

Forward-thinking Solutions to leverage

Pesaro, October 30th – 4 p.m.
phone conference call

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Biesse highlights IIIQ 2019

orders intake -16.5% vs September 2018

backlog 206 euro mln

Group people nr. 4,002
(without temporary people)

€/mln

net consolidated sales: 511.1

net financial position: -42.6 with -26.9 Euro mln for IFRS 16
(IFRS 16 adopted since January 2019)

ebitda: 56.0 (incidence on sales 11.0%) with +4.7 Euro mln for IFRS 16

ebit: 29.4 (incidence on sales 5.7%) before non recurring items for 2.4 mln

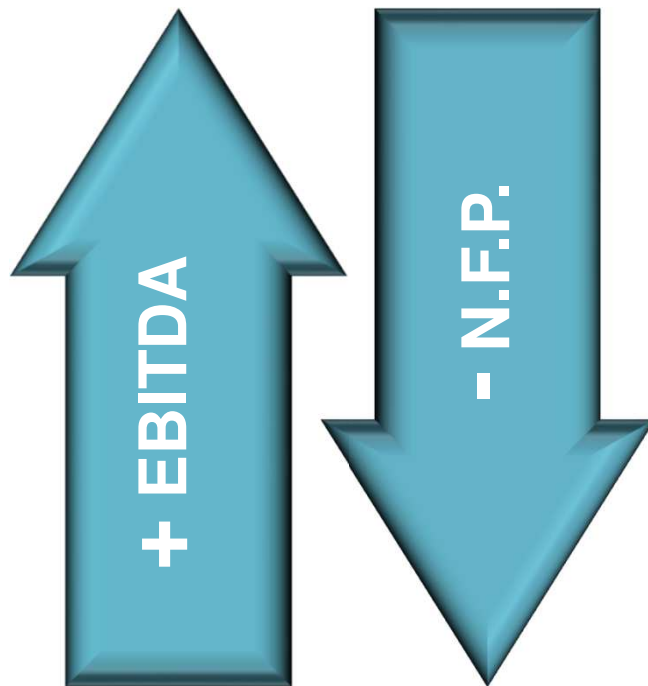
net profit: 14.8 (incidence on sales 2.9%)

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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 (positive)

N.F.P. 25 Euro mln (negative)

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FY 2019e effects:

EBITDA 6.5-7.0 Euro mln (positive)

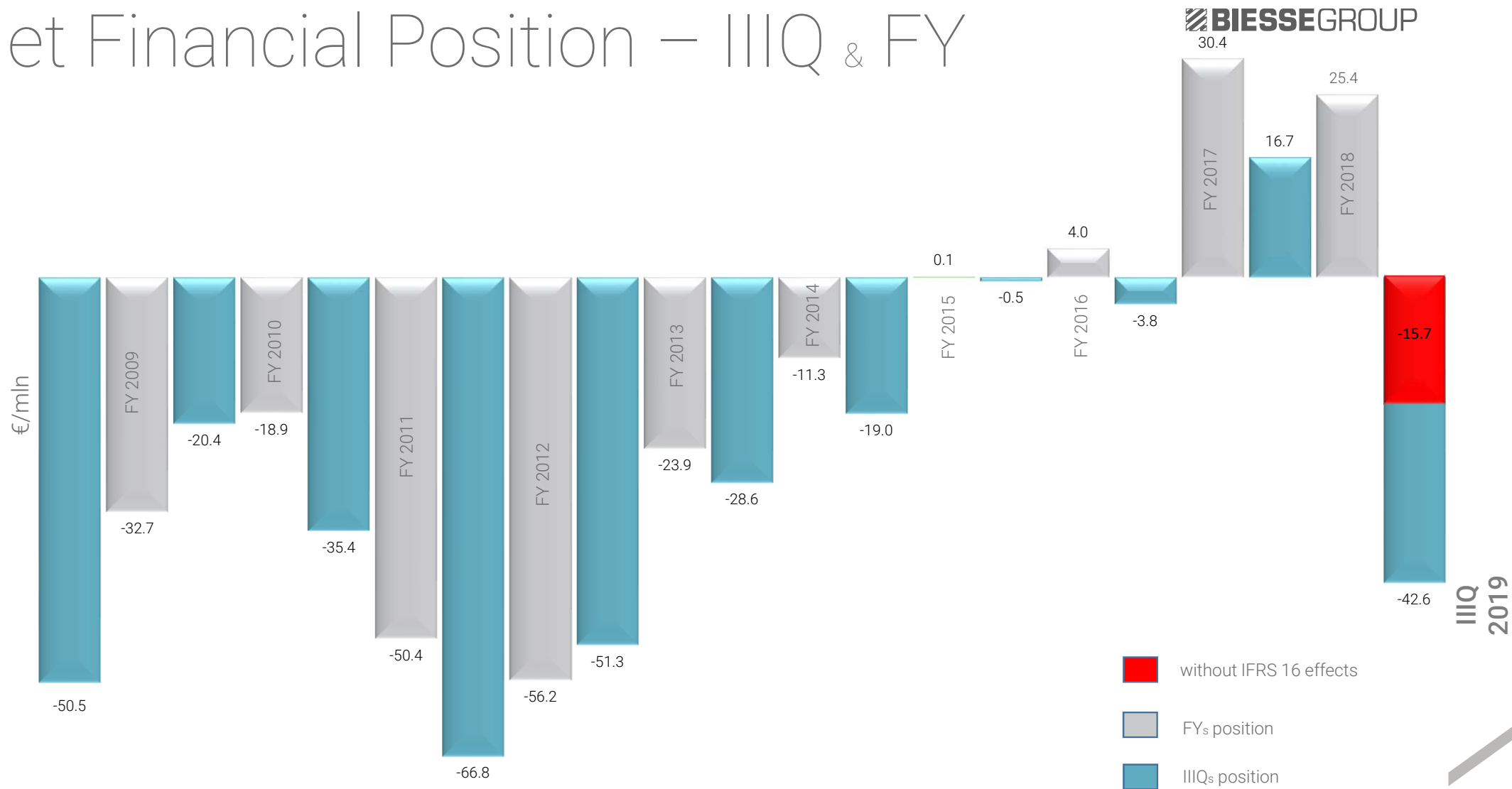
N.F.P. 26-27 Euro mln (negative)

