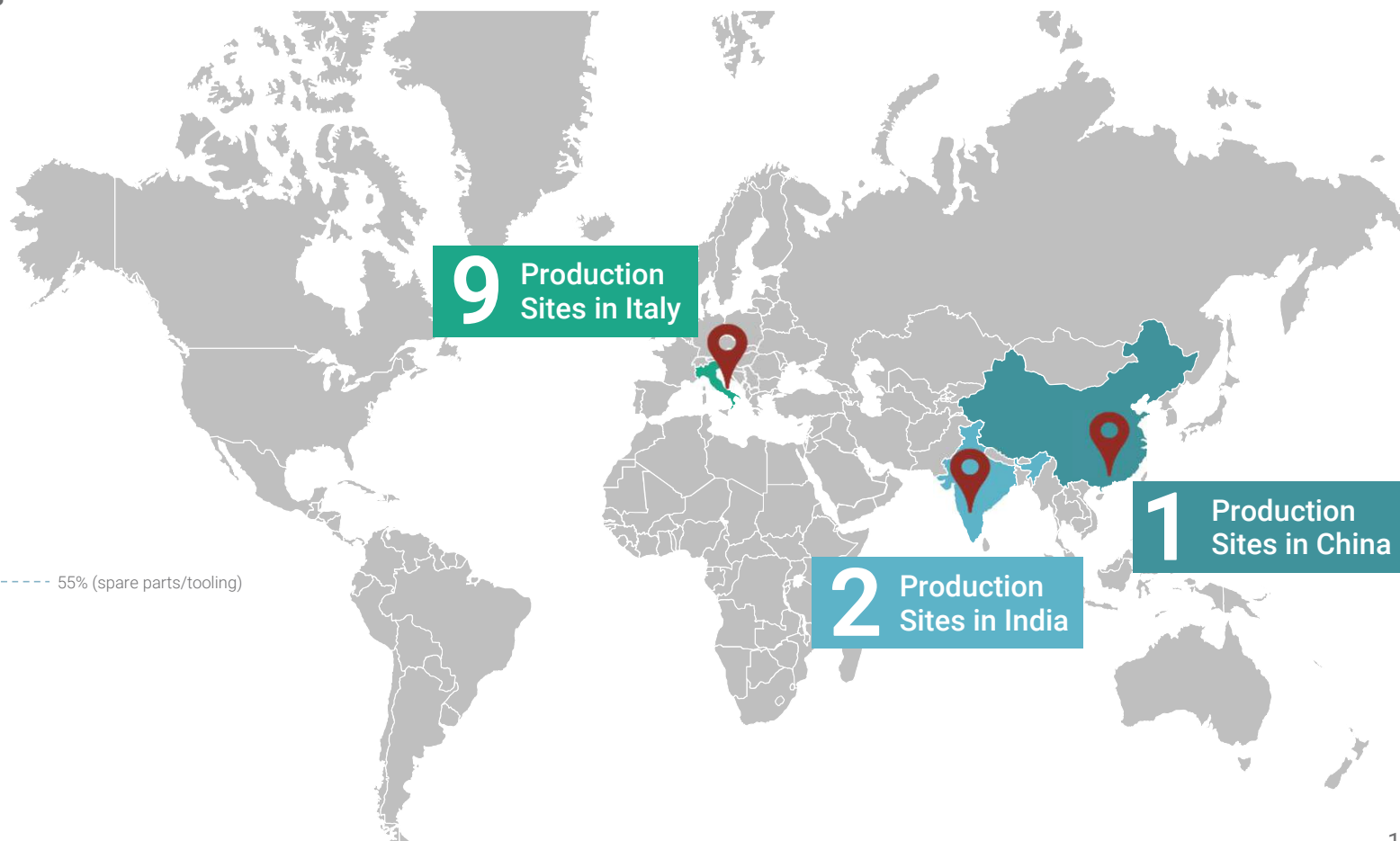
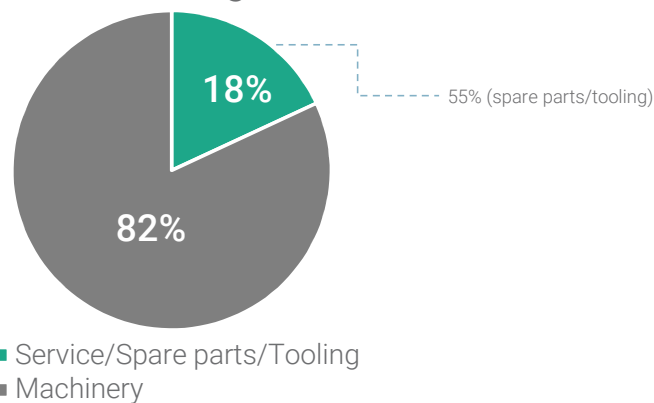
# FOOTPRINT

**BIESSE**GROUP

Sales breakdown  
by type on machines sales



Sales breakdown by  
offering





# CUSTOMERS

(BY SEGMENT)

**BIESSE**GROUP



furnishing-design



furnishing



frames (doors/windows)



housing-structural wood



furnishing-interiors



# CUSTOMERS

(BY SEGMENT)

