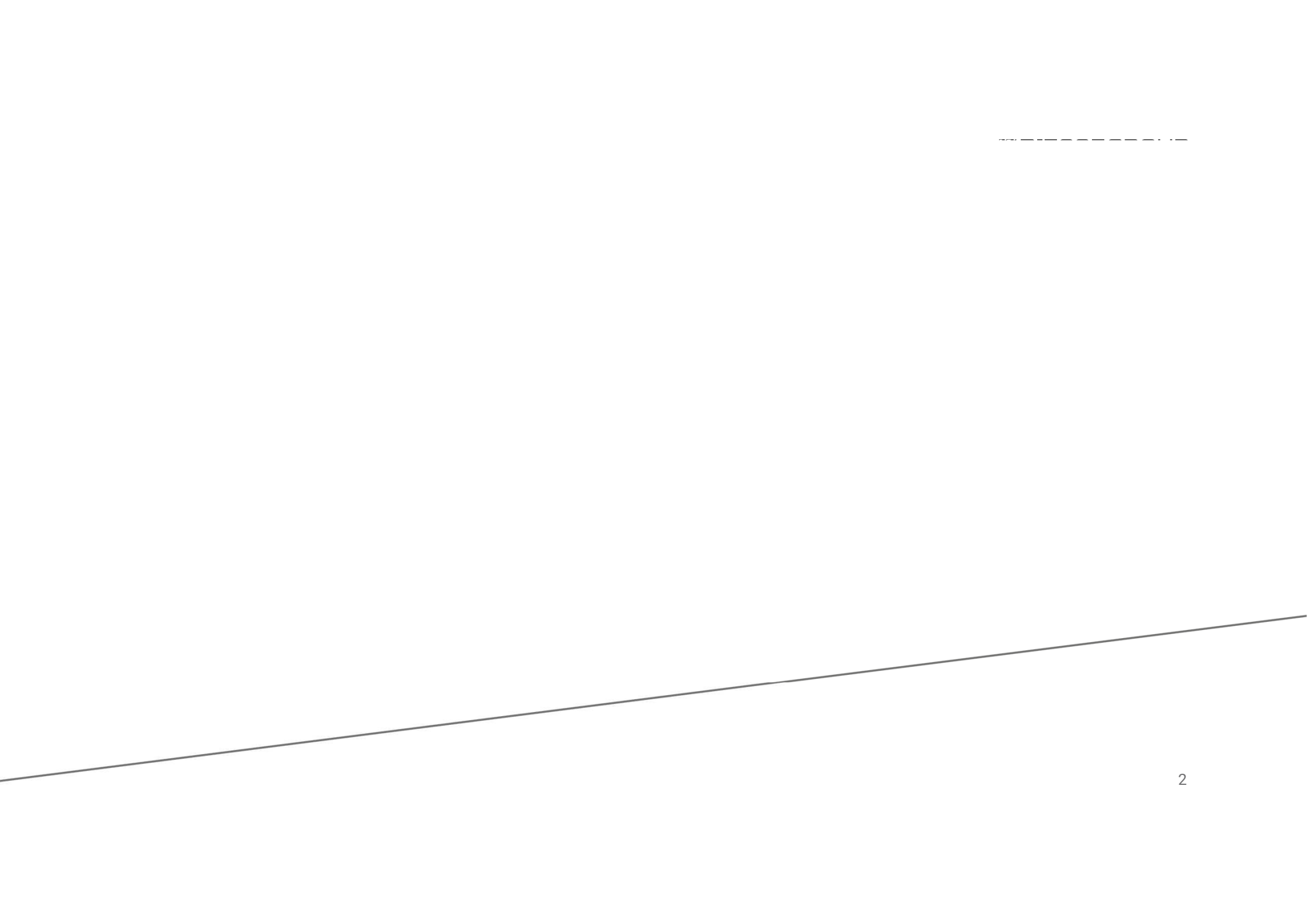


COMPANY PRESENTATION

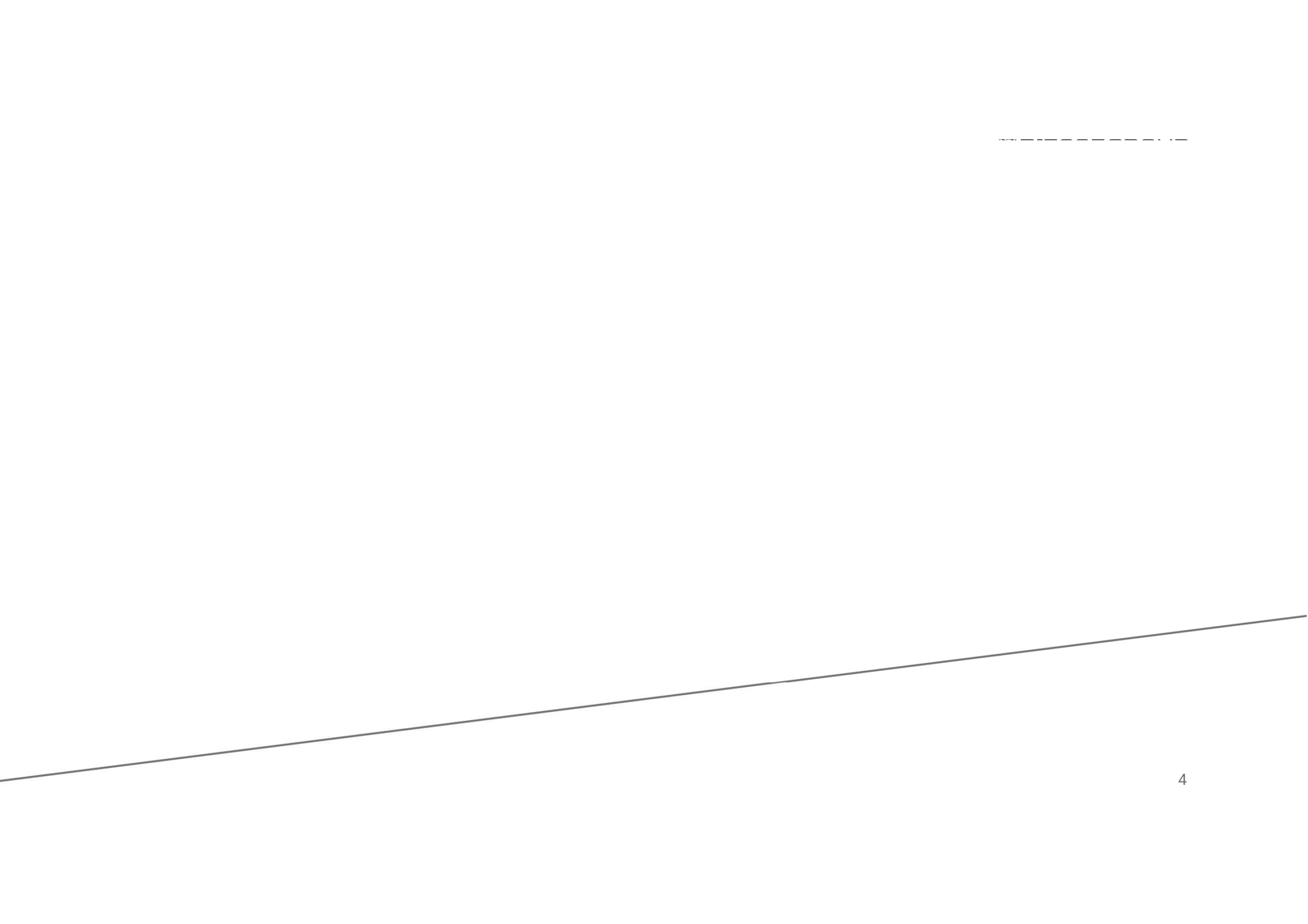
PARIS, 22 NOVEMBER 2019

 **BIESSE**GROUP



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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

 BIESSE GROUP

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, Movetro, Montresor, Uniteam, Bre.Ma, Viet, Diamut, HSD.

4

MAIN BUSINESS DIVISIONS

12

PRODUCTION SITES

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**

WITH OUR PEOPLE

 BIESSEGROUP

We acknowledge that People are essential to our development, because the ability to innovate and pursue excellence in the realisation of products is the consequence of the passion and dedication of all those are part of the Biesse family.

> 4,000

**(temporary workers included)*

EXCELLENCE

 BIESSE GROUP

A virtuous circle of
excellence
for a constant growth.

Revenue

01

Profit

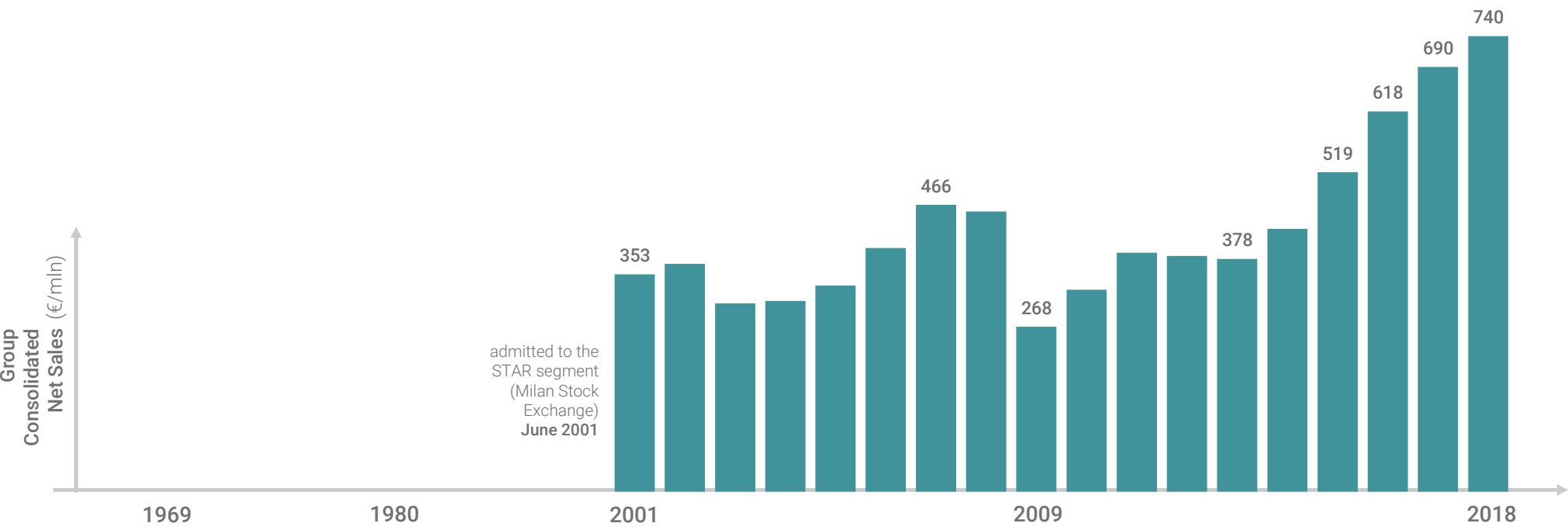
02

Cash

03

BIESSE

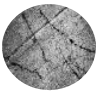
REVENUE



Wood



Glass



Stone



Mechatronics



bSoft
(software)