extract of the P&L – IIIQ 2019

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€/mln	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	sept 2018	sept 2019
Net sales 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%	521.8	511.1 -2.0%
Value added %	143.5 37.3%	163.1 33.6%	212.4 40.3%	252.4 40.8%	288.6 41.8%	307.2 41.5%	217.6 41.7%	219.3 42.9%
Labour cost %	112.7 23.8%	128.2 30.0%	148.2 28.6%	176.6 28.6%	199.1 28.9%	214.6 29.0%	156.7 30.0%	163.3 31.9%
EBITDA %	30.3 8.2%	40.3 3.6%	64.1 12.4%	75.8 12.3%	89.5 13.0%	92.7 12.5%	60.9 11.7%	56.0 11.0%
EBIT %	18.1 4.8%	26.5 6.2%	43.8 8.4%	55.1 8.9%	63.6 9.2%	67.7 9.1%	42.5 8.1%	29.4* 5.7%
*before non recurring items						tax rate	35.1%	34.1%

Net Financial Position – IIIQ & FY



CASHFLOW

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€/mln	FY2014	FY2015	FY2016	FY2017	FY2018	Sept 2019 (9months)
Gross Cashflow % net sales	38.3 9.0%	46.3 8.9%	45.8 7.4%	75.4 10.9%	53.1 7.1%	6.5 1.2%
Investments % net sales	-20.9 4.9%	-25.1 4.8%	-32.1 5.0%	-39.2 5.8%	-45.0 6.1%	-61.4* 12.0%
Net Cashflow % net sales	17.4 4.1%	21.2 4.1%	13.7 2.2%	36.2 5.2%	8.1 1.1%	-54.9
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	-13.1 0.48 per share	-13.1 0.48 per share
Δ Net Debt	12.6	11.4	3.9	26.4	-5.0	-68.0*

*including € 26.9 from IFRS 16

*the delta is calculated between €+25.4 (December 2018 NFP) and €-42.6 (september 2019 NFP)
 If we normalize December 2018 with the estimate IFRS 16, the delta is between € +0.4 and € -42.6= **€ -43.0**
 If we compare December 2018 NFP € +25.4 with sept 2019 NFP -without IFRS 16- the delta is **€ -41.1**