**BIESSE**GROUP



office furniture



advanced materials



glass



stone-marble



automotive

# CUSTOMER SALES

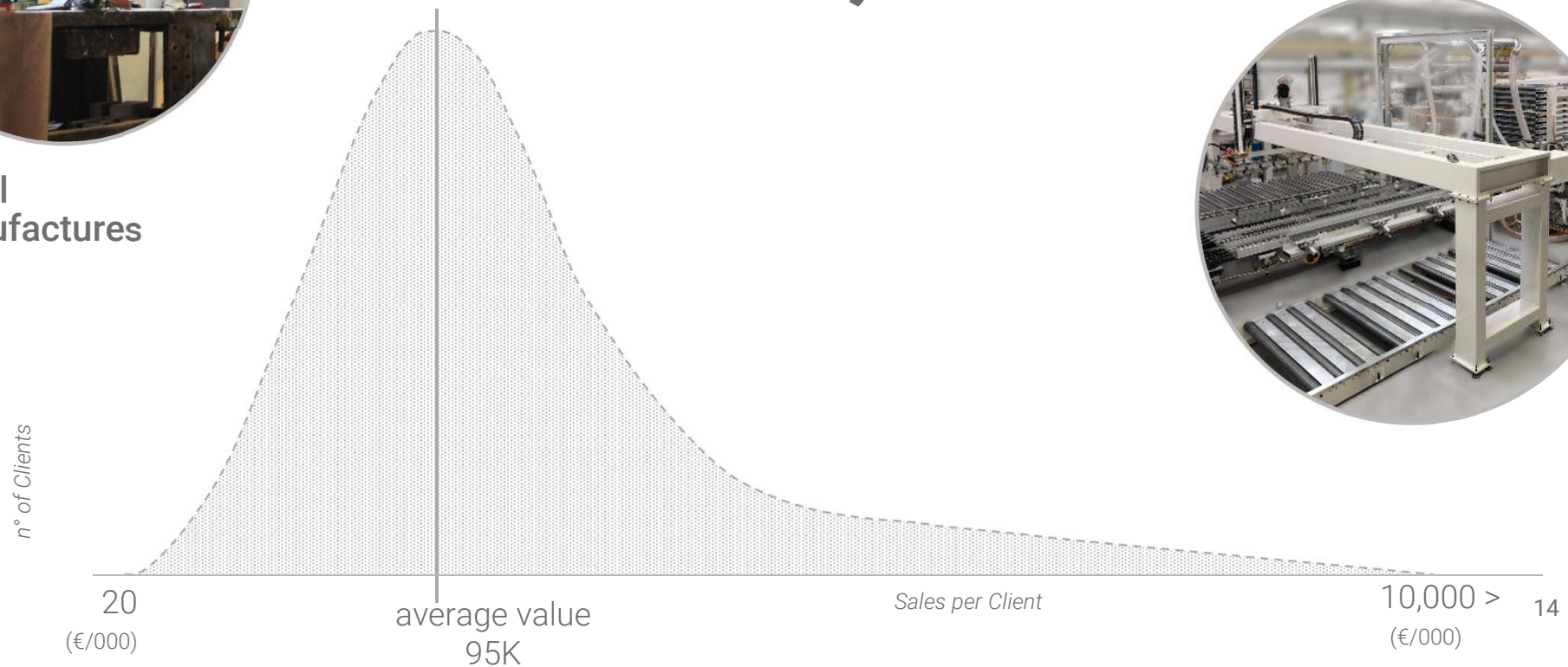
**BIESSE**GROUP

a wide and fragmented customer base with no risk of concentration



Small  
manufactures

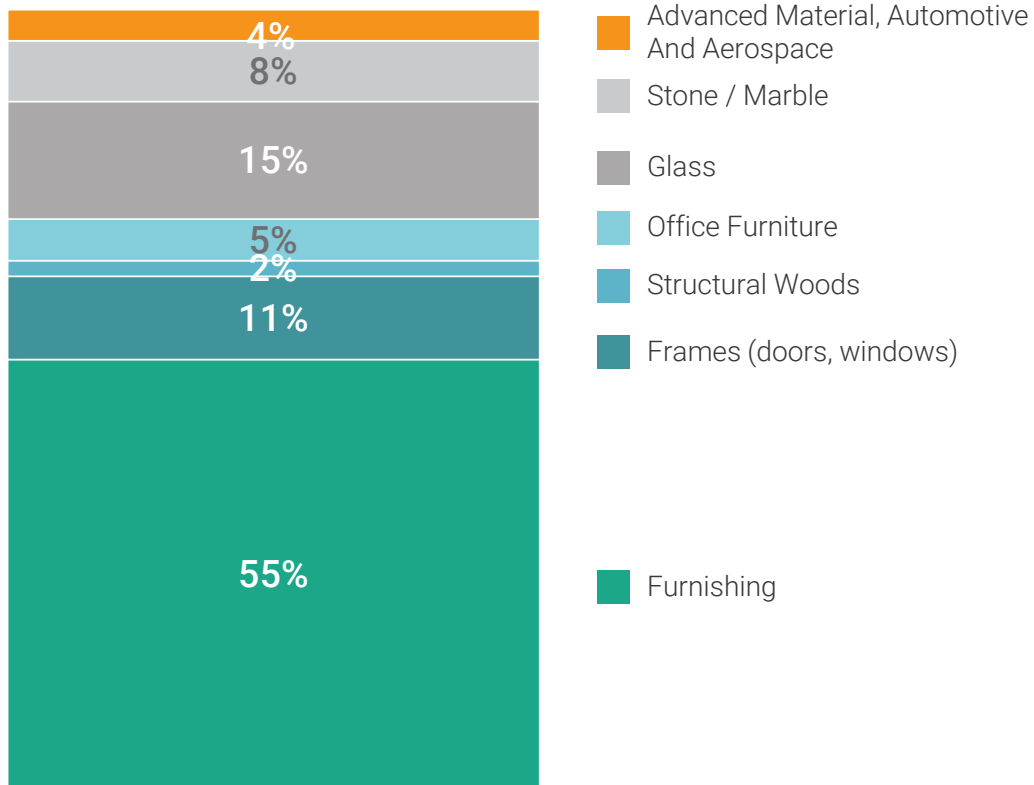
approx **> 66,000**



Medium/Large  
manufactures

# CUSTOMERS - MAIN REFERENCE MARKETS

% breakdown of Biesse machines sales by macro-sector



2018



# IH 2019 HIGHLIGHTS

orders intake -16.7% vs June 2018

backlog 225.4 Euro mln

net consolidated sales: 344.2

net financial position: -33.8 with -26.1 Euro mln for IFRS 16

(IFRS 16 adopted since January 2019)

ebitda: 38.0 (incidence on sales 11.0%) with +3.1 Euro mln for IFRS 16

ebit: 20.1 (incidence on sales 5.8%) before non recurring items

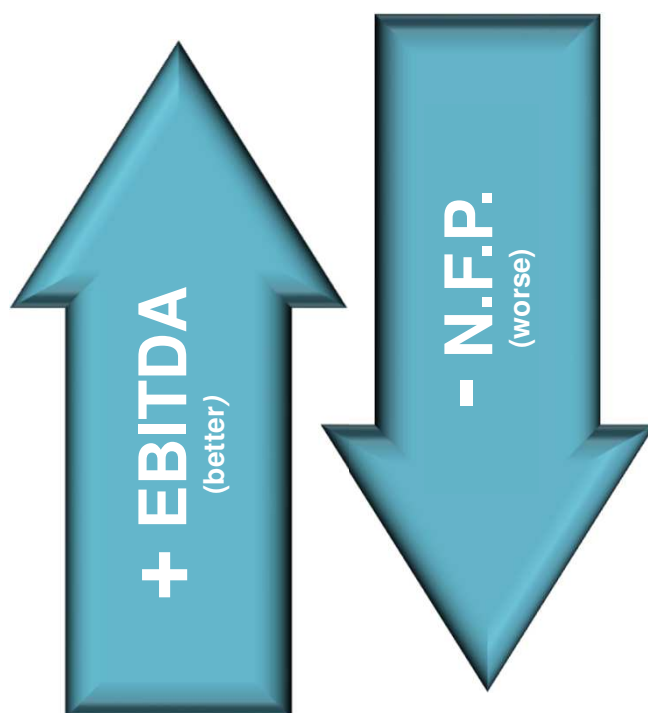
net profit: 10.4 (incidence on sales 3.0%)

€/mln



# IFRS 16 MAIN IMPACTS

".....**IFRS 16** is an International Financial Reporting Standard (IFRS) providing guidance on accounting for leases. IFRS 16 was issued in January 2016 and will be effective for most companies that report under IFRS in 2019. Upon becoming effective, it will replace the earlier leasing standard, IAS 17. ....The new standard will provide much-needed transparency on companies' lease assets and liabilities, meaning that off balance sheet lease financing is no longer lurking in the shadows. It will also improve comparability between companies that lease and those that borrow to buy....."



FY 2018 effects:

EBITDA +6.9 Euro mln

N.F.P. -25 Euro mln

=====

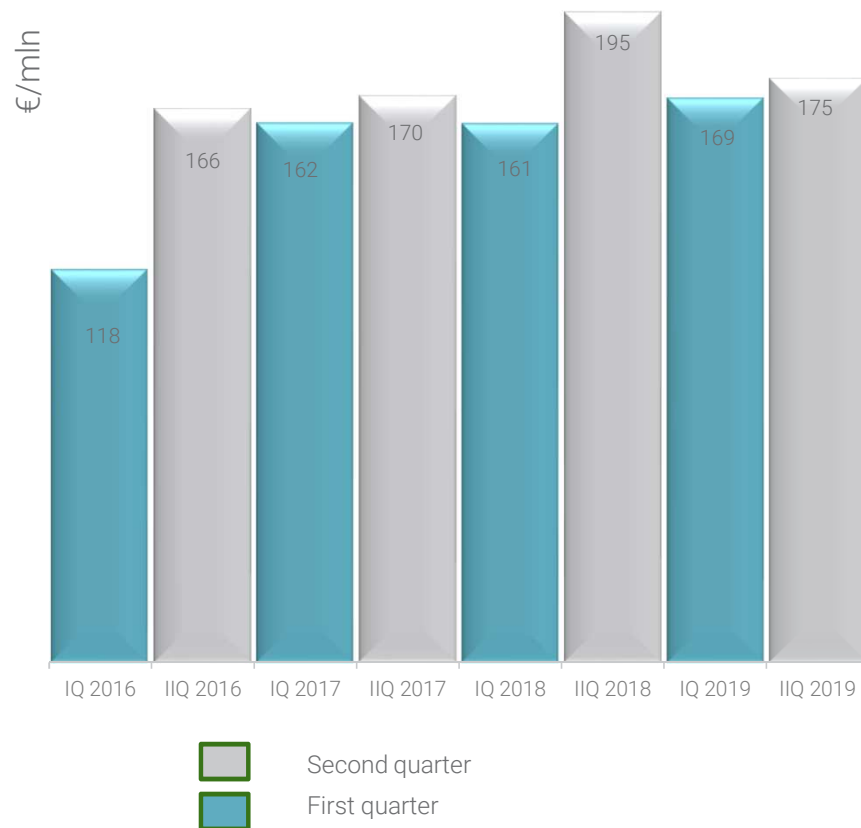
2019 IH effects:

EBITDA +3.1 Euro mln

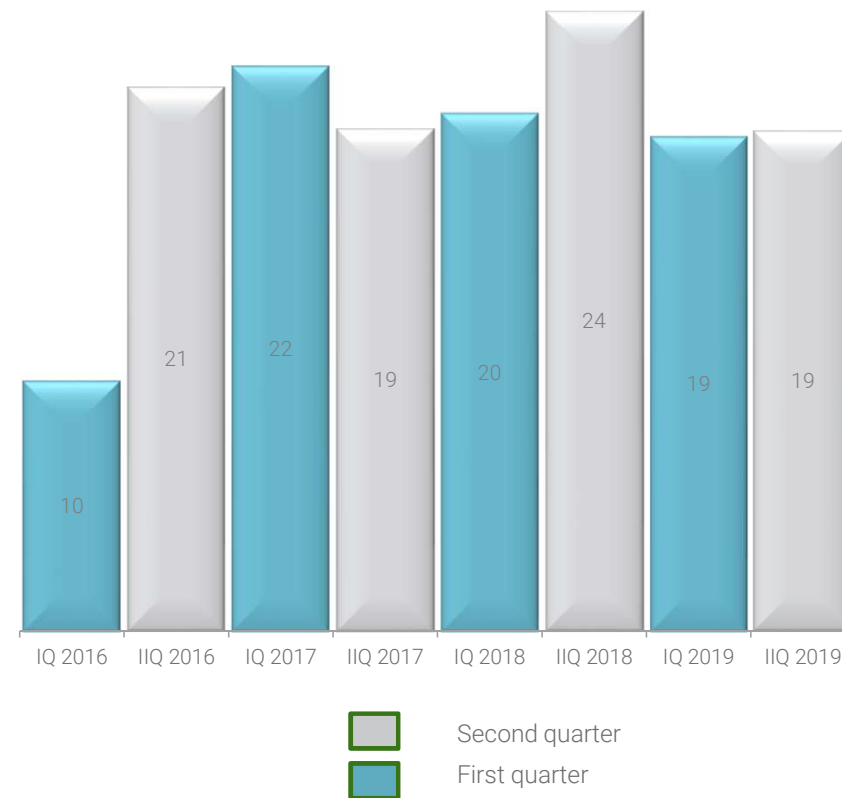
N.F.P. -26.1 Euro mln

# BIESSE QUARTER BY QUARTER

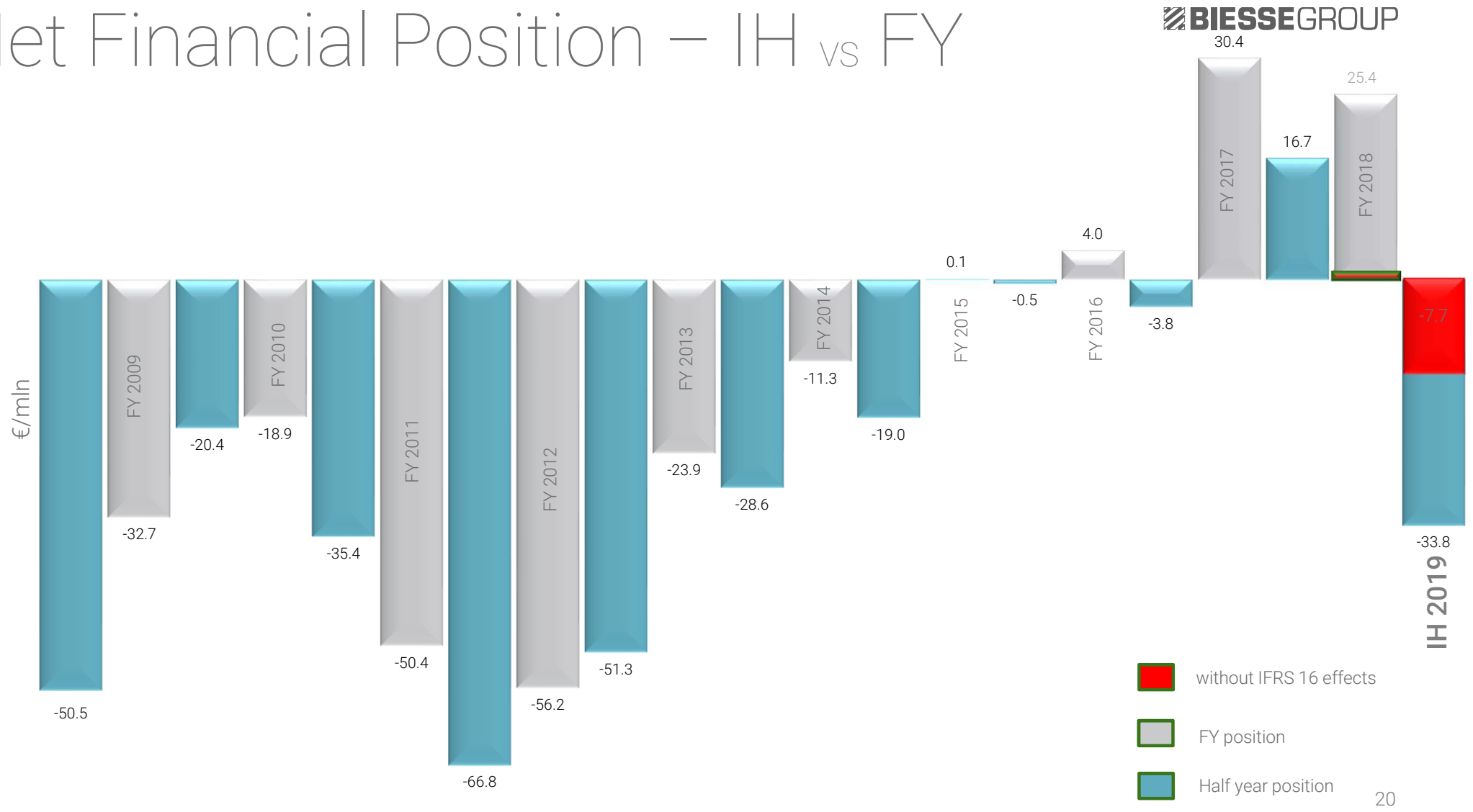
Sales by quarters



EBITDA by quarters



# Net Financial Position – IH vs FY





# extract of the P&L – IH 2019



€/mln	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	IH 2018	IH 2019
<b>Net sales</b> year -1	378.4 -1.2%	427.1 +12.3%	513.1 +21.5%	618.5 +19.1%	690.1 +11.6%	740.2 +7.3%	356.6	344.2 -3.5%
<b>Value added</b> %	143.5 37.3%	163.1 33.6%	212.4 40.3%	252.4 40.8%	288.6 41.8%	307.2 41.5%	150.3 42.1%	151.0 43.9%
<b>Labour cost</b> %	112.7 23.8%	128.2 30.0%	148.2 28.6%	176.6 28.6%	199.1 28.9%	214.6 29.0%	106.8 29.9%	113.1 32.9%
<b>EBITDA</b> %	30.3 8.2%	40.3 3.6%	64.1 12.4%	75.8 12.3%	89.5 13.0%	92.7 12.5%	43.5 12.2%	38.0 11.0%
<b>EBIT</b> %	18.1 4.8%	26.5 6.2%	43.8 8.4%	55.1 8.9%	63.6 9.2%	63.8 8.6%	30.3 8.5%	20.1* 5.8%

\*before non recurring items

tax rate 35.8% 35.5%

# CASHFLOW

€/mln	2014	2015	2016	2017	2018	<b>IH 2019</b>
<b>Gross Cashflow</b> % net sales	38.3 9.0%	46.3 8.9%	45.8 7.4%	75.4 10.9%	53.1 7.1%	4.3 1.2%
Investments % net sales	-20.8 4.9%	-25.3 4.8%	-32.1 5.0%	-39.2 5.8%	-45.0 6.1%	-50.4* 14.6%
<hr/>						
<b>Net Cashflow</b> % net sales	17.5 4.1%	21.0 4.1%	13.7 2.2%	36.2 5.2%	8.1 1.1%	-46.1
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	-13.1 0.48 per share	-13.1 0.48 per share
Δ Net Debt	12.7	11.2	3.9	26.4	-5.0	-59.2*

\*including € 26.6 from IFRS 16

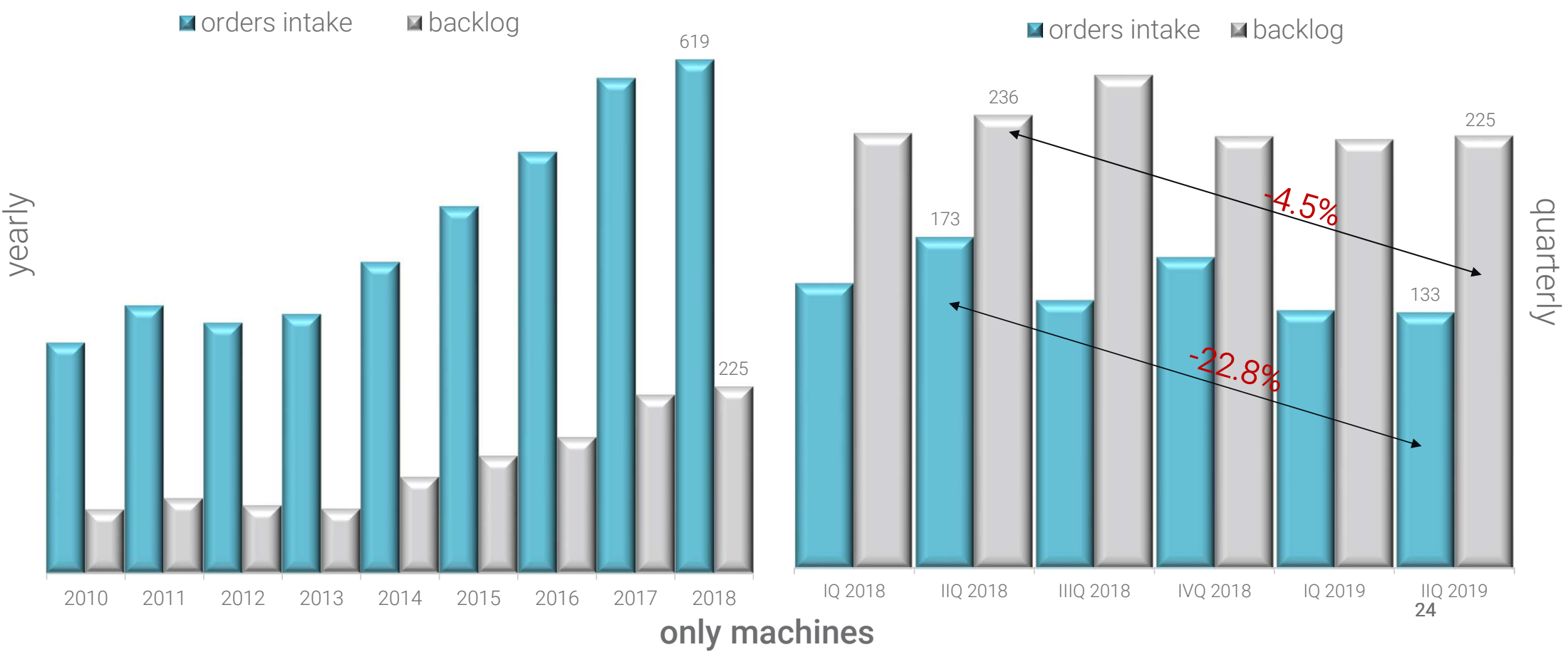
\*the delta is calculated between € +25.4 (December 2018 NFP) and € -33.8 (June 2019 NFP)

