

Pesaro, February 21st - 4 p.m. phone conference call

A. Amurri - I.R. Manager
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Excell-Word-

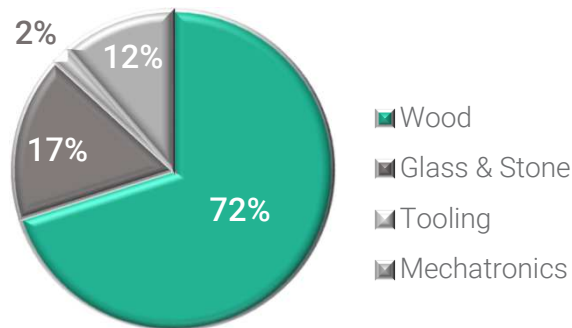
BIESSE THREE YEARS BUSINESS PLAN EXTRACT

 **BIESSE**GROUP

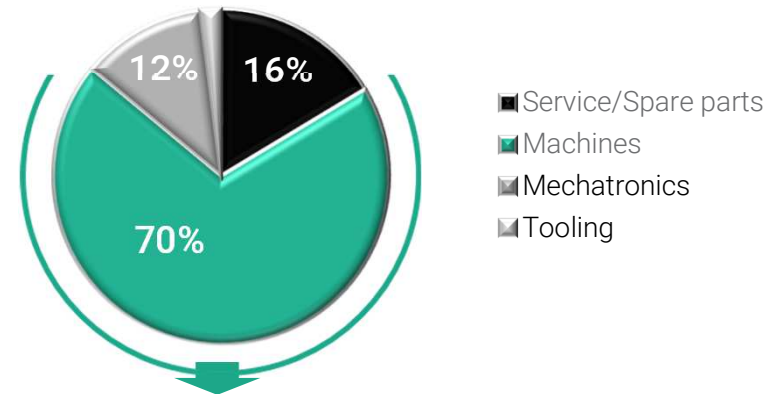
SALES BREAKDOWN

2019E

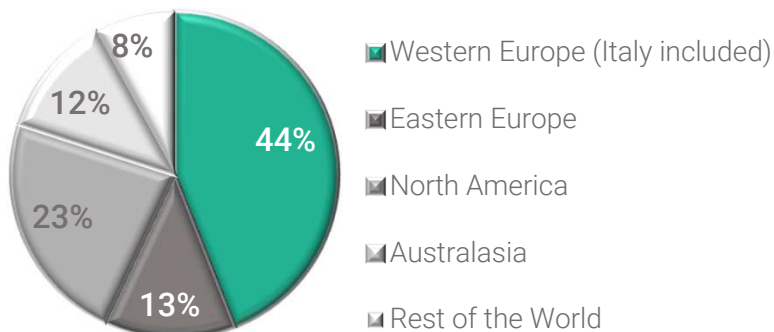
BY DIVISION



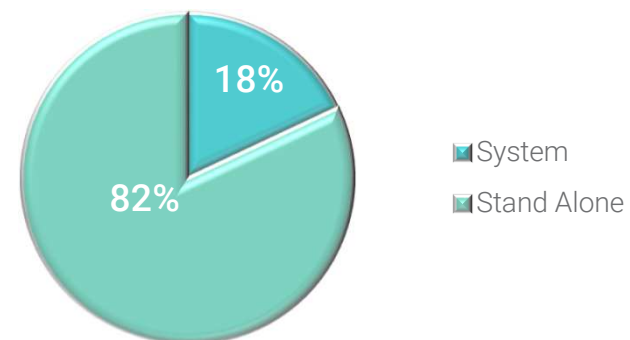
BY OFFERING



BY GEO-AREAS



BY TYPE OF MACHINES SALES



STRATEGY

In the next 3 years, Biesse's strategy will be focusing on **four main directives**: the strengthening of our offering through Digitalisation and Product Innovation supported by the reorganization of the Company's processes and the extension of our sales network.