Biesse highlights IIIQ 2019

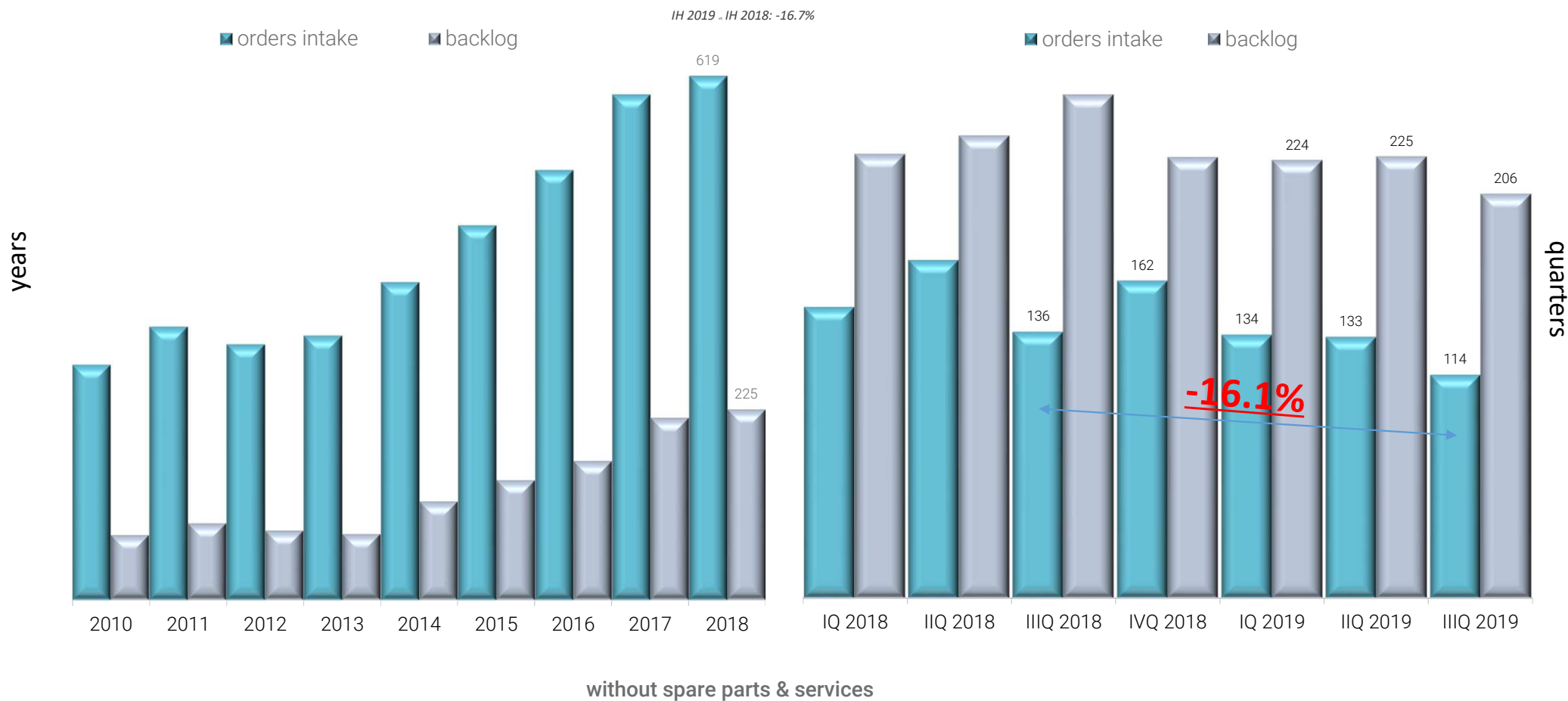
Orders & Sales breakdown



ORDERS INTAKE & BACKLOG

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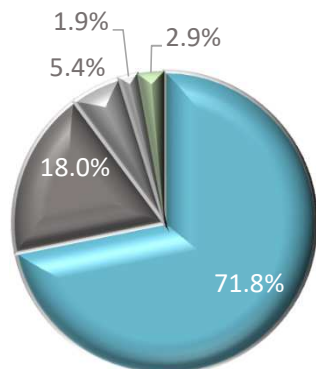
ORDERS INTAKE:
9 MONTHS. 2019 vs 9 MONTHS 2018 = **-16.5%**



Sales breakdown- IIIQ 2019

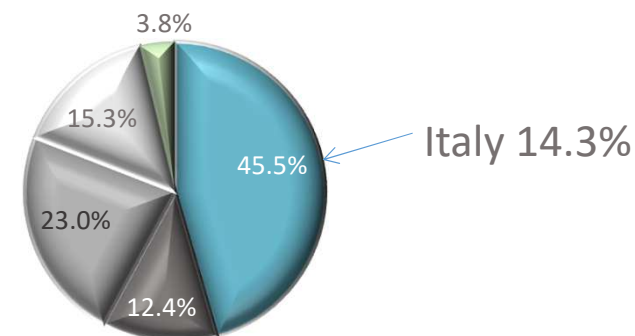
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IIIQ 2019



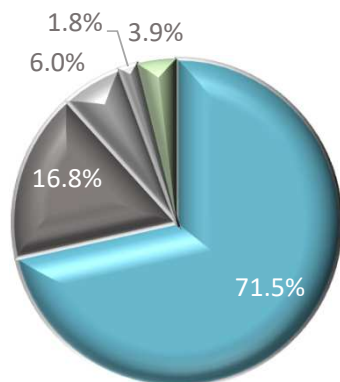
Wood Glass & Stone Mechatronics Tooling Components