If we normalize December 2018 with the estimate IFRS 16, the delta is between € +0.4 and € -33.8= <sup>22</sup>€ -34.2  
 If we compare December 2018 NFP € +25.4 with June 2019 NFP € -7.7 without IFRS 16 the delta is € -33.1

	2014	2015	2016	2017	2018	<b>IH 2018</b> <i>(against the IH sales)</i>	<b>IH 2019</b> <i>(against the IH sales)</i>
inventories % net sales	23.0%	21.5%	21.1%	20.8%	22.1%	45.6%	54.5%
receivables % net sales	18.9%	20.3%	20.8%	17.3%	17.7%	37.7%	35.4%
payables % net sales	28.8%	29.5%	31.1%	32.4%	32.5%	68.4%	68.5%
<b>O.N.W.C.</b> % net sales	56 13.0%	63 12.2%	67 10.8%	39 5.6%	53.1 7.2%	53.1 14.9%	73.8 21.4%

# GROUP ORDERS INTAKE & BACKLOG

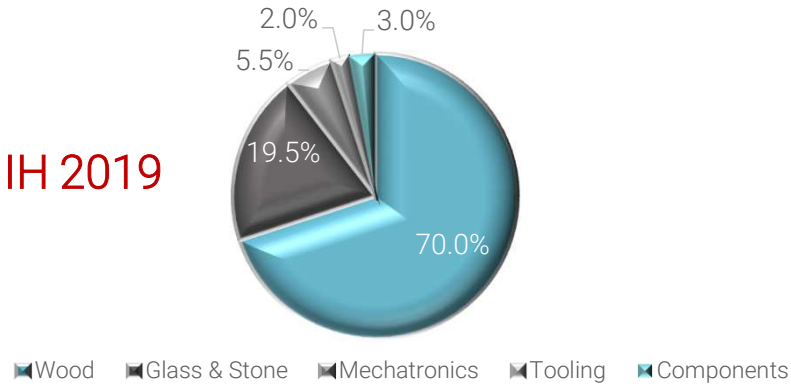
ORDERS INTAKE IH 2019 vs IH 2018: -16.7%



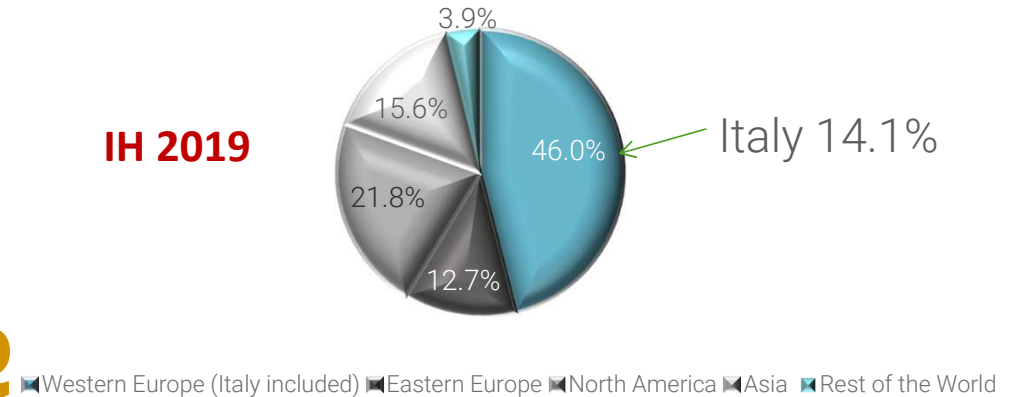
# Sales breakdown- IH 2019

**BIESSEGROUP**

**IH 2019**

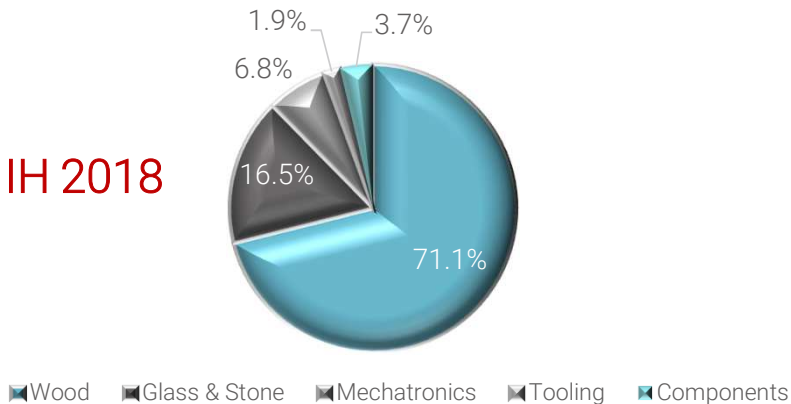


**IH 2019**



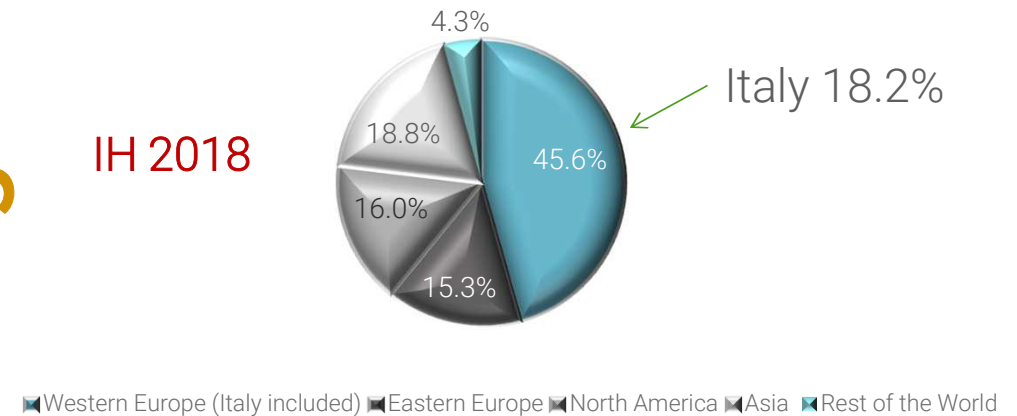
**divisions**

**IH 2018**



**geo-areas**

**IH 2018**



# GROUP PEOPLE DISTRIBUTION

# People distribution (1)

(without interim people)



	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	IH 2019
<b>Production</b> % of total people	1.250 46%	1.265 45%	1.175 44%	1.201 42%	1.335 42%	1.482 41%	1.494 39%	1,621 38%	1,471 36%
<b>Service &amp; After sale</b> % of total people	577 21%	574 21%	613 22%	628 22%	690 22%	803 22%	894 23%	1,001 24%	1,000 25%
<b>R&amp;D</b> % of total people	316 12%	338 12%	321 12%	361 13%	383 13%	436 12%	479 12.5%	551 13%	519 13%
<b>Sales &amp; Marketing</b> % of total people	361 13%	364 13%	351 13%	439 15%	495 15%	587 16%	641 17%	715 17%	727 18%
<b>G &amp; A</b> % of total people	233 9%	242 9%	235 9%	252 9%	273 9%	310 8.5%	338 8.8%	339 8%	340 8%
<b>ITALY</b> % of total people	1.656 61%	1.646 59%	1.547 57%	1.605 56%	1.780 56%	2.009 56%	2.176 56%	2,483 59%	<b>2,458</b> 61%
<b>OUTSIDE ITALY</b> % of total people	1.081 39%	1.136 41%	1.148 43%	1.276 44%	1.396 44%	1.609 44%	1.670 44%	1,744 41%	<b>1,599</b> 39%
<b>TOTAL</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>	<b>4,227</b>	<b>4,057</b>

# People distribution (2)

number of employees: (without interim people)

**IH 2019 vs FY 2018= -170 (-4%)**

number interim people:

**IH 2018 = 243**

**FY 2018 = 253**

**IH 2019 = 233**



# PROFIT WARNING

# NEW vs OLD

3 years plan (2019e)

net sales 785.0

% vs 2018 +6.1

EBITDA 98.9

EBITDA margin 12.6%

post profit warning (2019e)

net sales 690.0

% vs 2018 -6.8

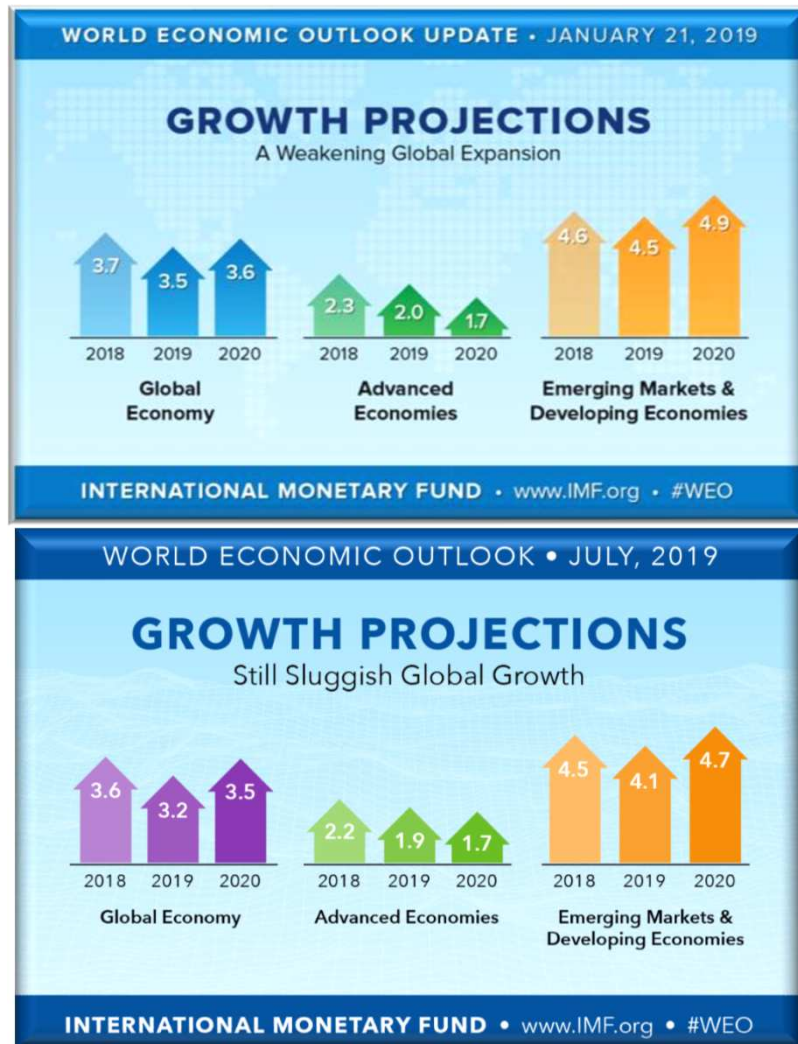
EBITDA 65.0

EBITDA margin 9.4%

delta



# NEW vs OLD



- Brexit uncertainty (hard – soft exit)
- European political turmoils & tensions
- Lack of focused incentives and uncertain of a clear fiscal outlook
- Trade War escalation (U.S.A. – China - Europe)
- Currency (i.e. TRY-RUBLO) instability/depreciation vs Euro and USD decreasing the purchasing power

# SHAREHOLDERS & B.O.D. STRUCTURE

# Shareholders breakdown by ownership Board of Directors



Bi.Fin s.r.l (Selci family)



free float



49.0%

51.0%

5.0% Allianz Global Investors

Biesse B.o.D.:

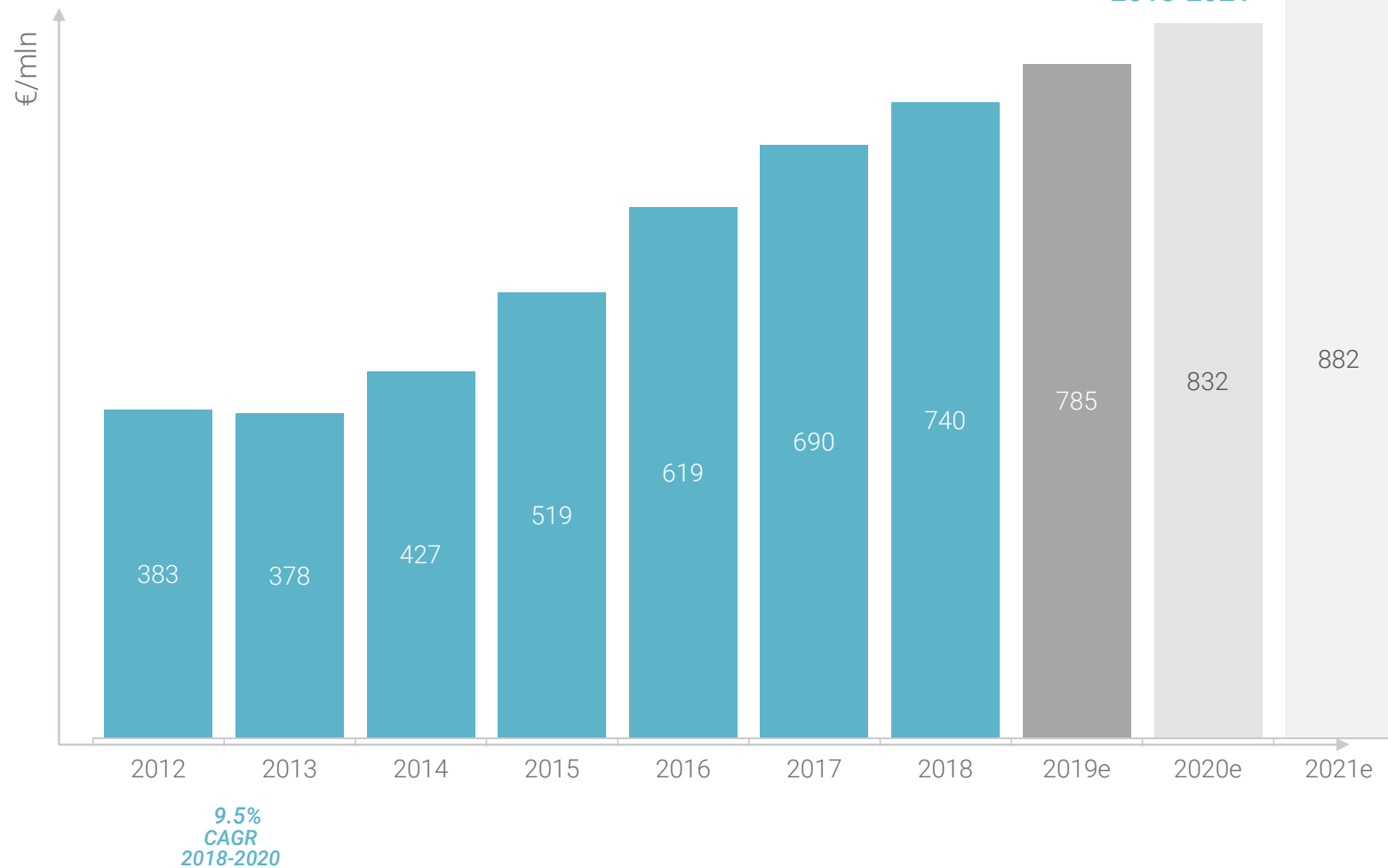
- Giancarlo Selci (founder - president)
- Roberto Selci (C.E.O.)
- Stefano Porcellini (Group Director)
- Alessandra Parpajola
- Silvia Vanini
- Giovanni Chiura (independent)
- Federica Palazzi (independent)
- Elisabetta Righini (independent)

# THREE YEARS PLAN REMIND

(THE OLD ONE)