Digitalisation

Enable the Smart Factory

- SOPHIA
- Services
- Software

Product Innovation

Enhance Product Offering

- Wood
- Glass & Stone
- Advanced Materials
- Ceramics

Network Expansion

Enlarge Global Distribution

One Company

Establish a new operating model

- Consistent management model
- One Leadership
- Shared tools & processes

● Increase brand awareness through distribution and marketing on

Advanced Materials

● Leverage existing distribution network for Structural Wood

● Dedicated salesforce for the Metal segment

● New subsidiaries to expand geographical presence

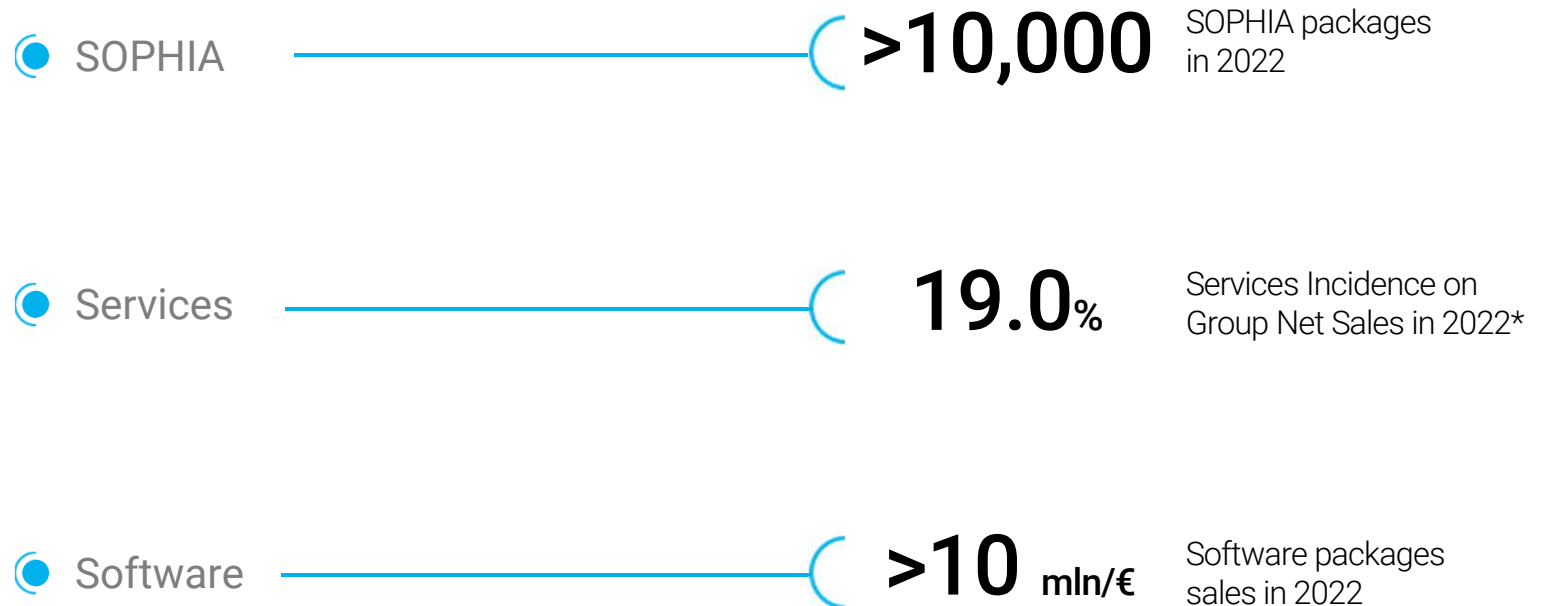
3 -Year Business Plan

DIGITALISATION

TARGETS



Enable
the **Smart Factory**



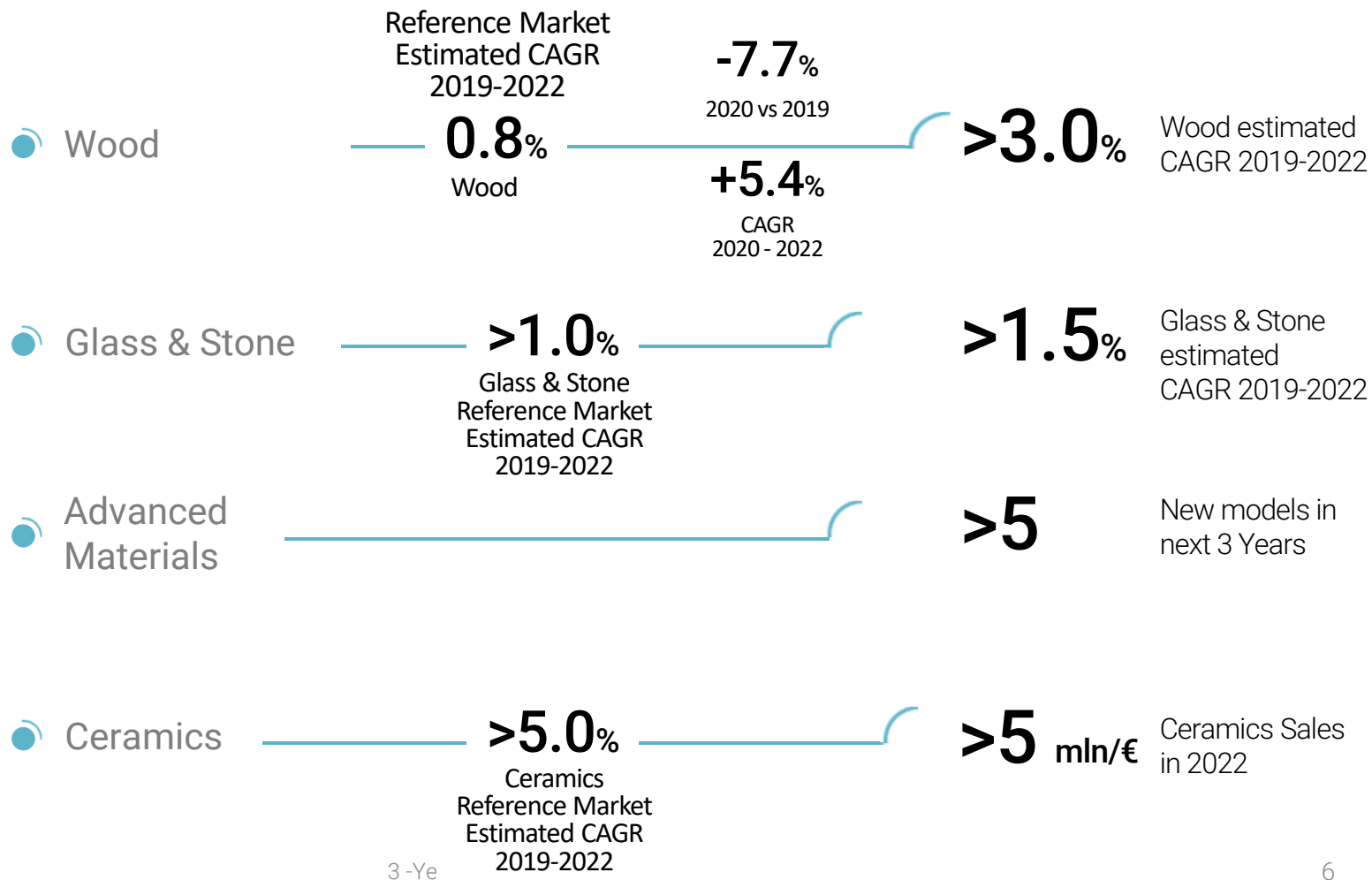
*Tooling not included

INNOVATION

TARGETS



Enhance
Product Offering



3 -Ye

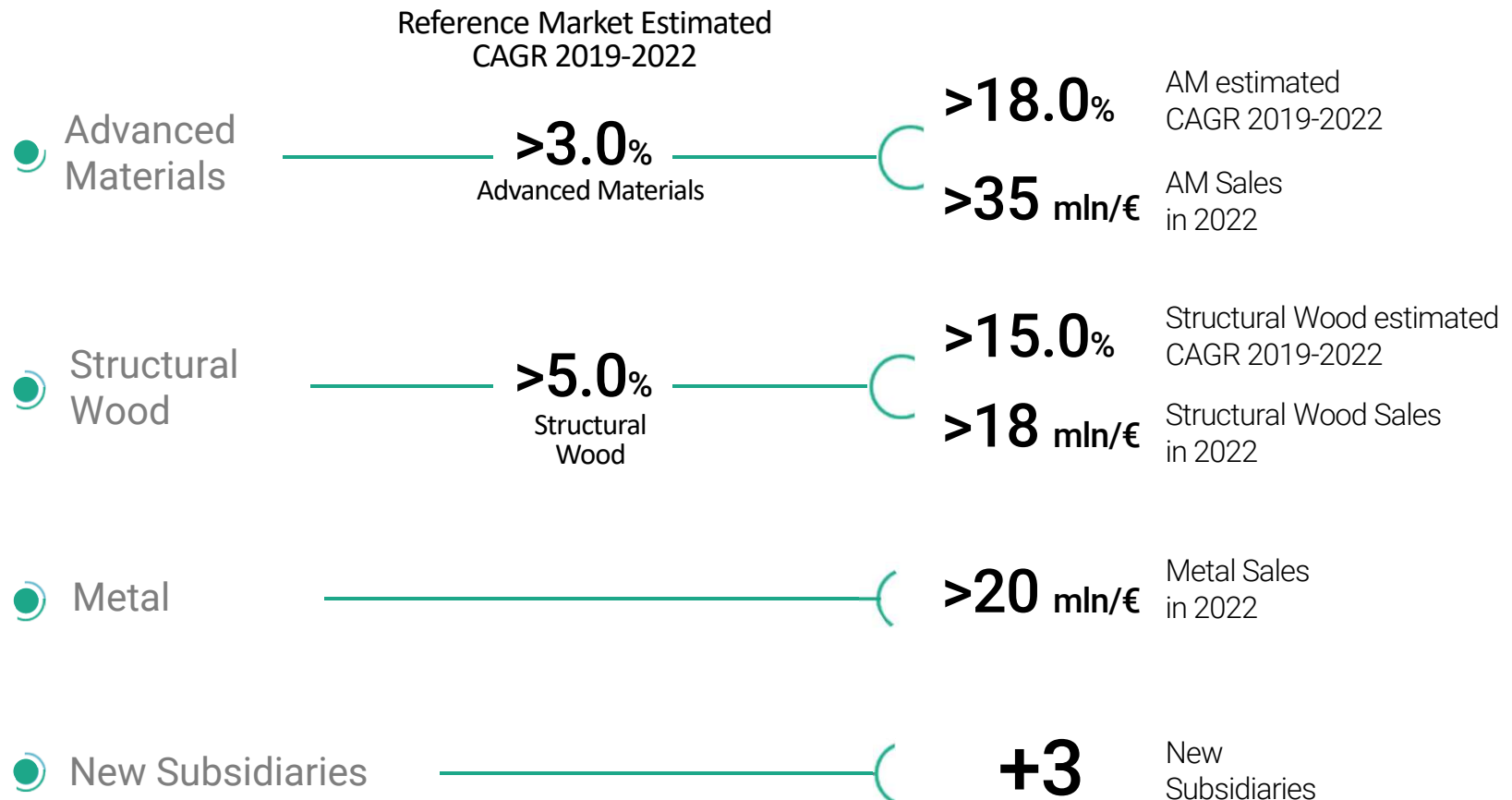
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EXPANSION

TARGETS