IIIQ 2019



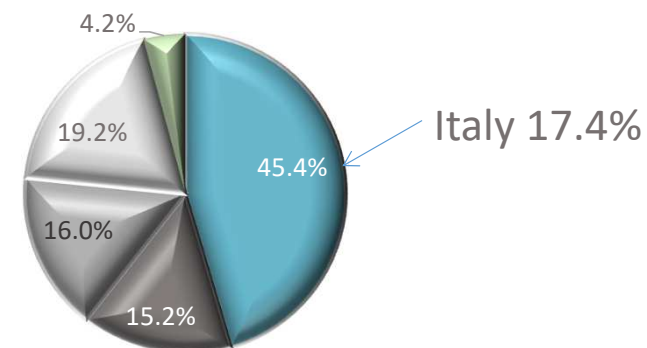
Western Europe (Italy included) Eastern Europe North America Asia Rest of the World

IIIQ 2018



Wood Glass & Stone Mechatronics Tooling Components

IIIQ 2018



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

divisions

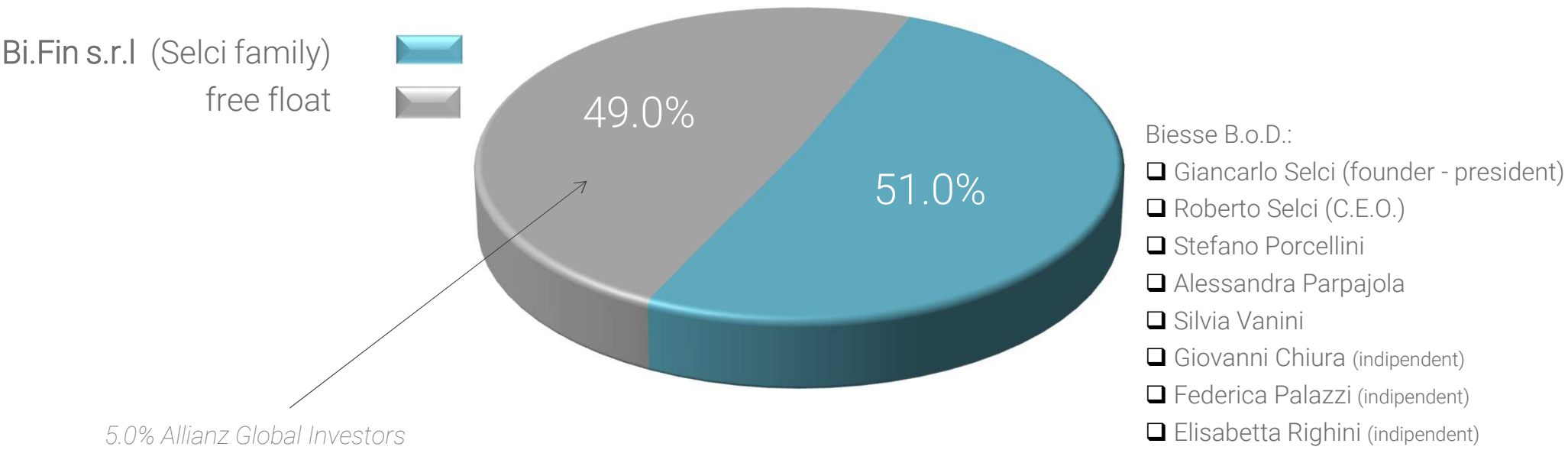
geo-areas

Shareholders - B.o.D.

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Shareholders breakdown by ownership

Board of Directors



Financial Calendar

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FINANCIAL CALENDAR

30 October 2019

approval of the 2019 third quarter results and the nine months progressive ✓

February 2020

approval of new targets for the three years Industrial Plan (2020-2022)

March 2020

approval of the provisional financial statement FY 2019

profit warning

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PRESS RELEASE - THE PROFIT WARNING

Pesaro June 21st 2019

As highlighted by the sector studies regarding the Biesse industries of reference (Acimall, VDMA, UCIMU) – surveys moreover confirmed by the official and unofficial orders intake data stated by the main competitors of the Group, the first 5 months of the 2019 have seen a considerable coolness of the demand, after a positive cycle lasted 4 years (2015-2018).

In particular, for this wide sample basket of markets/companies, the negative delta between the 2019 new orders compared to the same period 2018 is amounting on average around -15% (with a peak of -19% communicated the last March by the main Biesse competitor in wood).

Despite the great Biesse performance during the LIGNA fair (Hannover, 27-31 May, more than 40 mln. of Euro of signed orders, confirming our offer and sale organization excellence), the Group can't shirk this slowdown dynamics and the Board of Directors intends prudently rectify the guidance for the FY 2019 lowering the forecast for consolidated sales and margins.