Metal



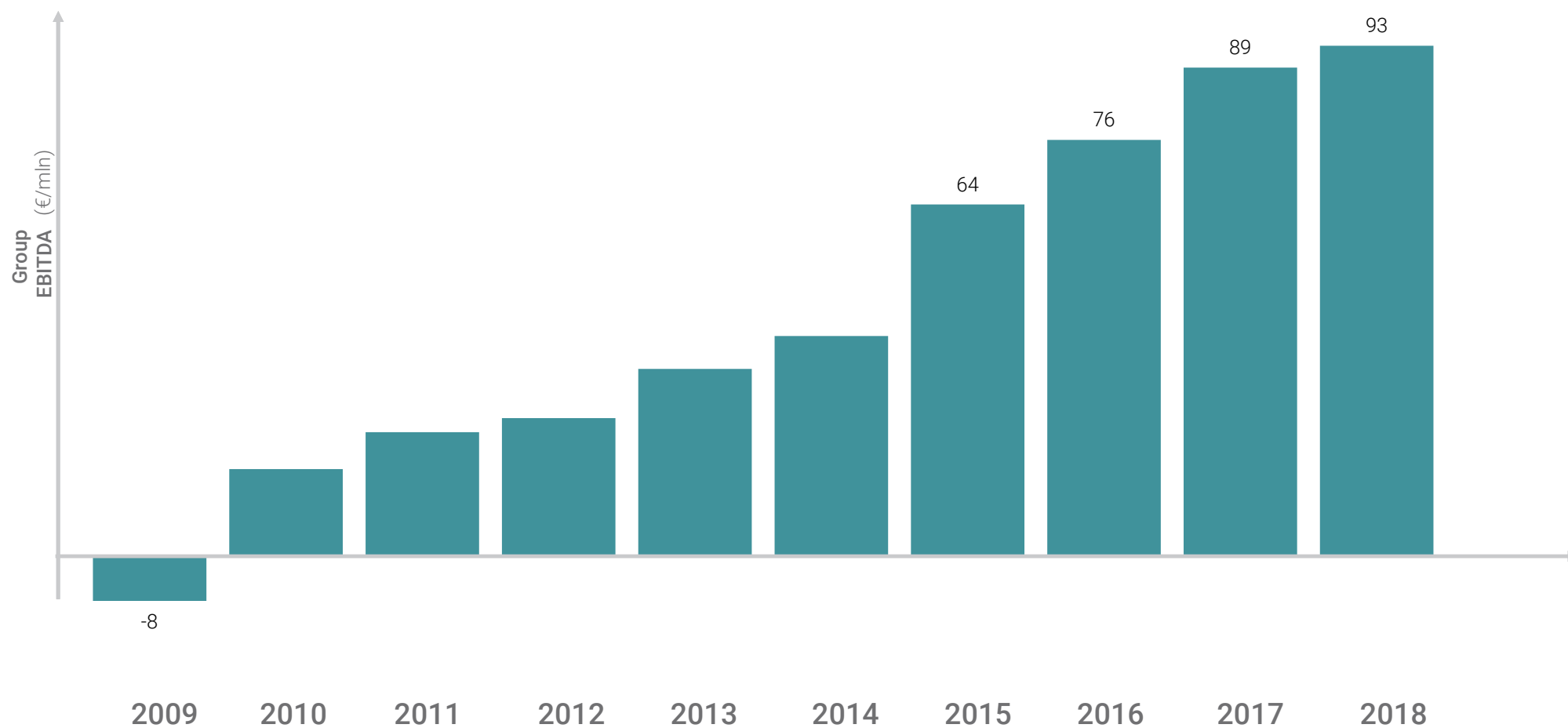
Plastic & Advanced
Materials

SOPHIA

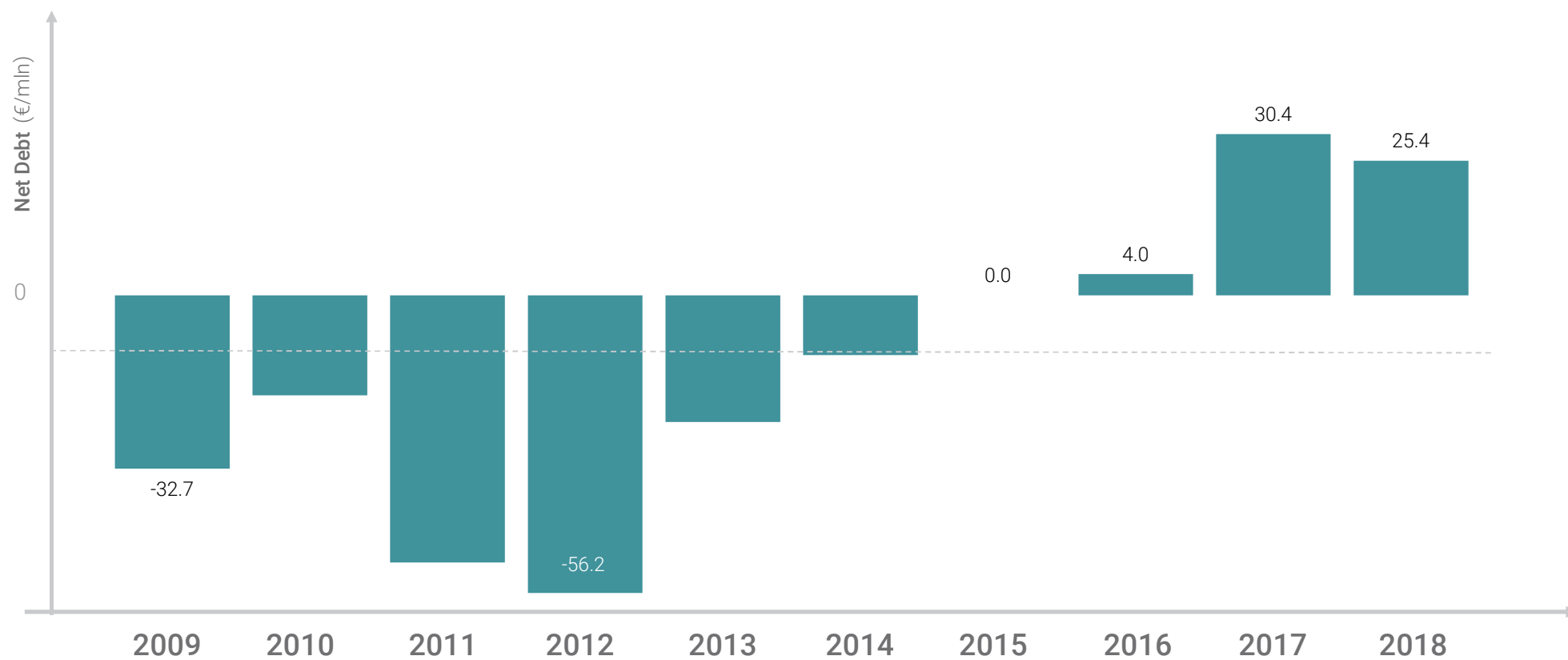


Housing

PROFIT



CASH



BUSINESS MODEL & MAIN CUSTOMERS

BIESSE MODEL



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

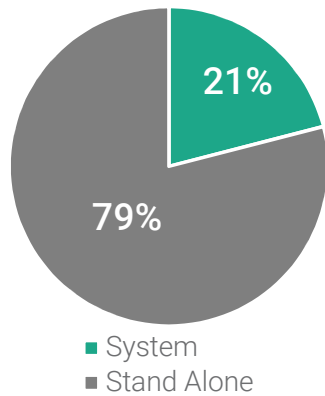
Software

We have developed our own 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.