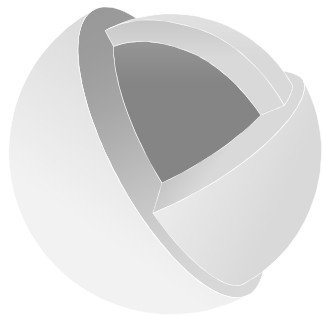


Enlarge
Global Distribution



ONE COMPANY

TARGETS



*Establish a new
operating model*

● Consistent
management
model

Implement a global management model to foster the culture of a synergy-driven enterprise, enabling cross fertilization across Headquarters, Divisions & Subsidiaries

● One
Leadership

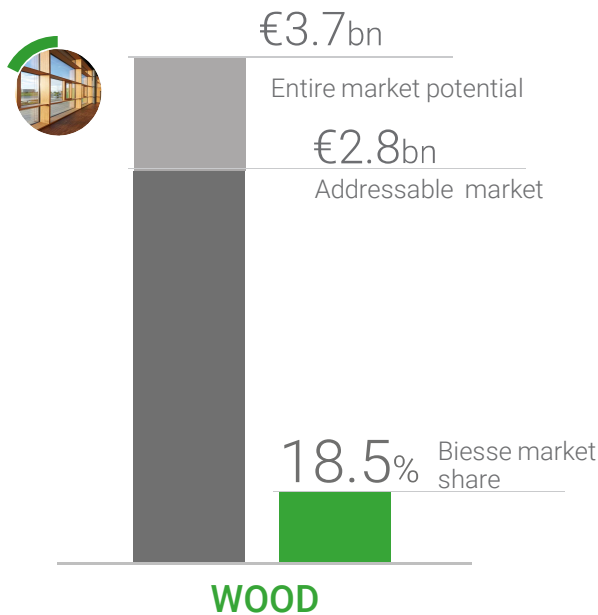
Strengthen the global leadership model to ensure a cohesive and independent Management Team