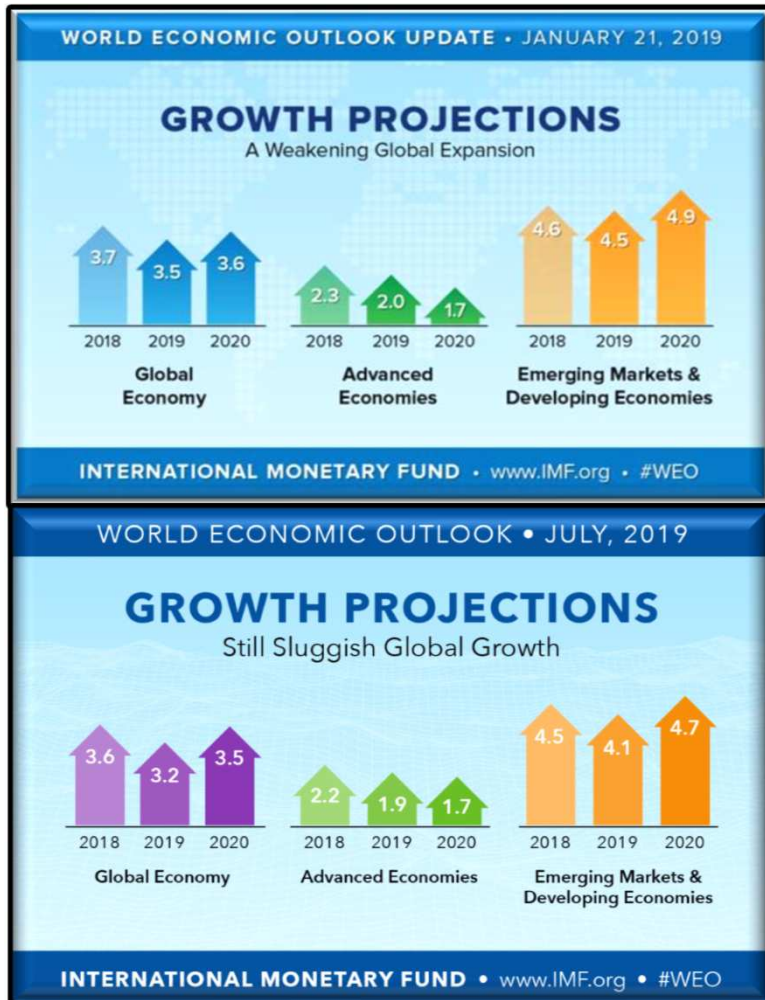
*Given that the actual demand volatility is making extremely aleatory any estimate, the consolidated sales are - at present - expected to be in a range of **680-690 mln of Euro and the EBITDA in a range of 62-65 mln of Euro**. The Group is anyway forecasting for the current year, despite the revision above mentioned, a positive Net Financial Position (before any IFRS 16 impact).*

For what is concerning the levels of the projected marginality for the FY 2019, it is good to reiterate that the Group will is to protect the investments regarding organization, products and markets in which it operates, being sure that this is the correct path to re-confirm our world leadership as soon as the demand will start again.

In the end, the consensus regarding the world economy trend for the next 12-18 months remains uncertain due to the widespread political and economic instability pervading the markets; consequently there is an objective complexity to read the demand for the three years plan 2019-2021.

So, with this state of the things, we can only assume a shift to the FY 2022 of the targets originally fixed for the FY 2021.

WHY



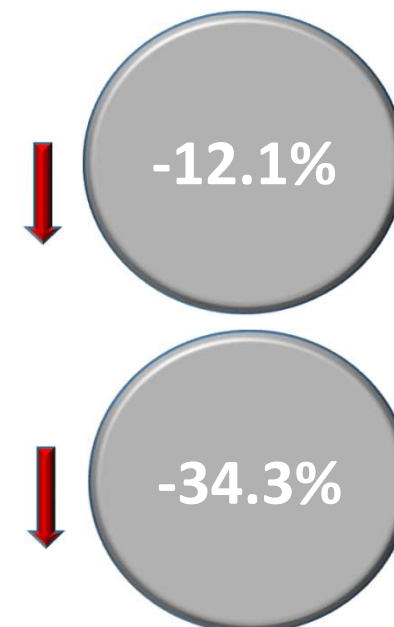
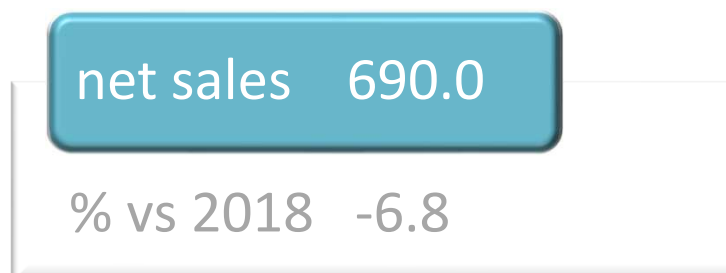
- Brexit uncertainty (elections-referendum)
- European political turmoils (i.e. Italy)
- Lack of focused incentives and a clear fiscal policy (Industry 4.0)
- Trade War fate (U.S.A. - China - Europe)
- Hong Kong tensions (Chinese impacts)
- Currency (i.e. turkish lira-rublo-renminbi) instability/weakness vs Euro (lower purchasing power)
- Perception of an increasing volatility (lower consumers confidence)