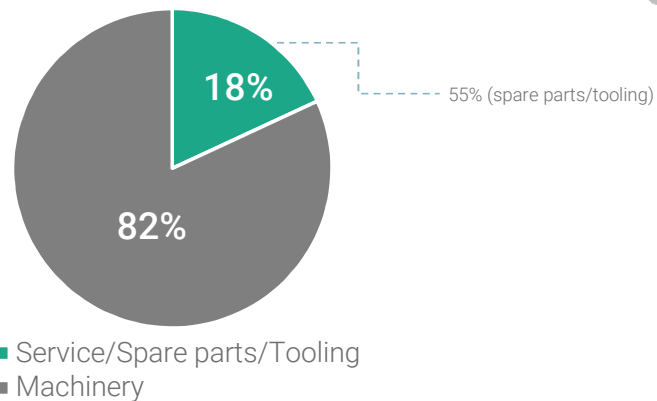
FOOTPRINT

BIESSEGROUP

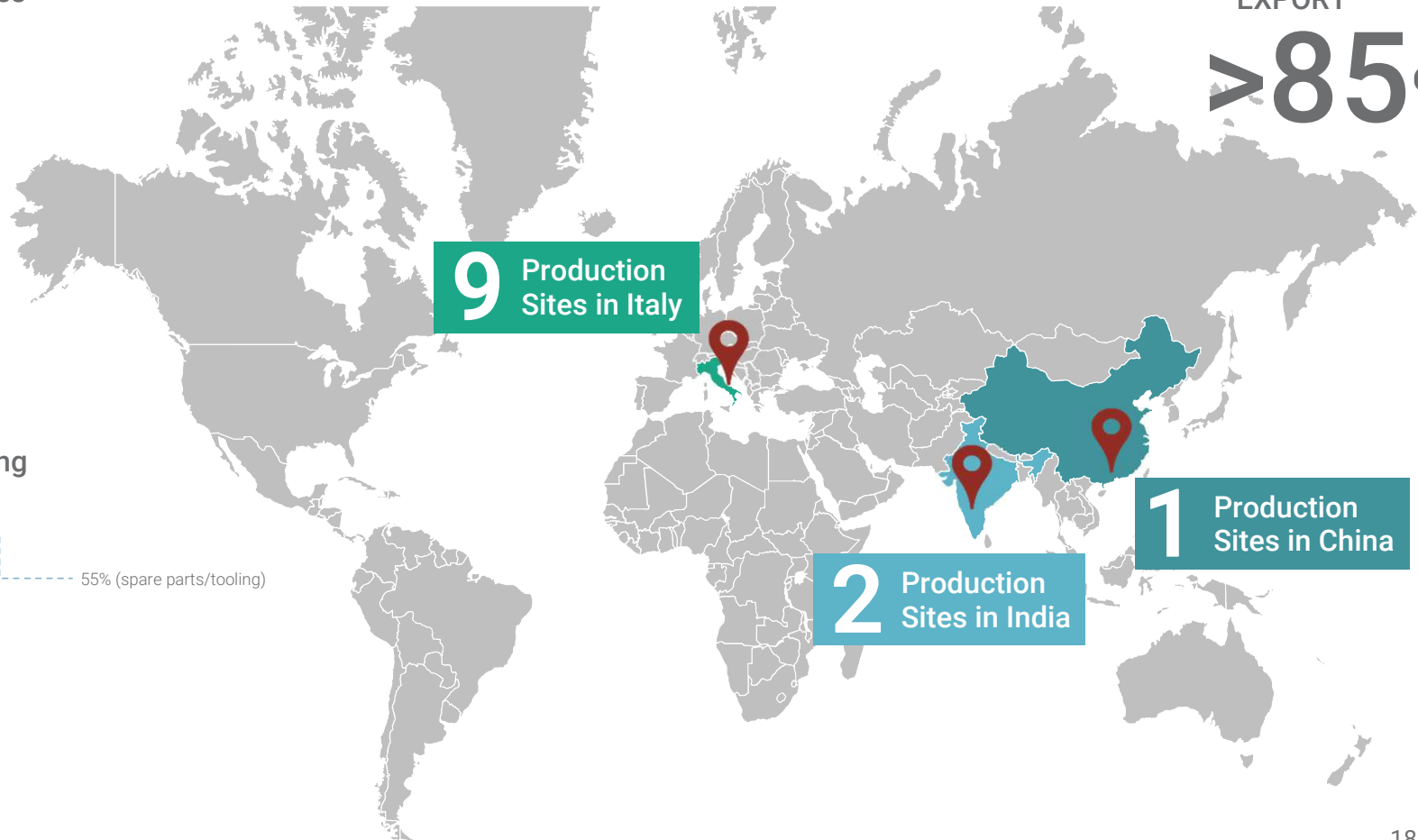
Sales breakdown
by type on machines sales



Sales breakdown by offering



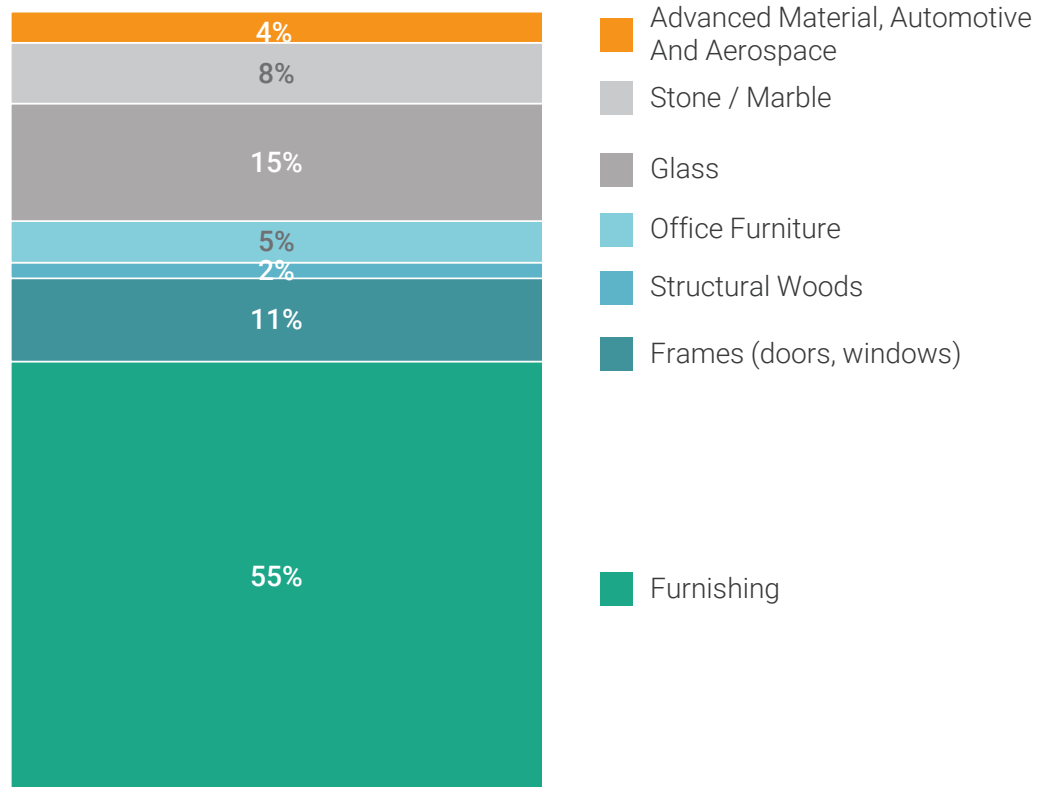
EXPORT
>85% of sales



CUSTOMERS - MAIN REFERENCE MARKETS

BIESSEGROUP

% breakdown of Biesse machines sales by macro-sector



2018



CUSTOMERS BASE

BIESSEGROUP

A wide and fragmented customer base

approx **> 66,000**



**Small
manufactures**

n° of Clients

20
(€/000)

average value
95K

Sales per single Client

10,000 >
(€/000)



**Medium/Large
manufactures**

CUSTOMERS

(SELECTION BY SEGMENT)

BIESSEGROUP



furnishing-design



furnishing



frames (doors/windows)



housing-structural wood



furnishing-interiors

CUSTOMERS

(SELECTION BY SEGMENT)