● Shared tools &
processes

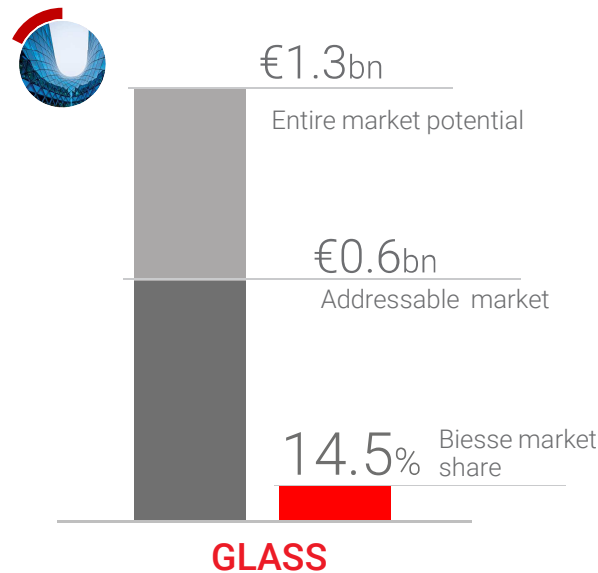
Guarantee IT solutions to support the Company's global processes

CORE SEGMENTS MARKET 2019

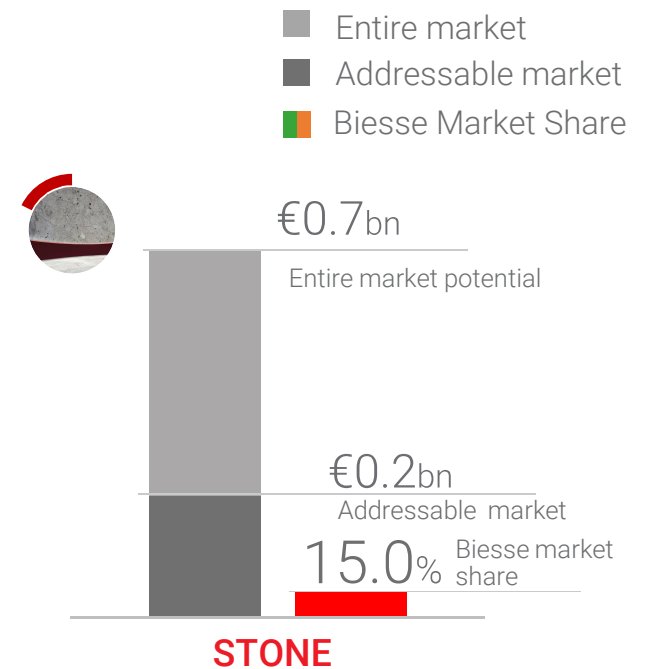
We are in leading positions in our reference markets: Wood, Glass, Stone working machines.
We want to consolidate our positioning fostering product innovation



We are in **leading** positions in the sector.



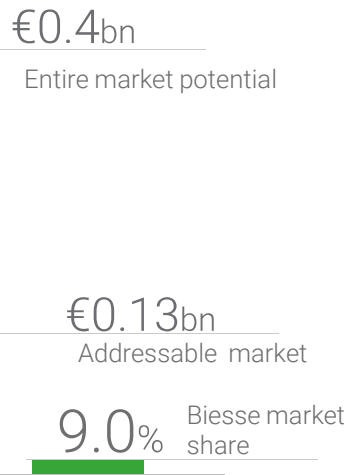
We are the world **industry leader** in the glass processing market in which we operate.



We are the world **industry leader** in the stone market in which we operate.