3 YEARS PLAN vs PROFIT WARNING

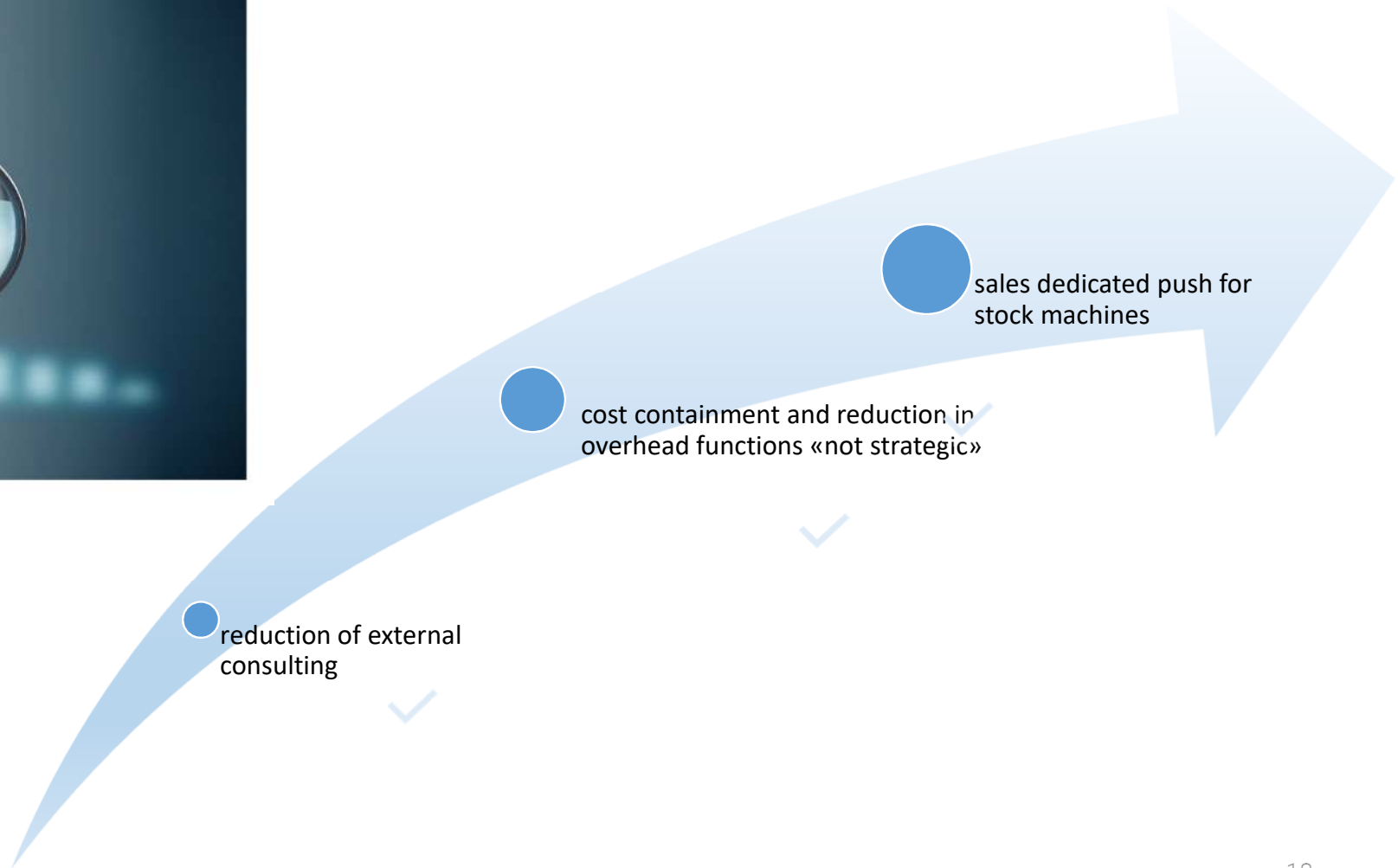
3 years plan (2019e)

post profit warning (2019e)