BIESSEGROUP



office furniture



advanced materials



glass



stone-marble



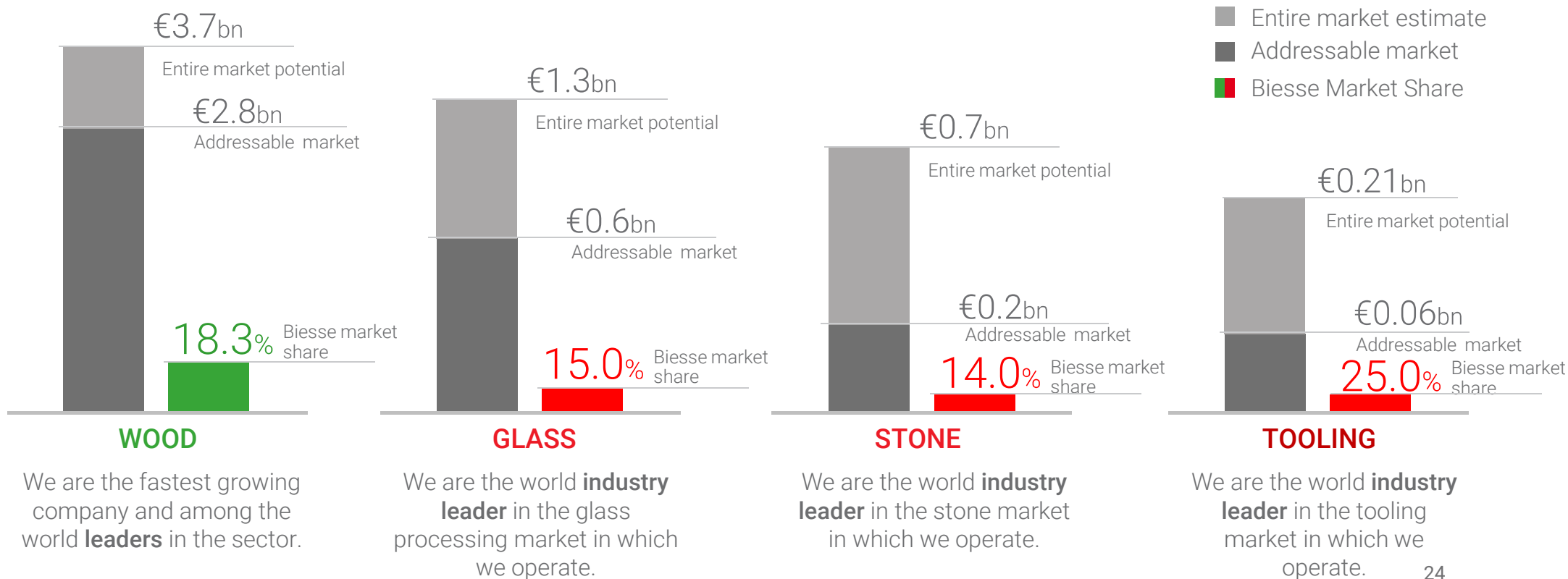
automotive

MARKET SHARES & STRATEGY

CORE SEGMENTS MARKET SHARES 2018

BIESSEGROUP

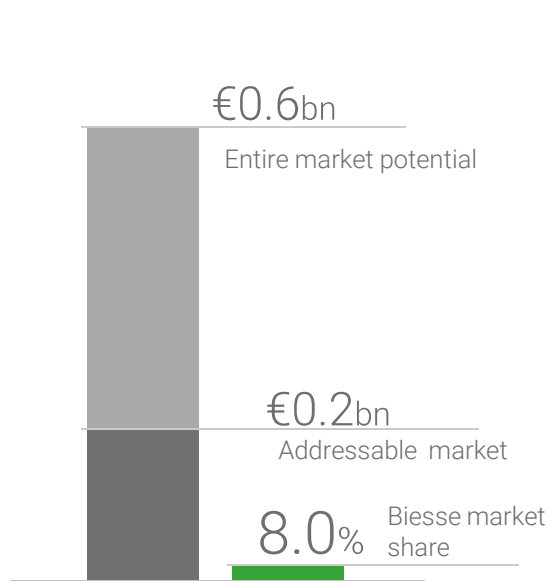
BIESSE ESTIMATES



NEW SEGMENTS MARKET SHARE 2018

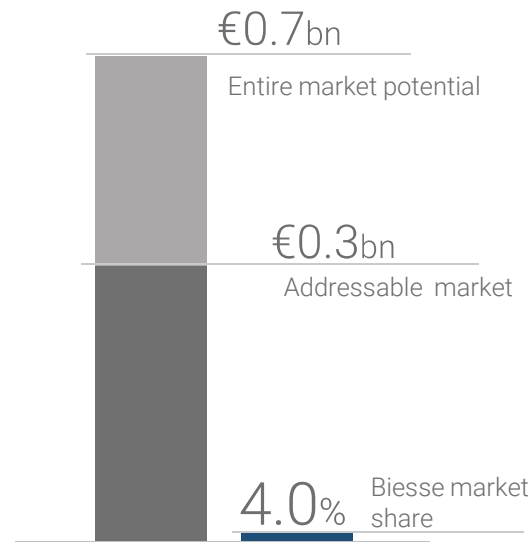
BIESSEGROUP

BIESSE ESTIMATES



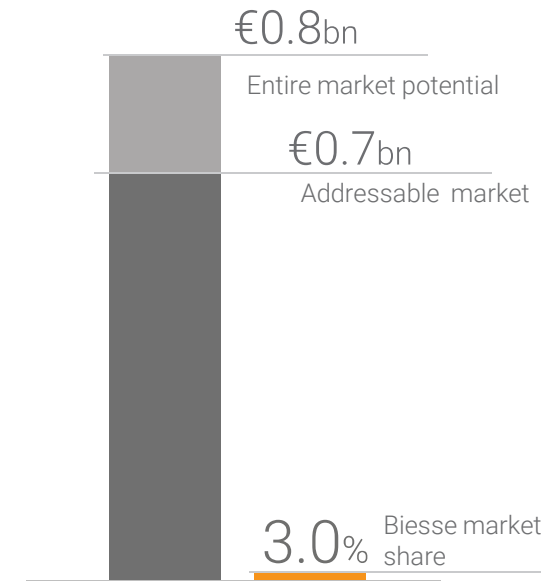
STRUCTURAL WOOD

Our competitors are mainly located in Germany and in Italy. The most important are **Hundegger** (the Market Leader), **HOMAG** and **Weinmann**.



METAL (MECHATRONICS)

Our main competitors are **KESSLER**, **IBAG**, **GMN**, **WEISS** (Siemens), **FISHER** and **STEPTEC**.



ADVANCED MATERIALS

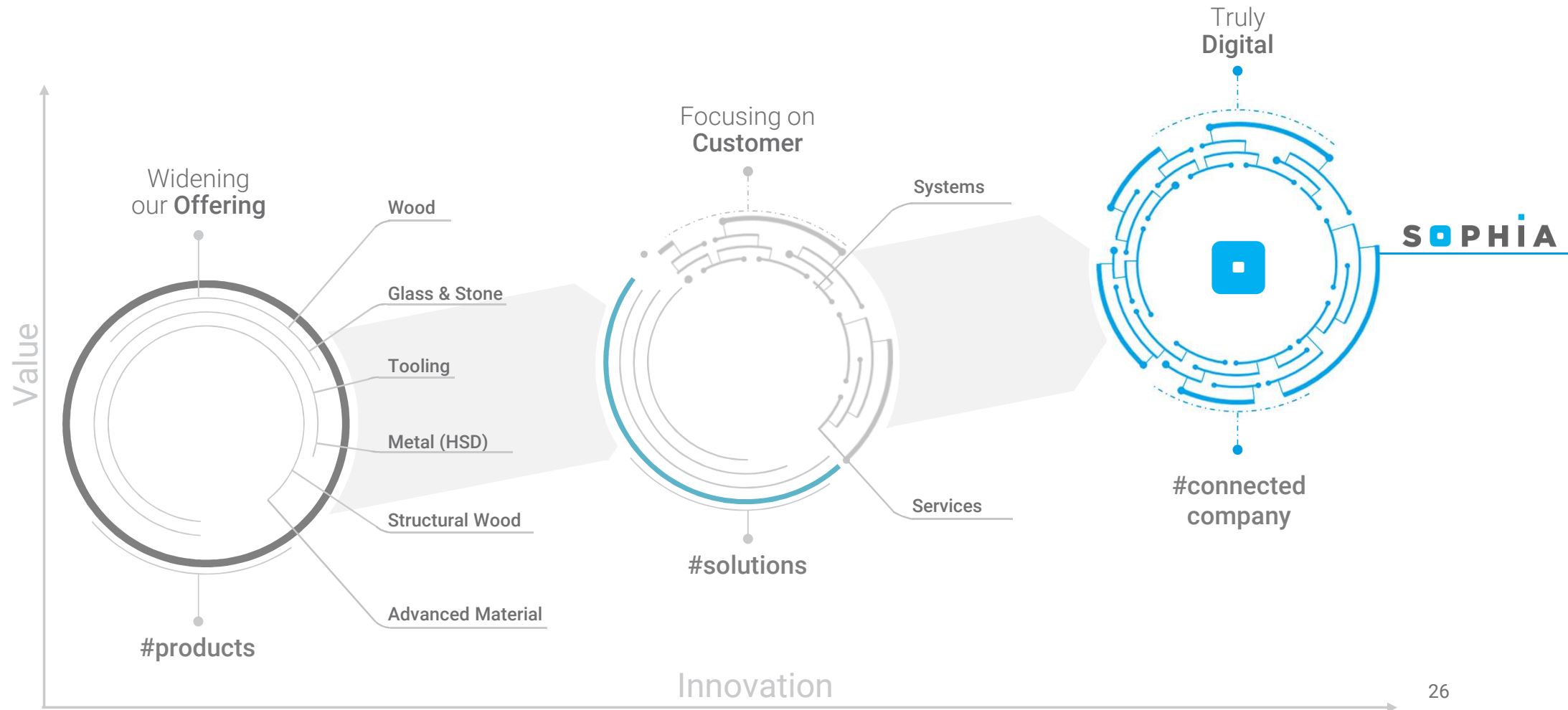
Highly fragmented market, our main competitors are **Geiss**, **Belotti CMS Industrie**, **Breton**, **Mecanumeric**, and **Multicam**.

*Advanced materials

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

OUR STRATEGY

BIESSEGROUP



OUR STRATEGY

BIESSEGROUP

Widening our offering - products

Products
Core
segments

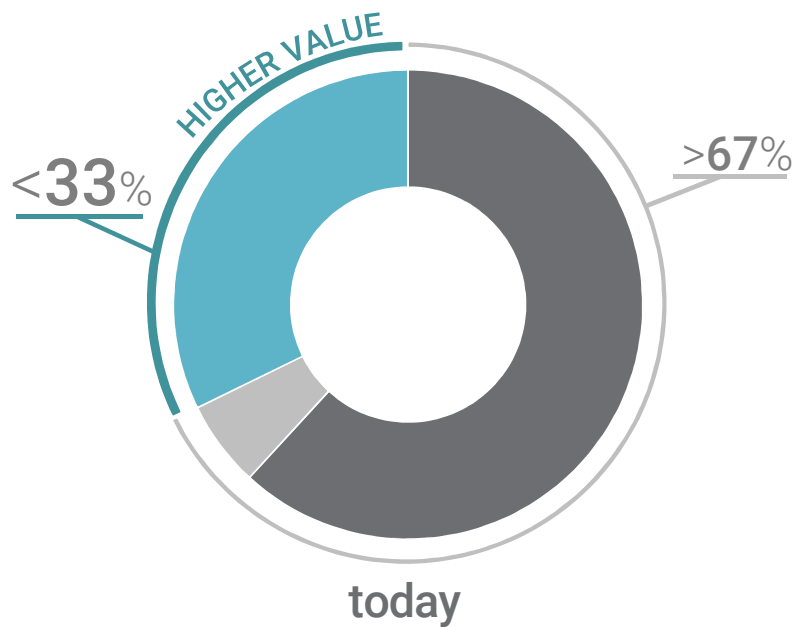


Wood
Glass & Stone
Tooling

Products
New
segments



Advanced Material
Structural Wood
Metal (HSD)