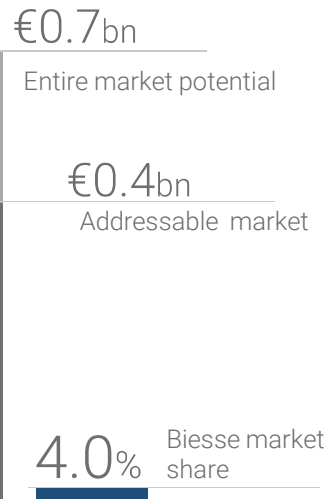
NEW SEGMENTS MARKET 2019

We entered in new market segments, we want to continue to increase our market penetration.



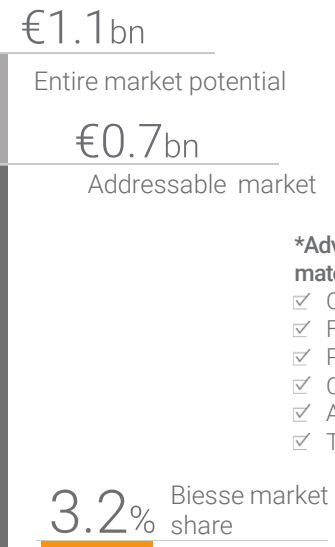
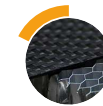
STRUCTURAL WOOD

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



METAL (MECHATRONICS)