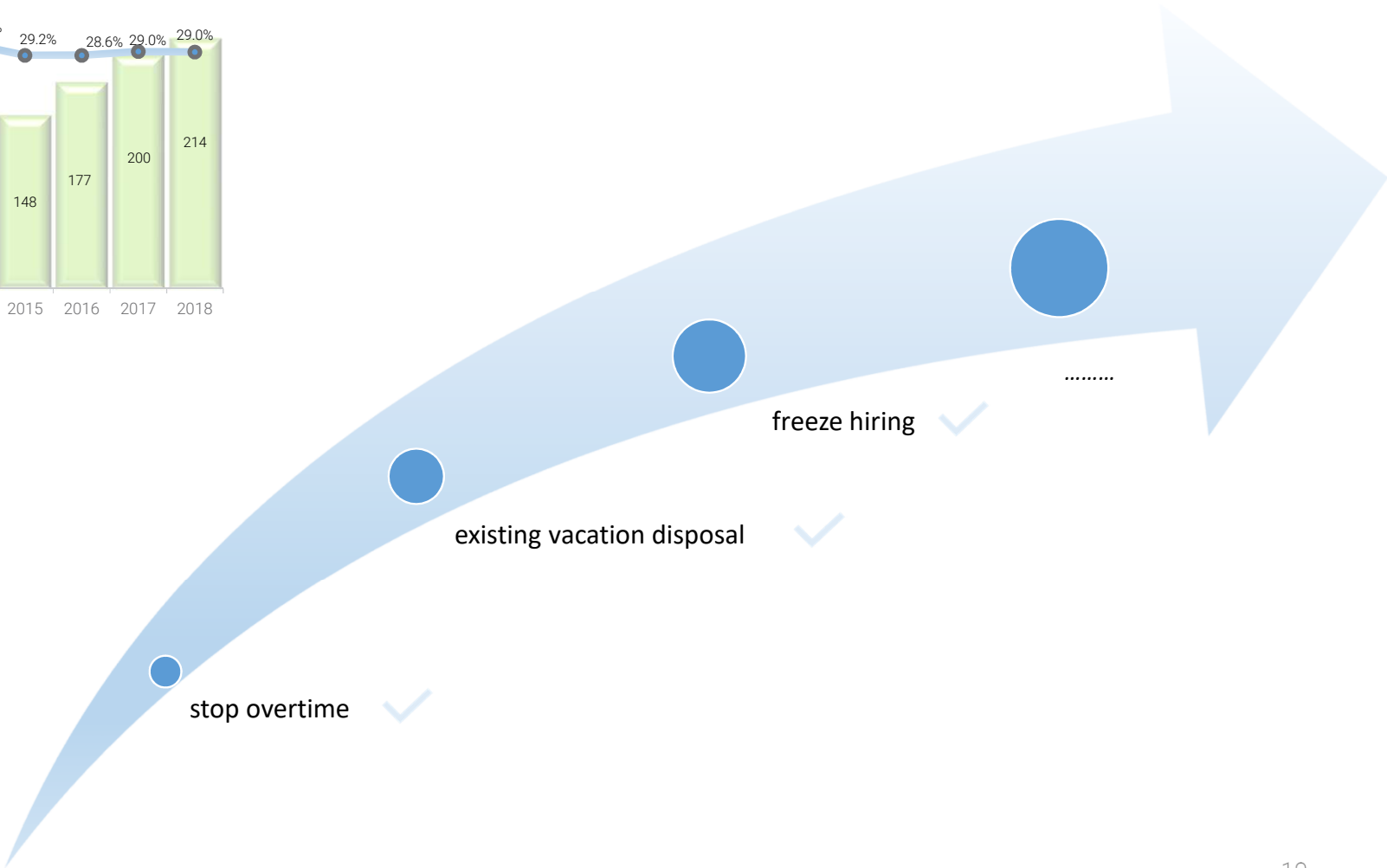
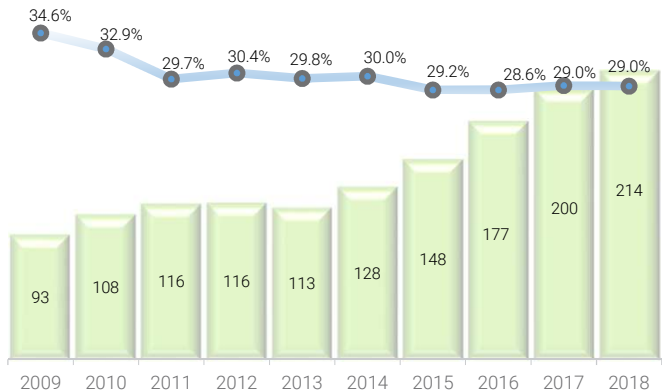
delta