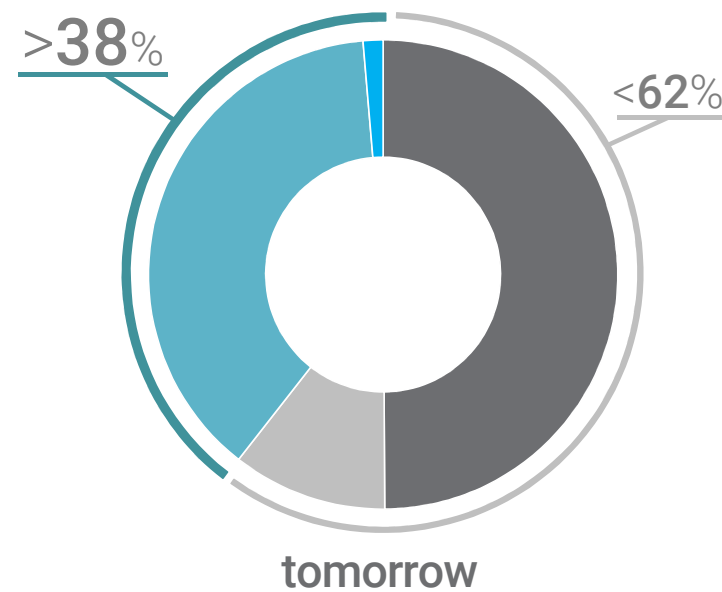


Systems
Services

**Truly
Digital**



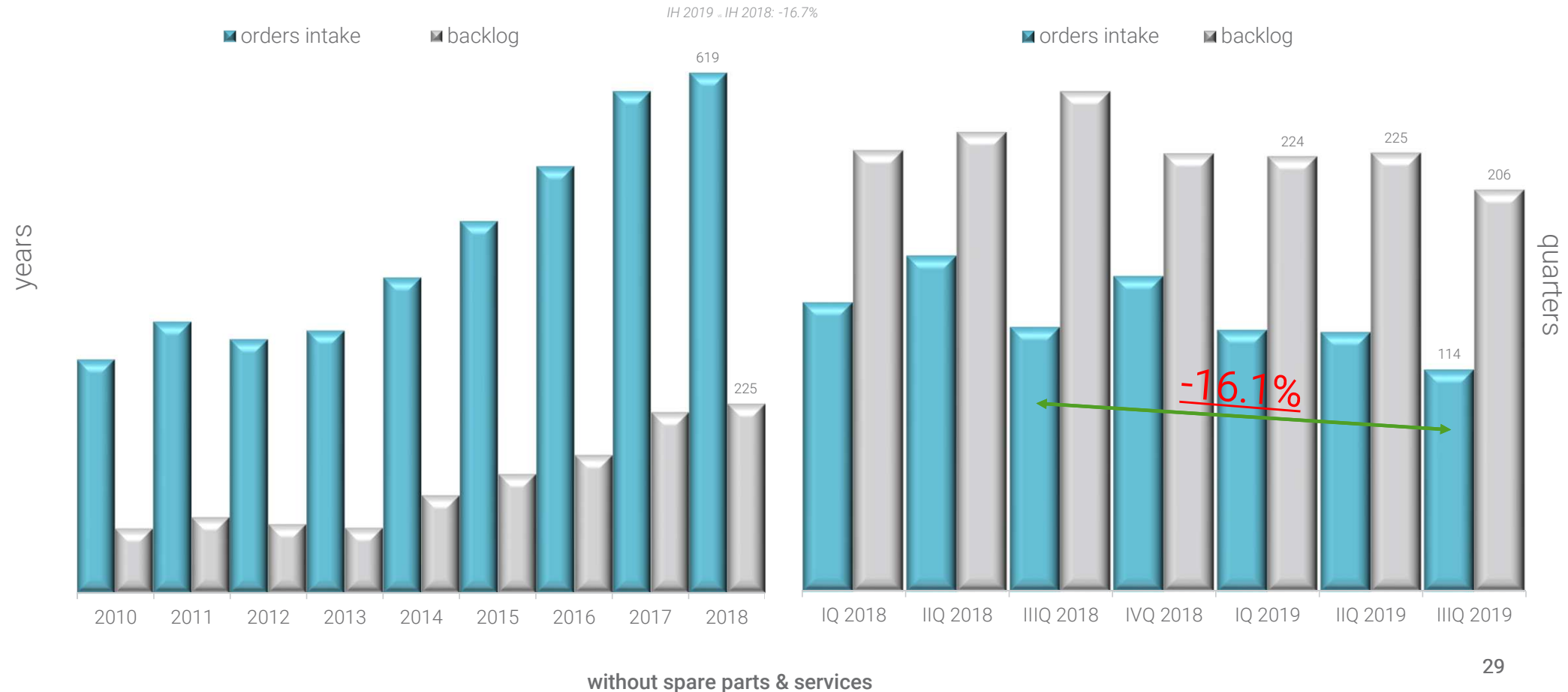
SOPHIA



ORDERS & SALES BREAKDOWN

ORDERS INTAKE & BACKLOG

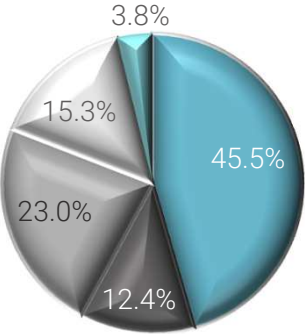
ORDERS INTAKE:
9 MONTHS 2019 vs 9 MONTHS 2018 = -16.5%



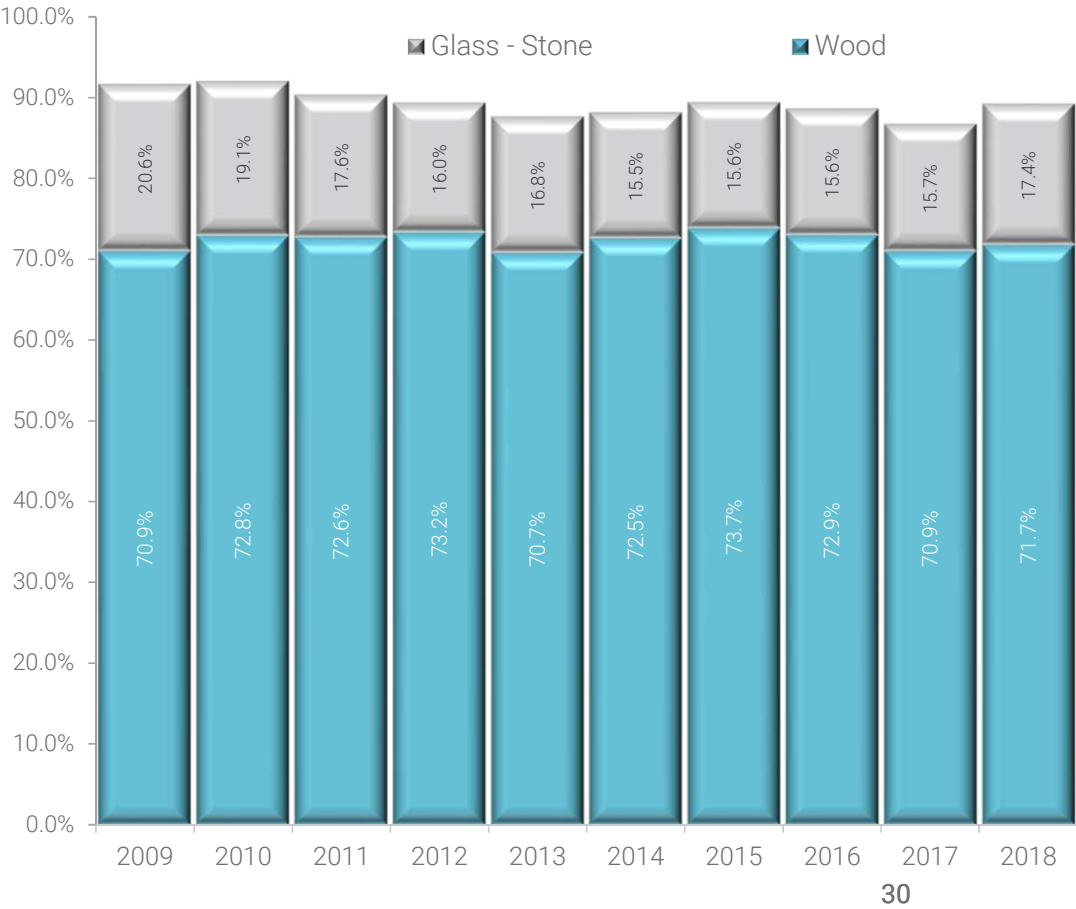
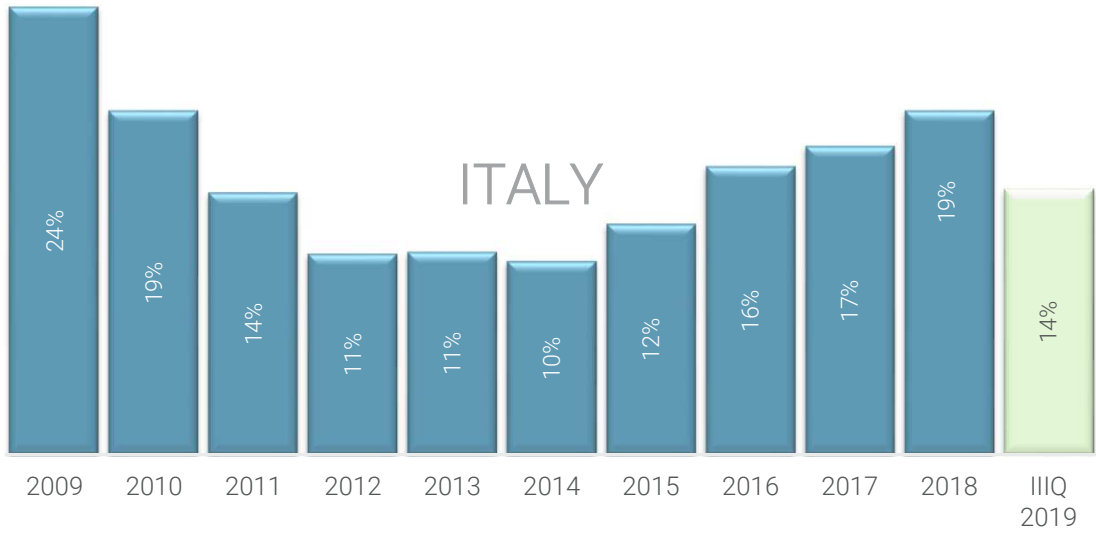
without spare parts & services

SALES BREAKDOWN

IIIQ 2019



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

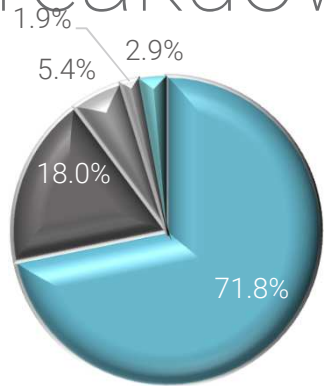


Sales breakdown- IIIQ 2019

BIE BIESSE GROUP

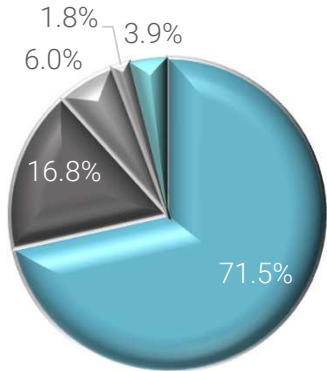
divisions

IIIQ 2019



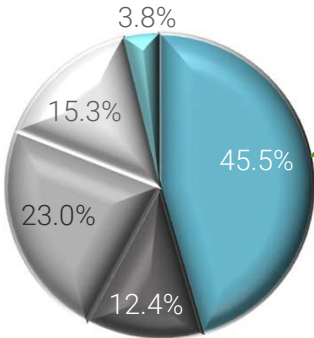
Wood Glass & Stone Mechatronics Tooling Components