# NET SALES

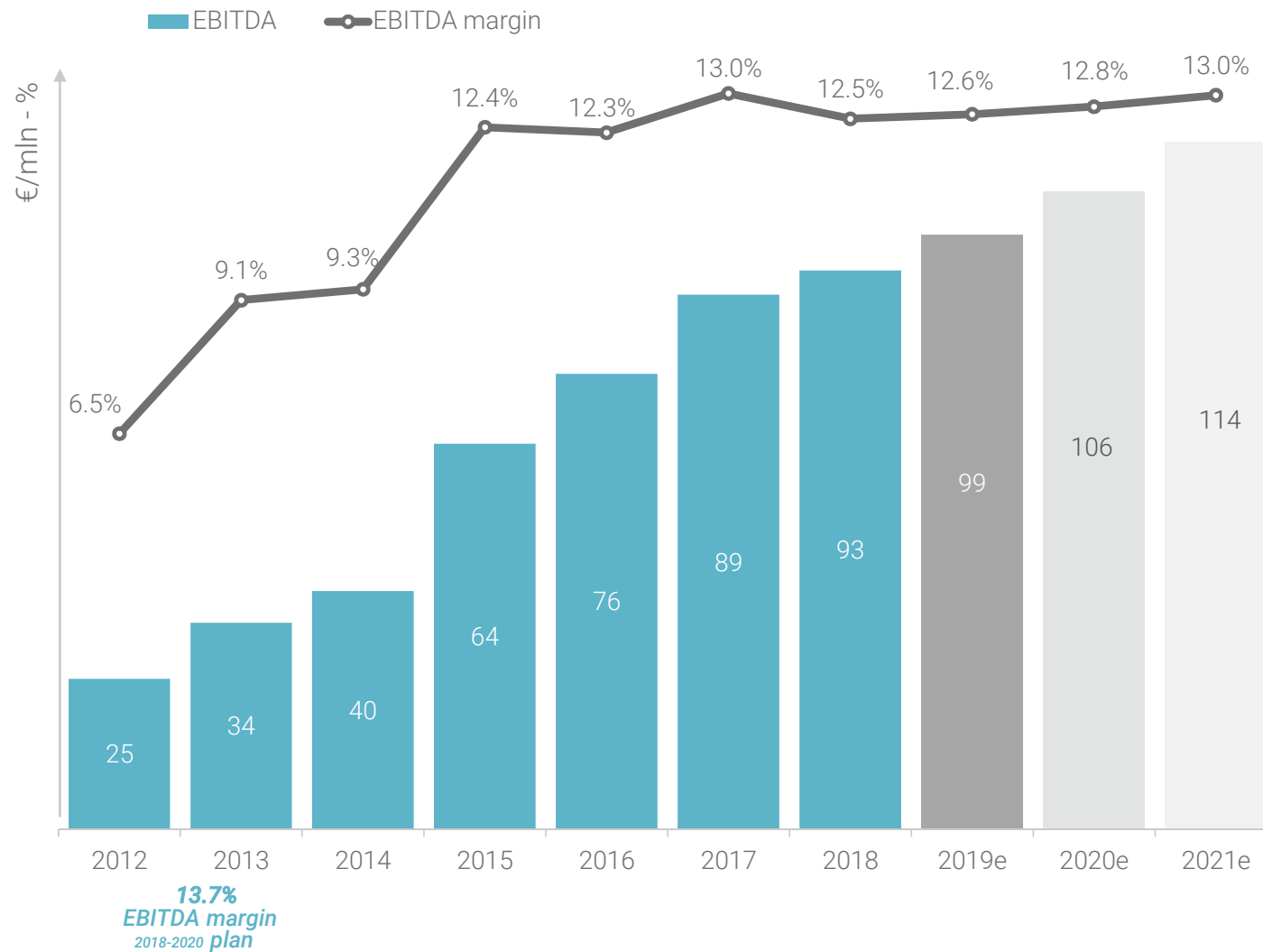
 **BIESSE**GROUP



organic growth

# EBITDA

**BIESSEGROUP**



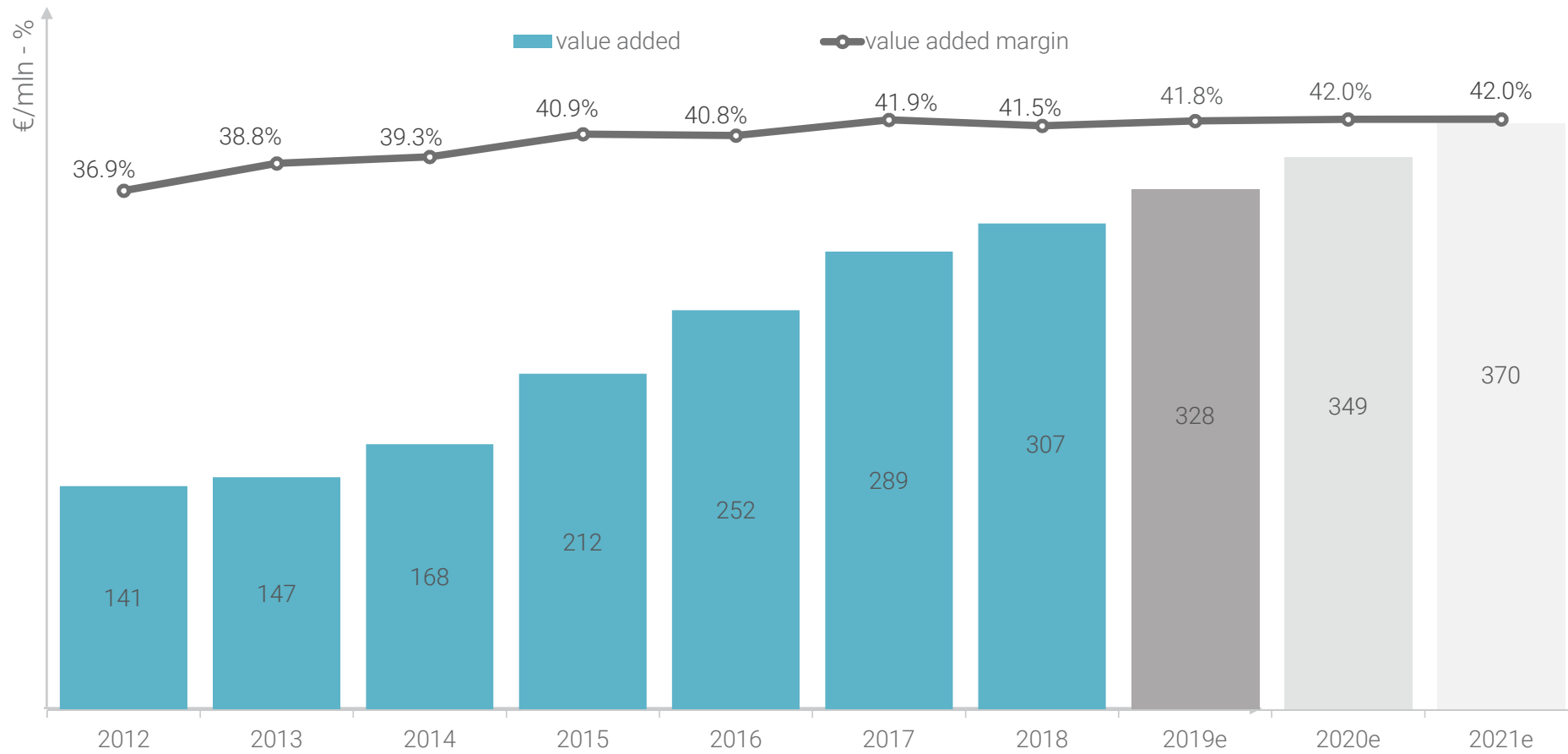
*without IFRS impacts*

- ✓ **COGS** on Net Sales below **40%**
- ✓ **labour Cost** on Net Sales less than **30%**
- ✓ **overhead** on Net Sales less than **20%**