COST REDUCTION INTENSIFICATION

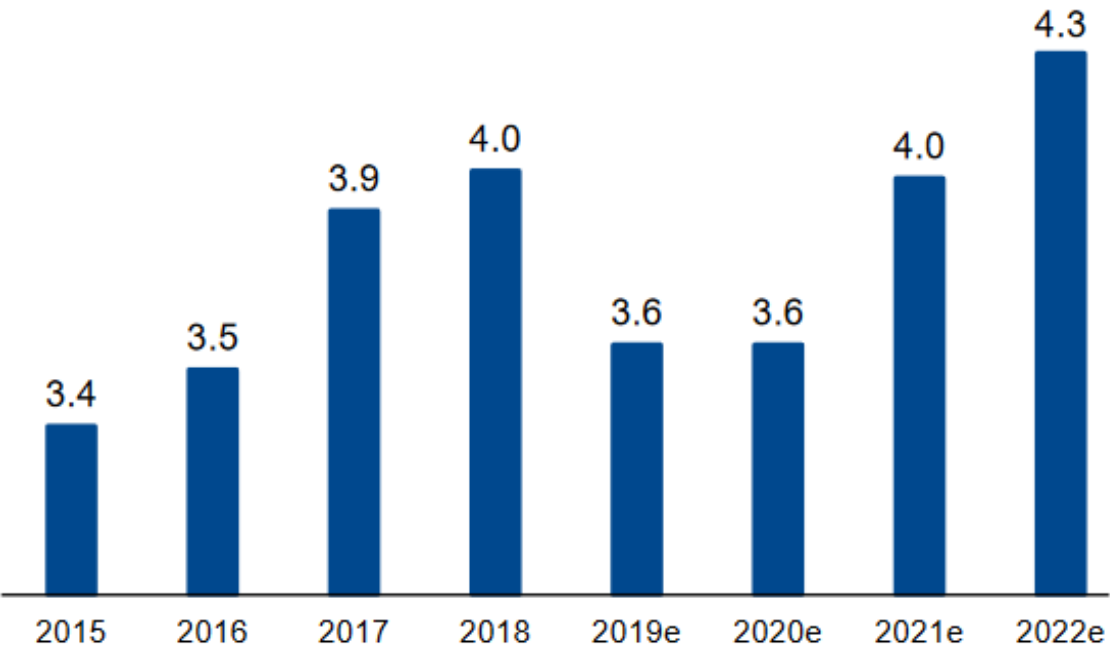


ACTION PLAN – LABOUR COST



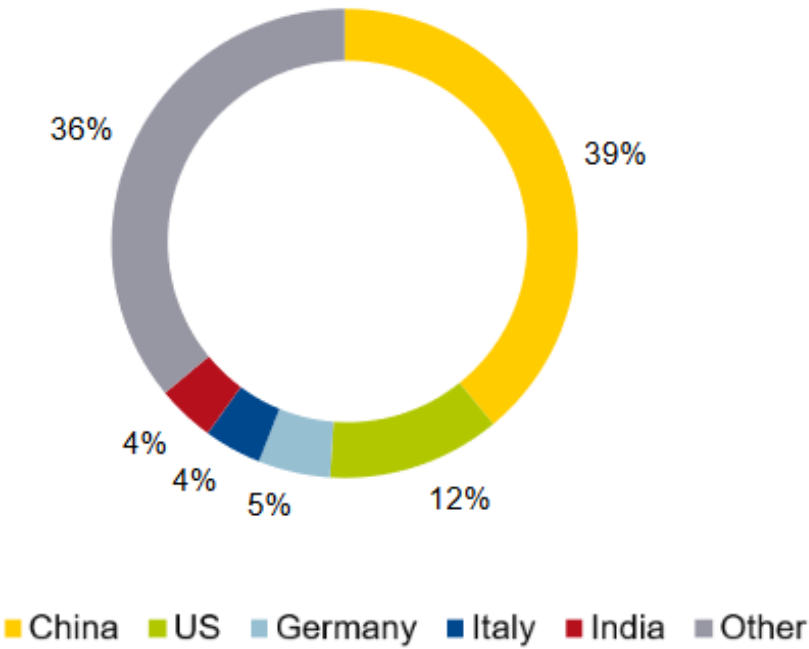
WORLD FURNITURE PRODUCTION

in € bn



source: CSIL -Euroconstruct - Holzbauverband

Furniture production breakdown



LATEST EXPECTATIONS

	2018	IH2019	FY2019 _e
net sales	740.2 +7.3%	344.2 -3.5%	695-705 range
ebitda	92.7 12.5%	38.0 11.0%	70-75 range

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