IIIQ 2018



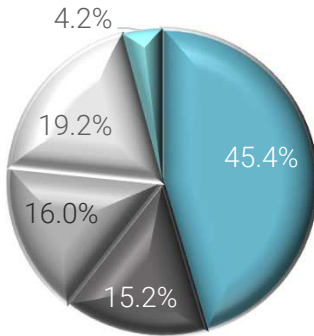
Wood Glass & Stone Mechatronics Tooling Components

IIIQ 2019



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

IIIQ 2018



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

geo-areas

IIIQ 2019 RECAP

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%)

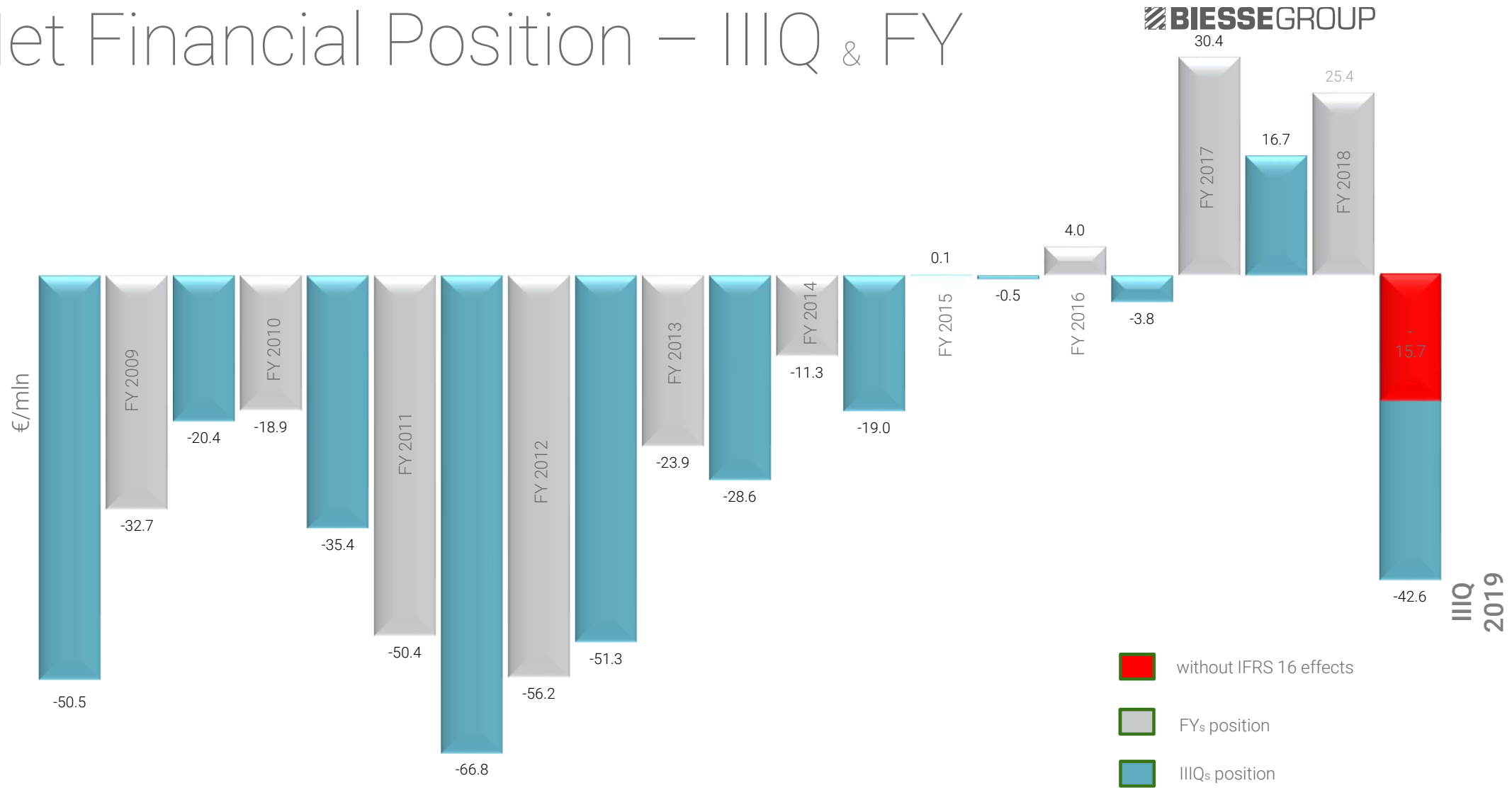
 **BIESSEGROUP**

extract of the P&L – IIIQ 2019



€/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

€/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*

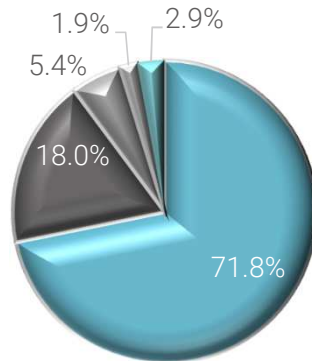
*including € 26.9 from IFRS 16

* 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

Sales breakdown- IIIQ 2019

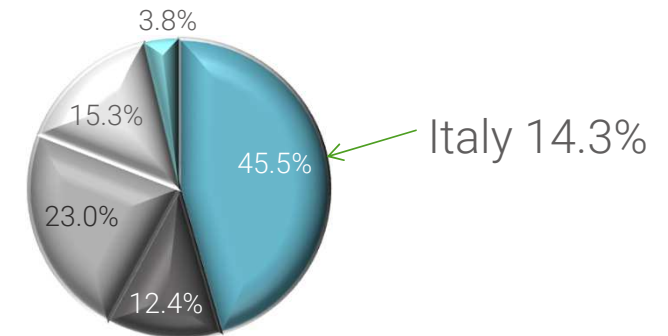
BIESSE GROUP

IIIQ 2019



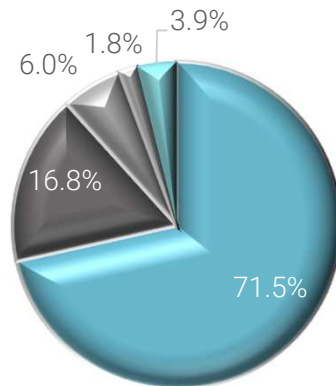
Wood Glass & Stone Mechatronics Tooling Components

IIIQ 2019



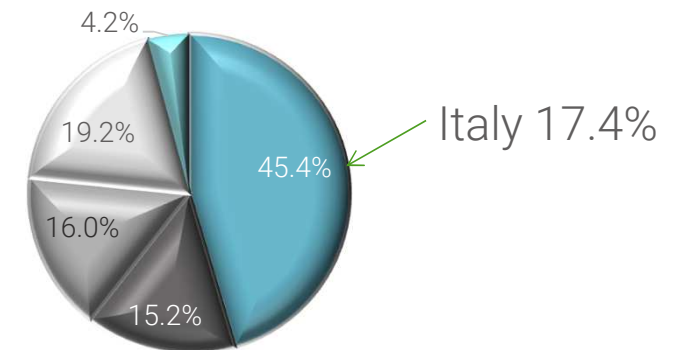
Western Europe (Italy included) Eastern Europe North America Asia Rest of the World

IIIQ 2018



Wood Glass & Stone Mechatronics Tooling Components

IIIQ 2018



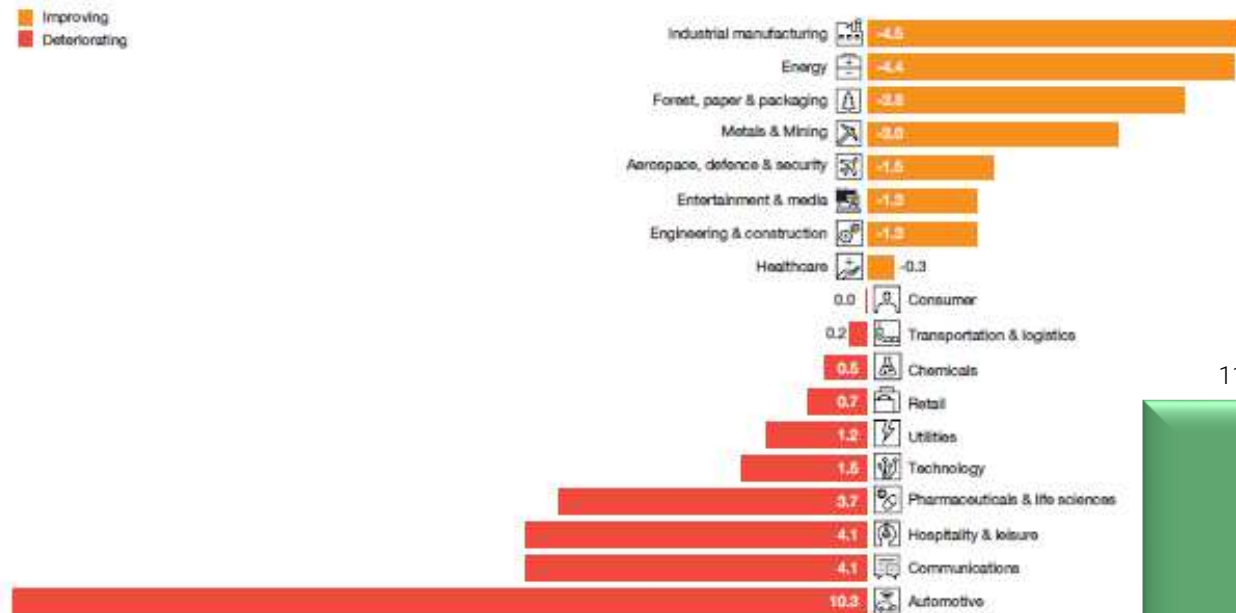
Western Europe (Italy included) Eastern Europe North America Asia Rest of the World