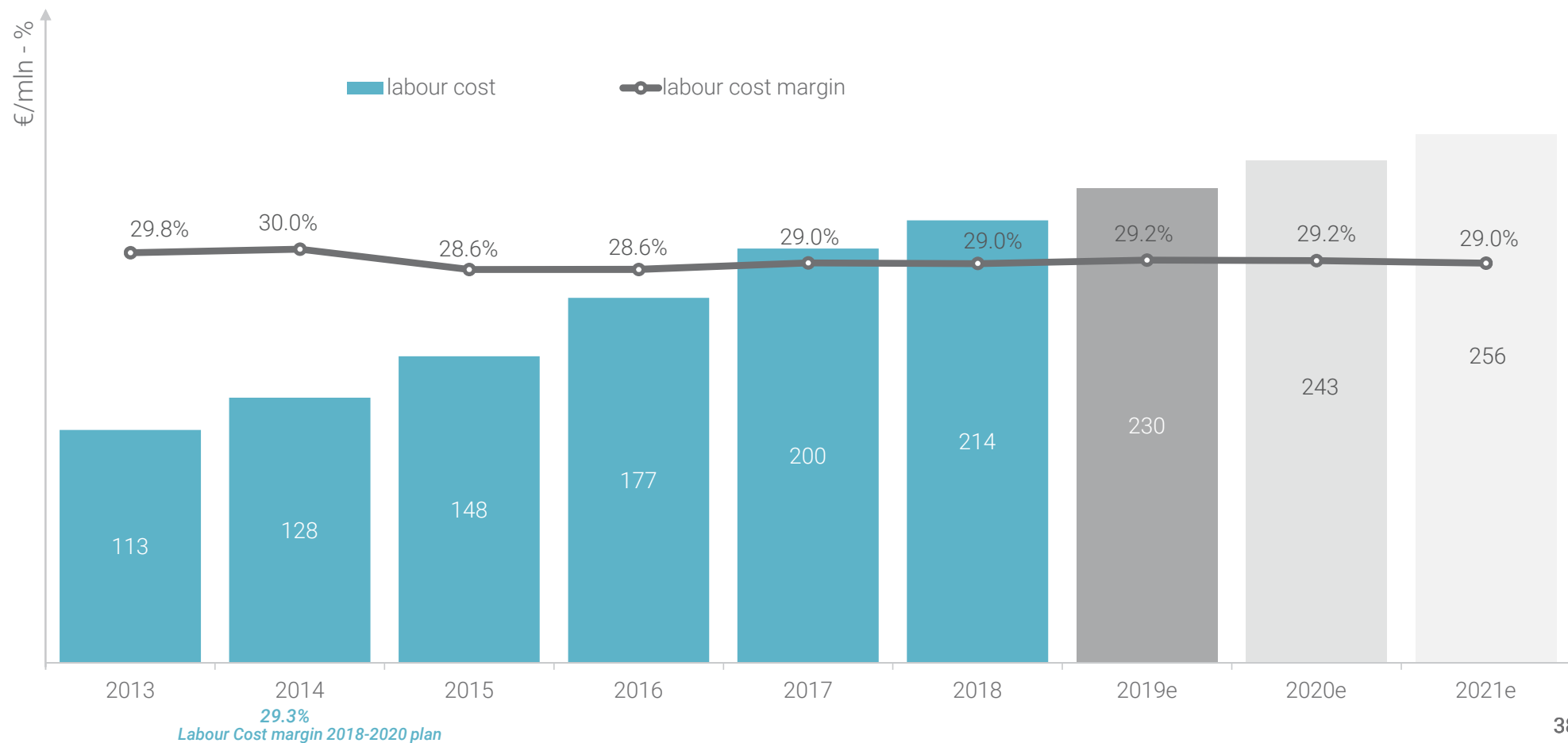
# VALUE ADDED

**BIESSE**GROUP



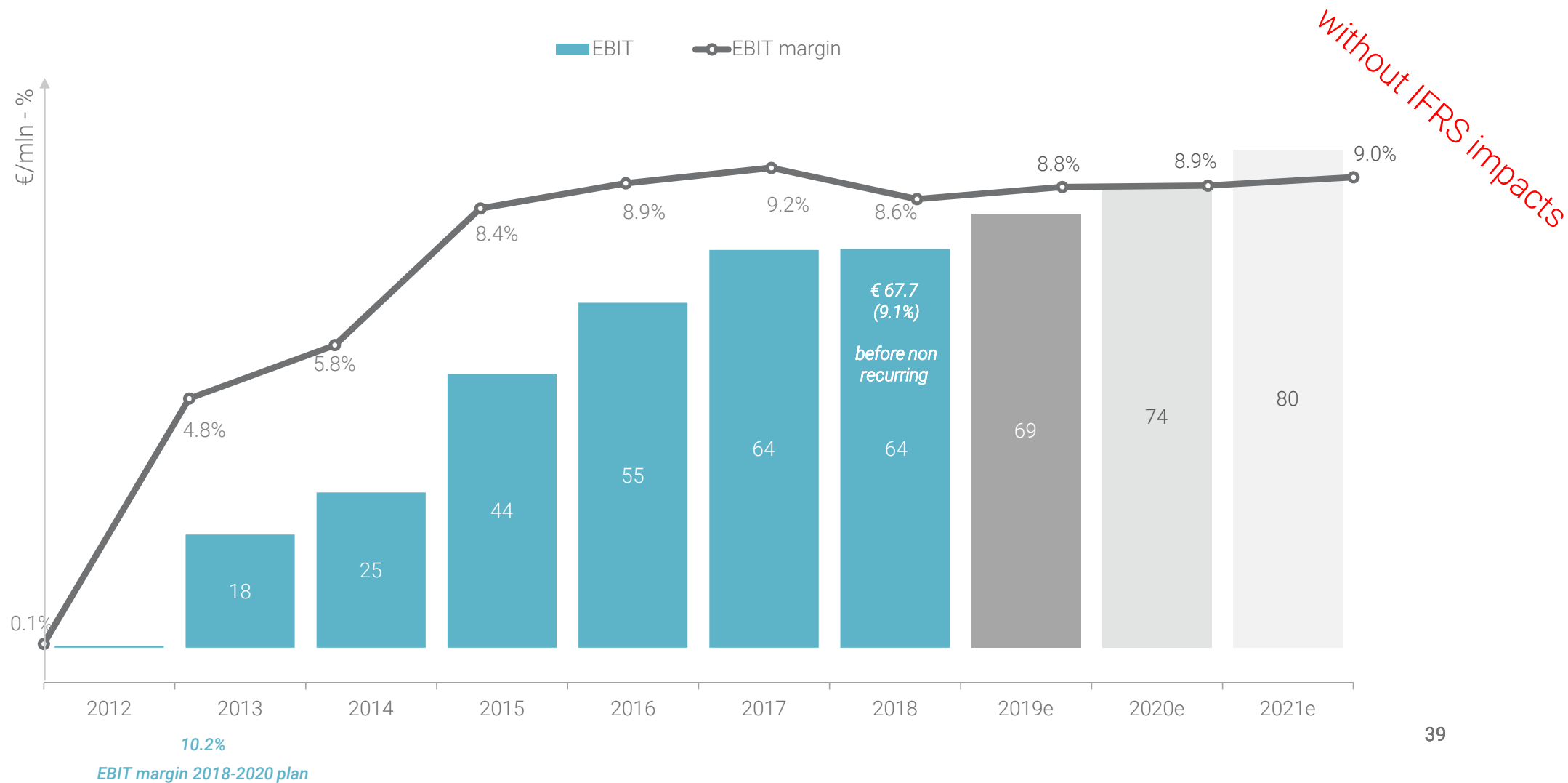
43%  
Value Added margin 2018-2020 plan

# LABOUR COST



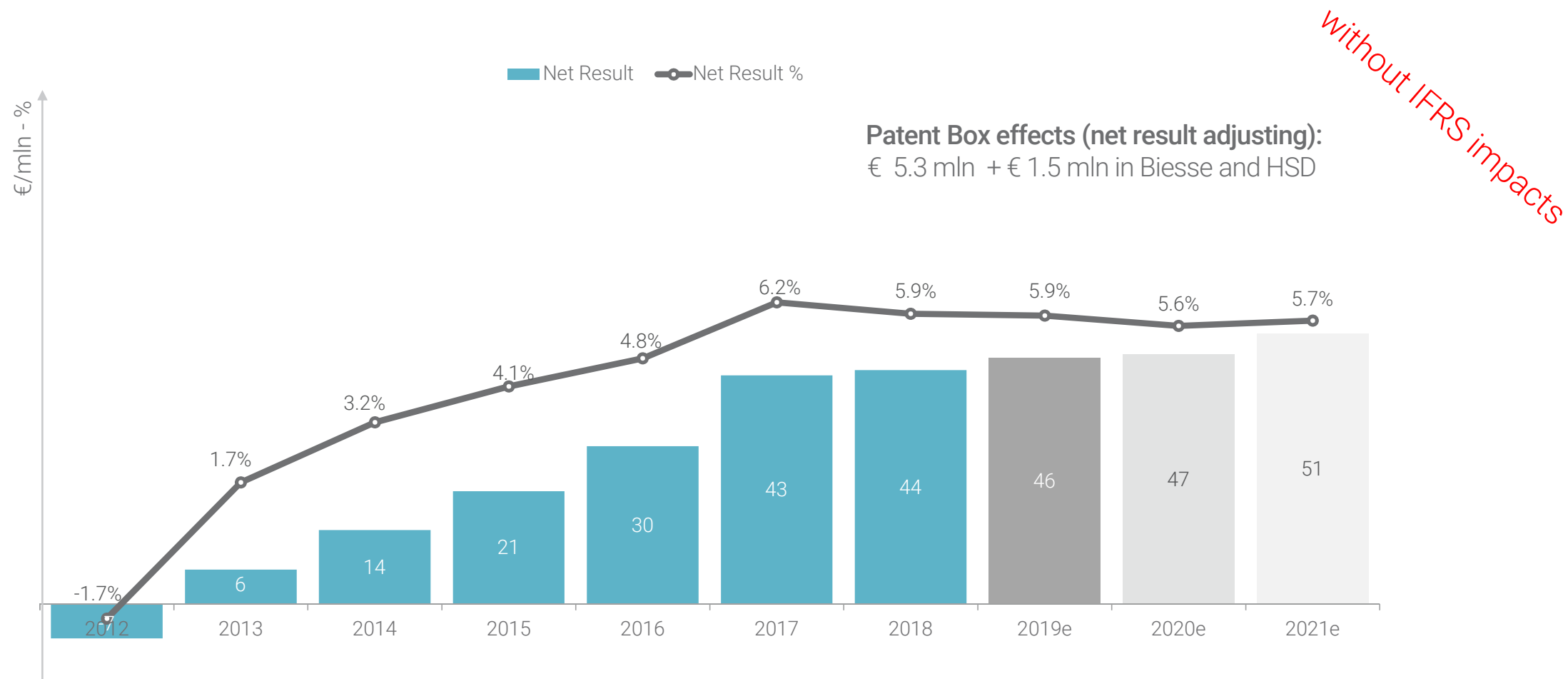
# EBIT

**BIESSE**GROUP



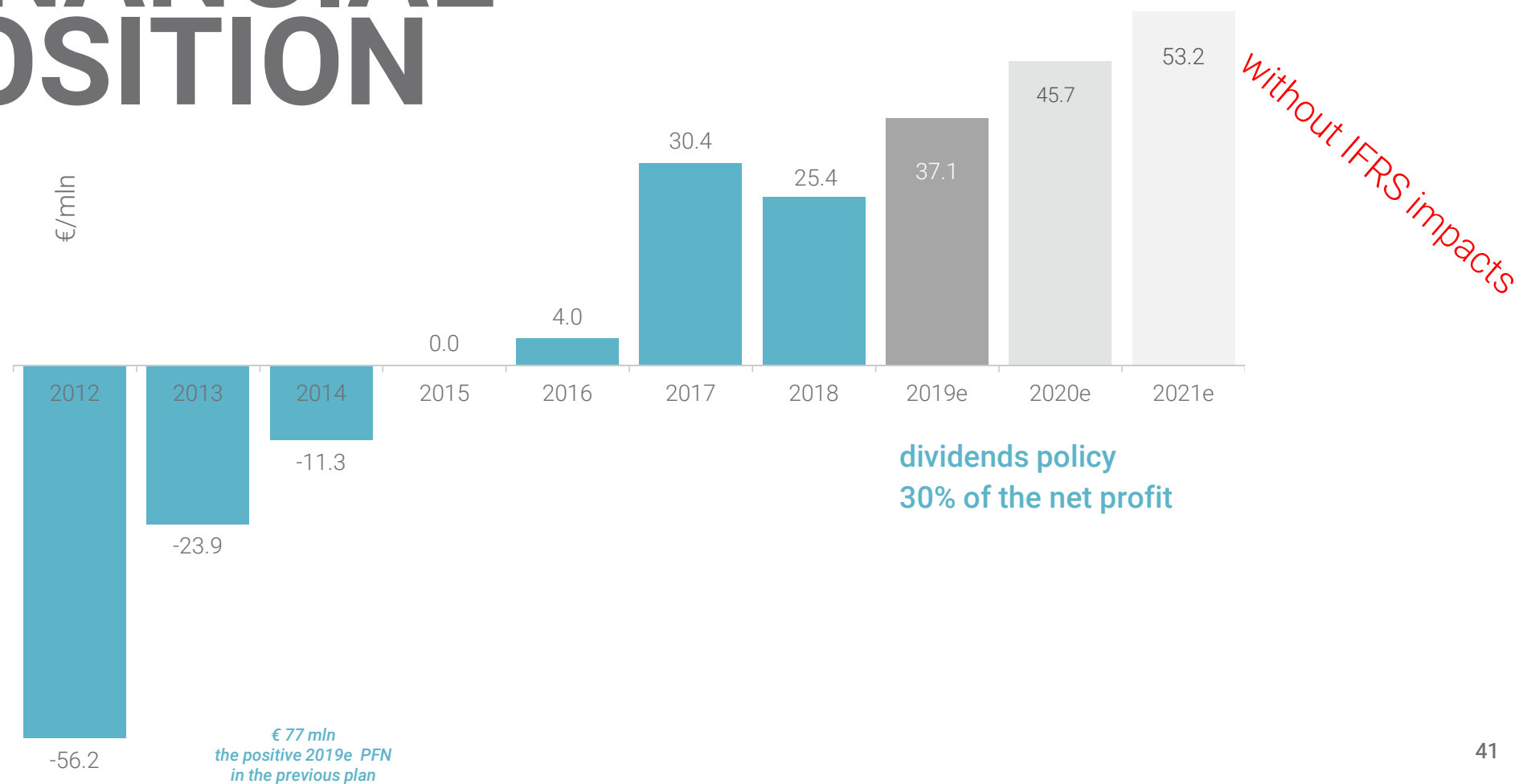
# NET RESULT

**BIESSE**GROUP



# NET FINANCIAL POSITION

**BIESSE**GROUP



# CASHFLOW

 **BIESSE GROUP**

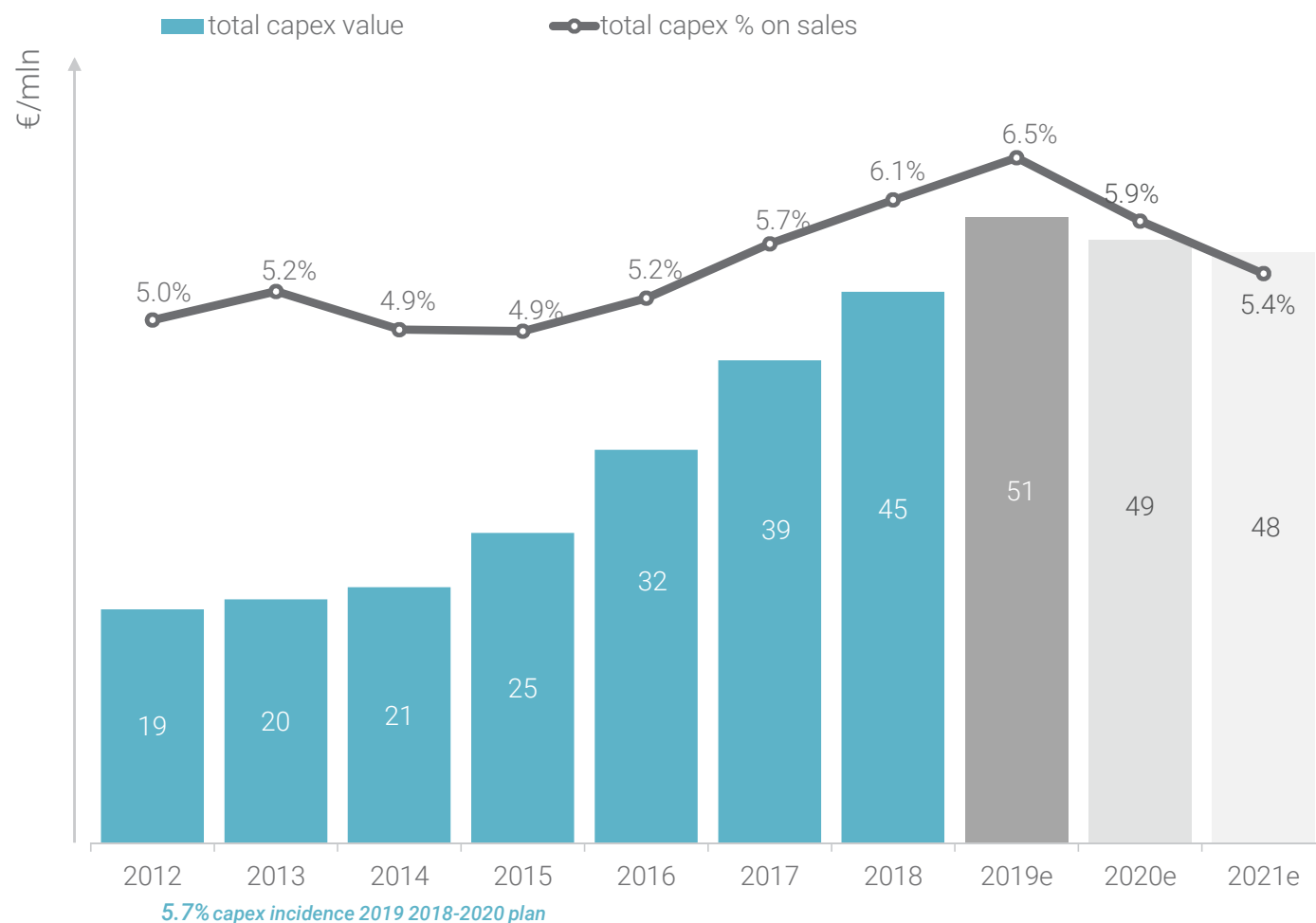
*without IFRS impacts*

€/mln	2014	2015	2016	2017	2018	2021e
<b>Gross Cashflow(*)</b> % net sales	<b>38</b> <b>9.0%</b>	<b>46</b> <b>8.9%</b>	<b>47</b> <b>7.4%</b>	<b>74</b> <b>10.9%</b>	<b>53</b> <b>7.1%</b>	<b>69</b> <b>7.9%</b>
Capex % net sales	-21 4.9%	-25 4.9%	-32 5.2%	-39 5.7%	-45 6.1%	-48 5.4%
<b>Net Cashflow</b> % net sales	<b>17</b> <b>4.1%</b>	<b>21</b> <b>4.1%</b>	<b>15</b> <b>2.2%</b>	<b>35</b> <b>5.2%</b>	<b>8</b> <b>1.1%</b>	<b>21</b> <b>2.4%</b>
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	-13.1 0.48 per share	-14.0 30% of net profit(e)

(\*) Gross Cashflow calculated: net profit + amortization + provisions +/- delta operative CCN +/- delta funds (taxes)

without IFRS16 effects

# CAPEX



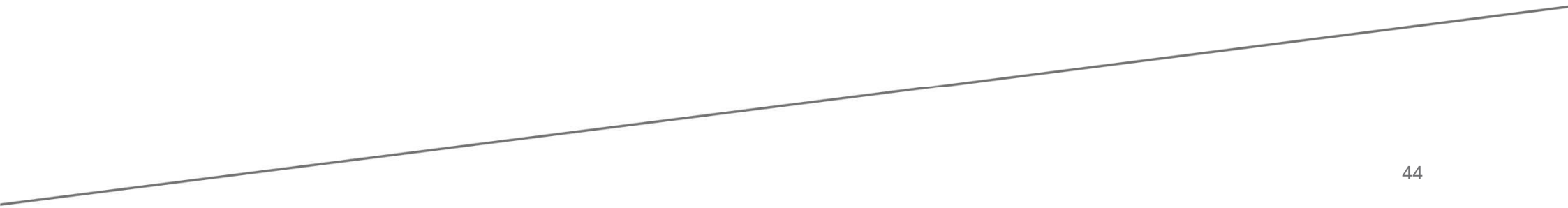
## 2019e

tangible: € 32.9mln

intangible: € 18mln

main investments items:

- ✓ **Mechatronics** – HSD takeover of the Bi.Fin srl leasing (existing site in Gradara)
- ✓ **Wood – stand alone machines** vertical auto-warehouse (traslo)
- ✓ **Subsidiary** Biesse America campus
- ✓ **Components** Cosmec working centers
- ✓ **I.T. Service CRM** – product configurator – I.I.o.T.
- ✓ **R&D** (4% of the net sales)





Alberto Amurri  
Investor Relator Manager  
0039 - 0721439107  
0039 - 3351219556

**BIESSEGROUP.COM**