divisions

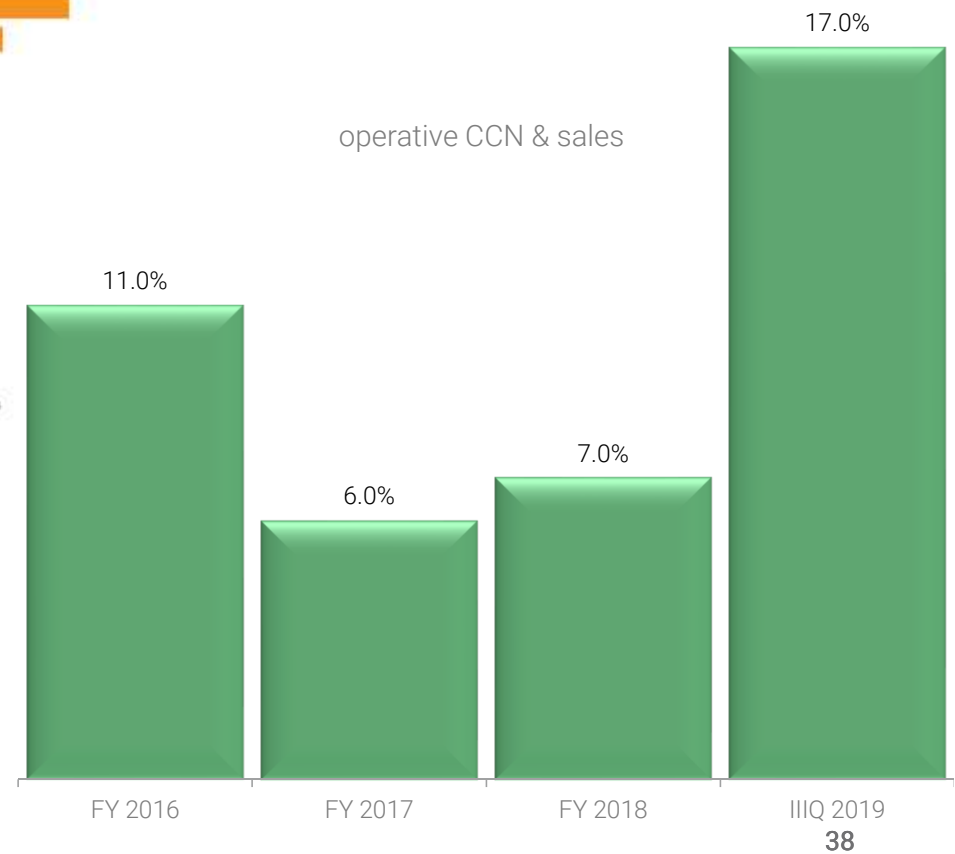
geo-areas

WORKING CAPITAL TREND

Working capital change 2017-2018 expressed in days



operative CCN & sales



Biesse

	Sep 2019	Sep 2018	Dec 2018
DSO:	48days	47days	48days
DPO:	107days	119days	118days
DSI:	199days	191days	159days

PROFIT WARNING & ESTIMATES

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.

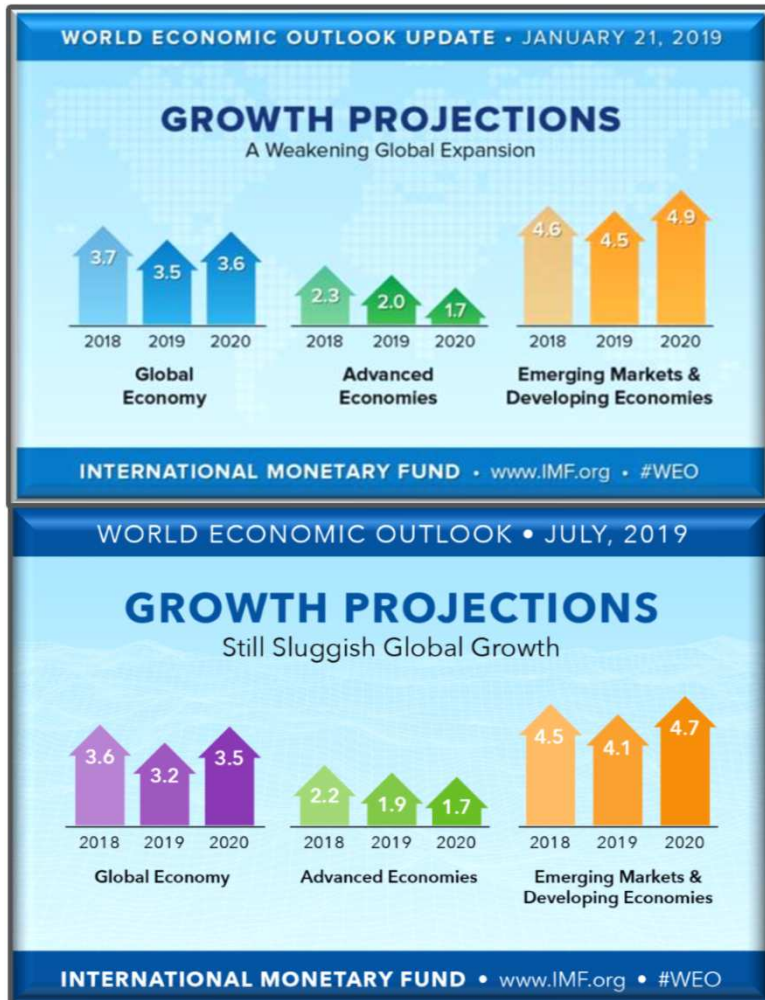
*Given that the actual demand volatility is making extremely aleatory any estimate, the consolidated sales are - at present - expected to be in a range of **680-690 mln of Euro and the EBITDA in a range of 62-65 mln of Euro**. The Group is anyway forecasting for the current year, despite the revision 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

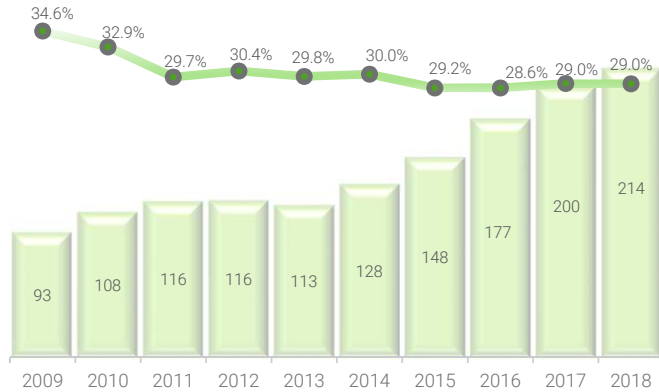


- Brexit uncertainty
- European political turmoils
- Lack of focused incentives and a clear fiscal policy (Industry 4.0)
- Trade War fate (U.S.A. - China - Europe)
- Hong Kong tensions
- Currency (i.e. turkish lira-rublo-renminbi) instability/weakness vs Euro (lower purchasing power)
- Perception of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

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

ACTION PLAN – LABOUR COST



GROUP PEOPLE DISTRIBUTION

PEOPLE DISTRIBUTION (1)

(without interim people)



Sept 2019

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	
Production % 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%	1,441 36%
Service & After sale % of total people	577 21%	574 21%	613 22%	628 22%	690 22%	803 22%	894 23%	1,001 24%	1,000 25%
R&D % of total people	316 12%	338 12%	321 12%	361 13%	383 13%	436 12%	479 12.5%	551 13%	521 13%
Sales & Marketing % of total people	361 13%	364 13%	351 13%	439 15%	495 15%	587 16%	641 17%	715 17%	708 17.7%
G & A % of total people	233 9%	242 9%	235 9%	252 9%	273 9%	310 8.5%	338 8.8%	339 8%	332 8.3%
ITALY % 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%	2,437 61%
OUTSIDE ITALY % 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%	1,565 39%
TOTAL	2,737	2,782	2,695	2,881	3,176	3,618	3,846	4,227	4,002

PEOPLE DISTRIBUTION (2)

number of employees: (without interim people)

Sept 2019 vs Sept 2018= -127 (-3.1%)

Sept 2019 vs Dec 2018= -225 (-5.3%)

number of interim people:

Sep 2018 = 262

Dec 2018 = 253

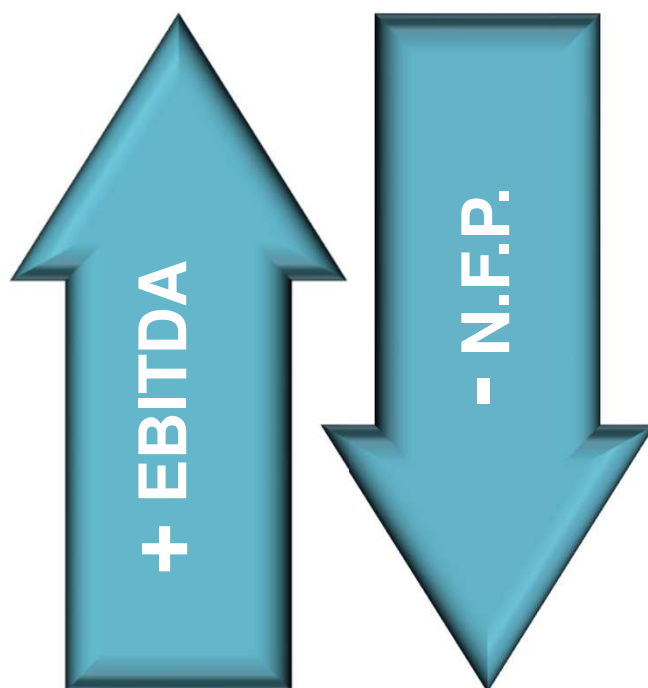
Sep 2019 = 206

IFRS 16

DEFINITION AND IMPACTS

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)

=====

FY 2019e effects:

EBITDA 6.5-7.0 Euro mln (positive)

N.F.P. 25-26 Euro mln (negative)

SHAREHOLDERS



BREAKDOWN BY OWNERSHIP

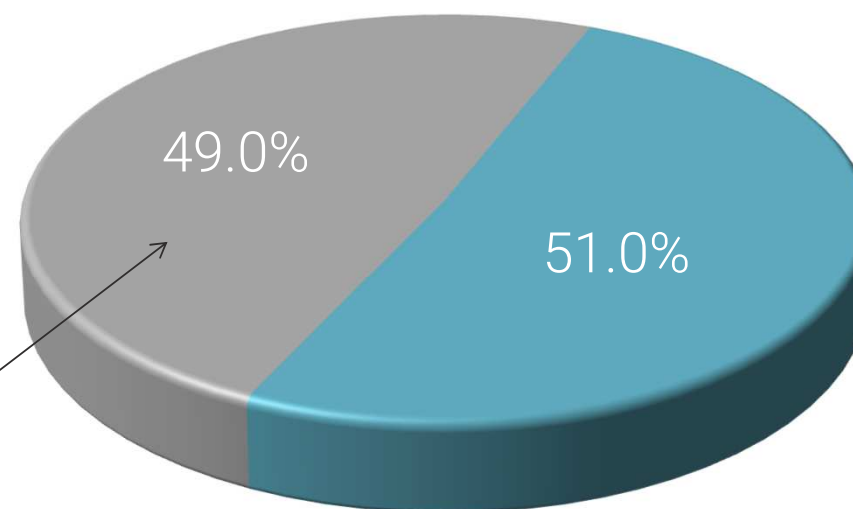
B.o.D.

STRUCTURE

SHAREHOLDERS BREAKDOWN BY OWNERSHIP BOARD OF DIRECTORS

 **BIESSE**GROUP

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



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)

FINANCIAL CALENDAR

FINANCIAL CALENDAR

30 October 2019

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

February 2020

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

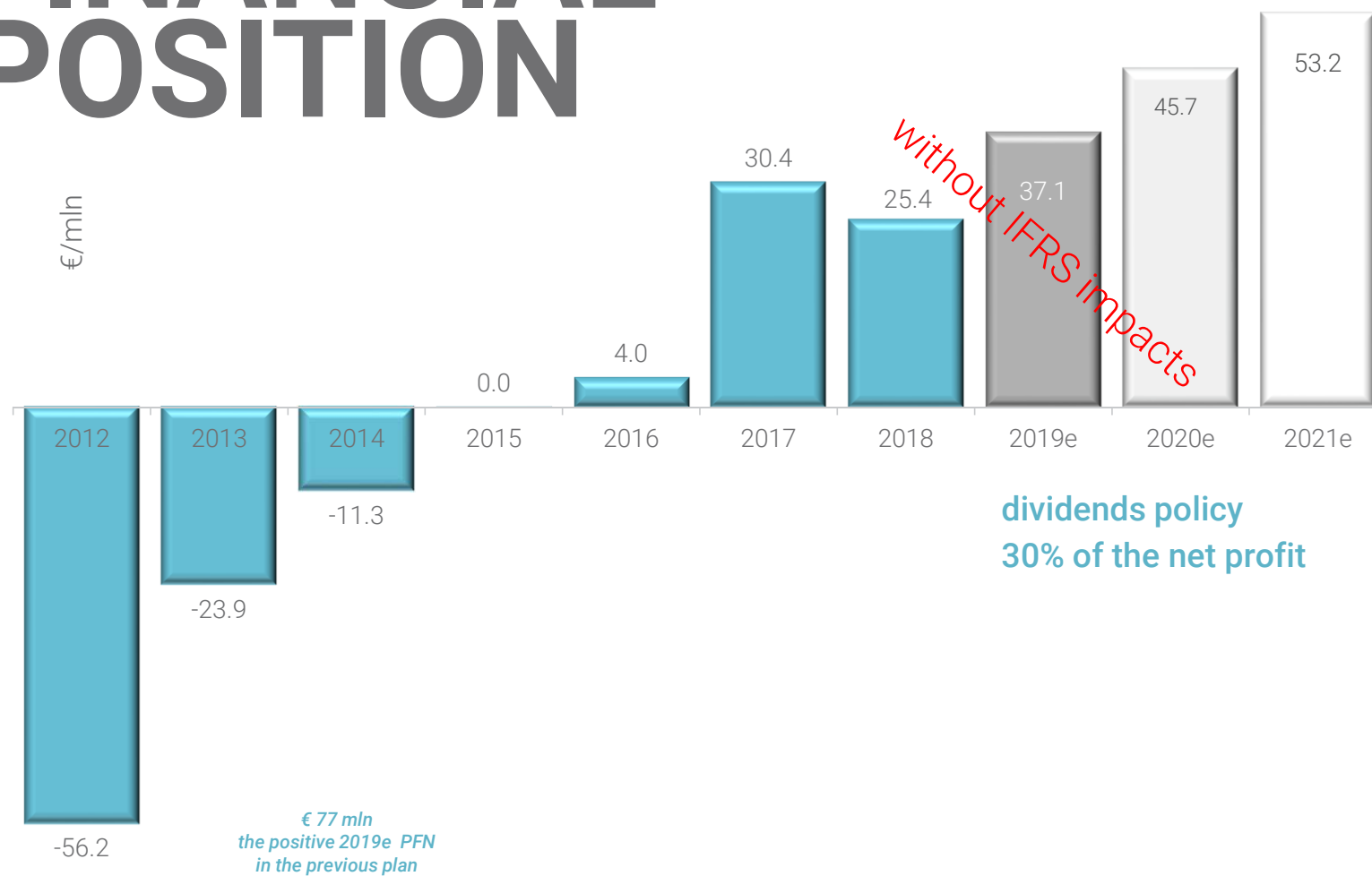
March 2020

approval of the provisional financial statement FY 2019

THREE YEARS PLAN REMINDE

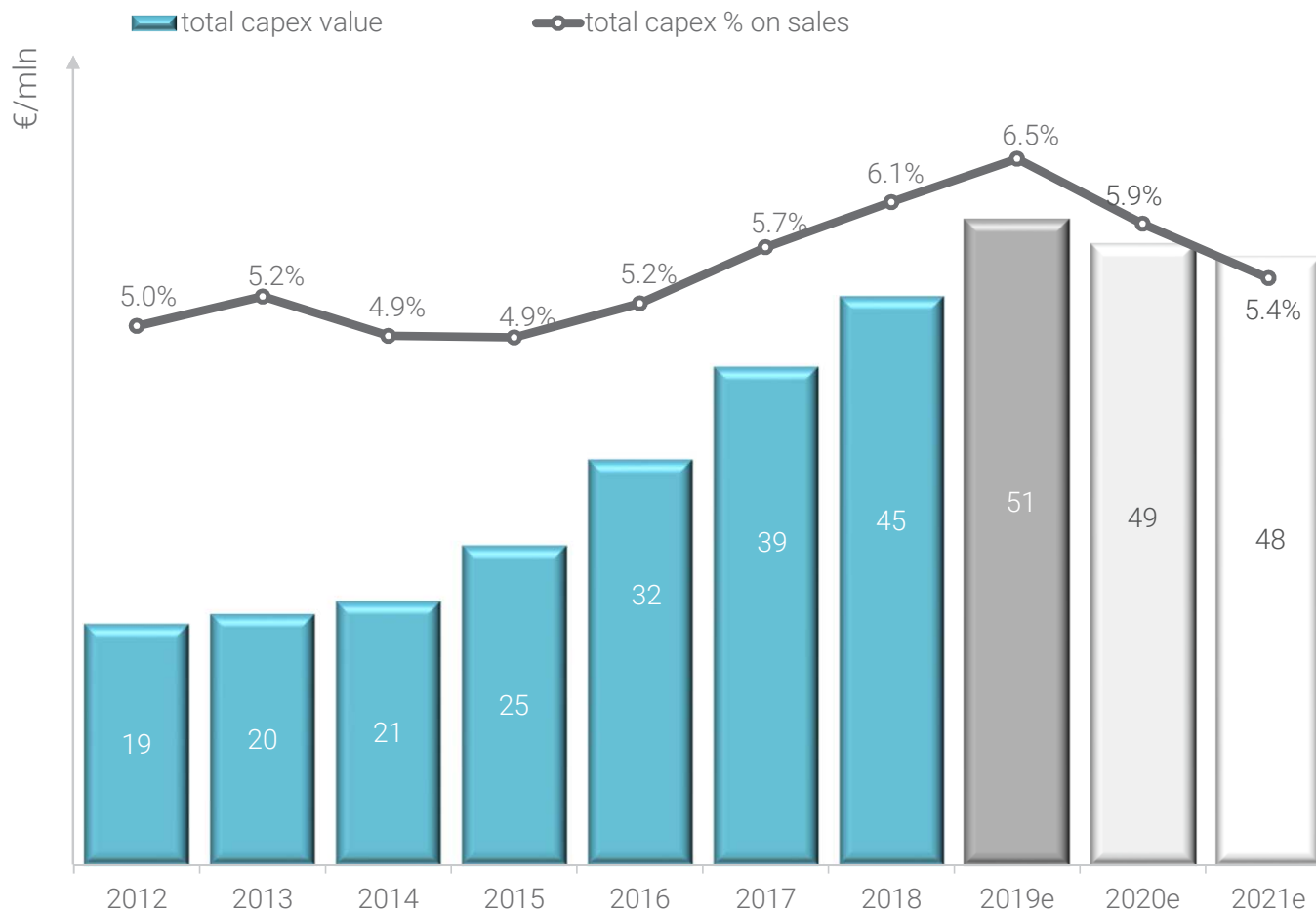
(FINANCIAL EXTRACT - FEBRUARY 2019)

NET FINANCIAL POSITION



CAPEX

BIESSEGROUP



5.7% capex incidence 2019 2018-2020 plan

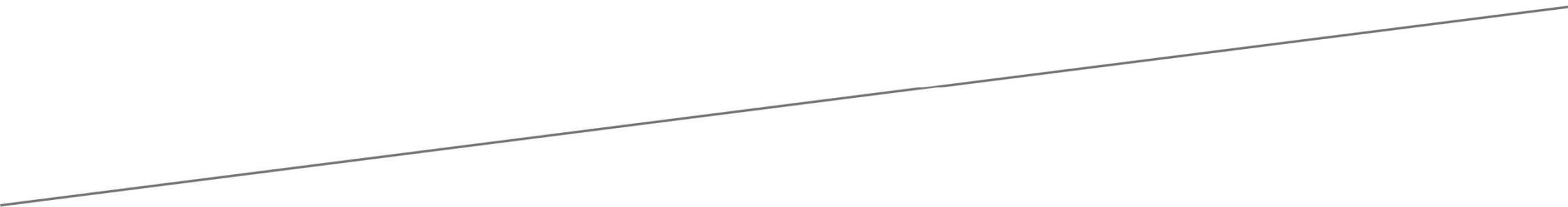
2019e

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 autho-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)



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