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



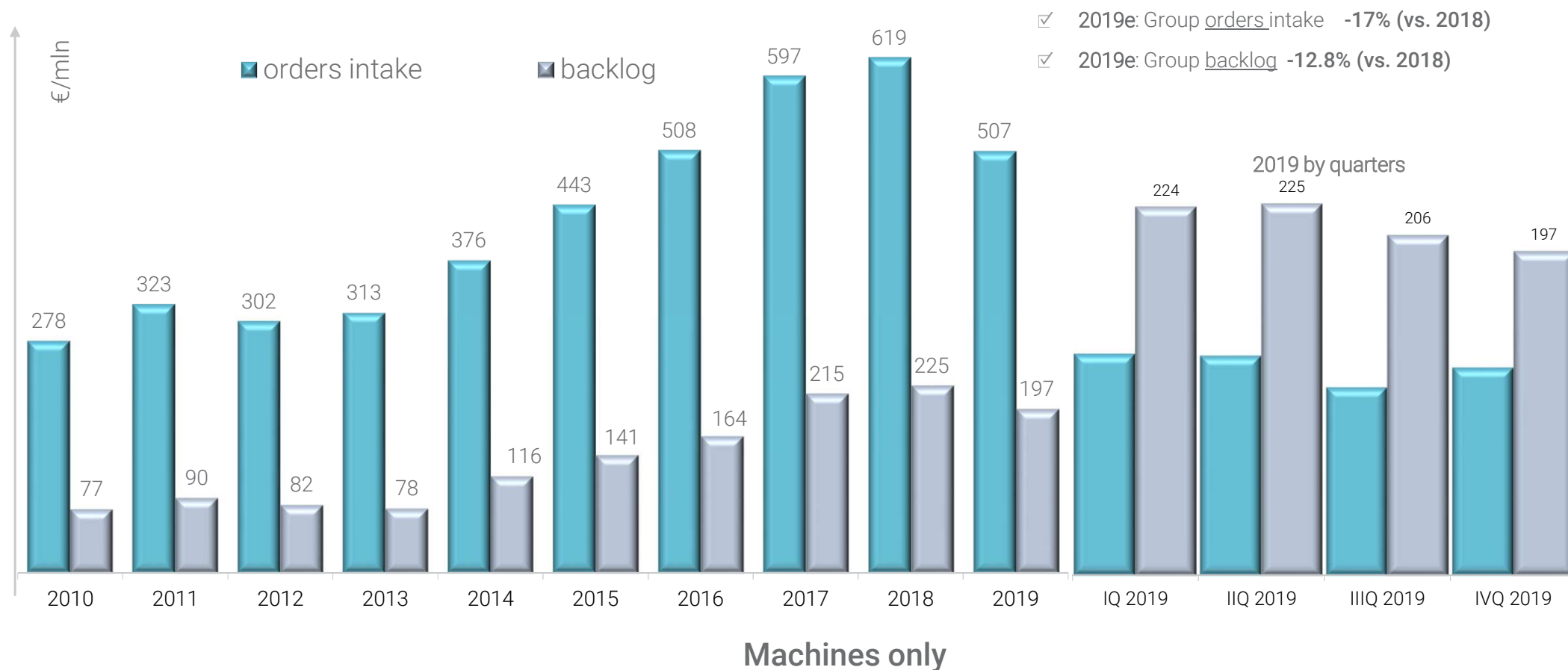
ADVANCED MATERIALS

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

*Advanced materials

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

GROUP ORDERS INTAKE & BACKLOG



RECOVER PROFITABILITY

EBITDA
Margin
>13%

2022 Target

EBITDA
103

2022 Target
€/mln

Net Sales

Cost of good sold

Labour &
Overhead cost

3.2%

Net sales
CAGR 2019e-2022

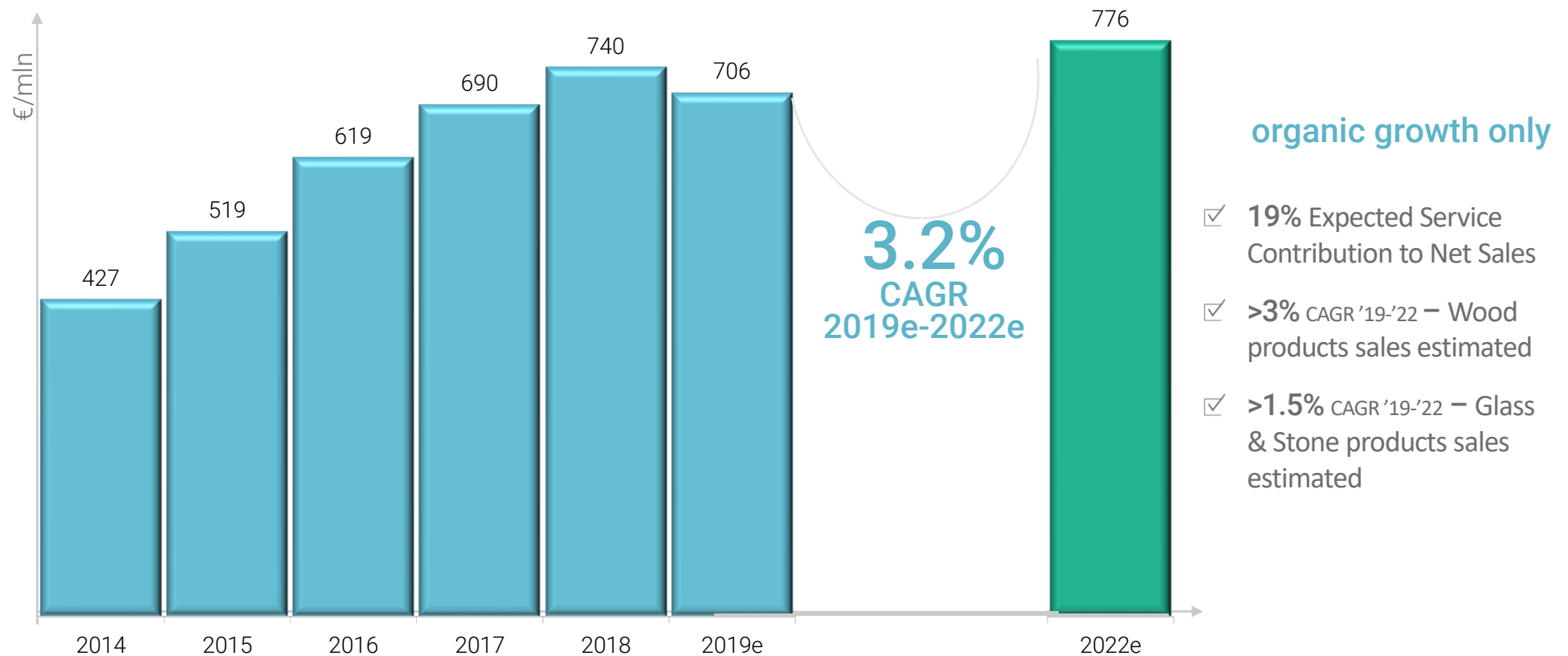
40%

Target COGS
incidence on Net Sales

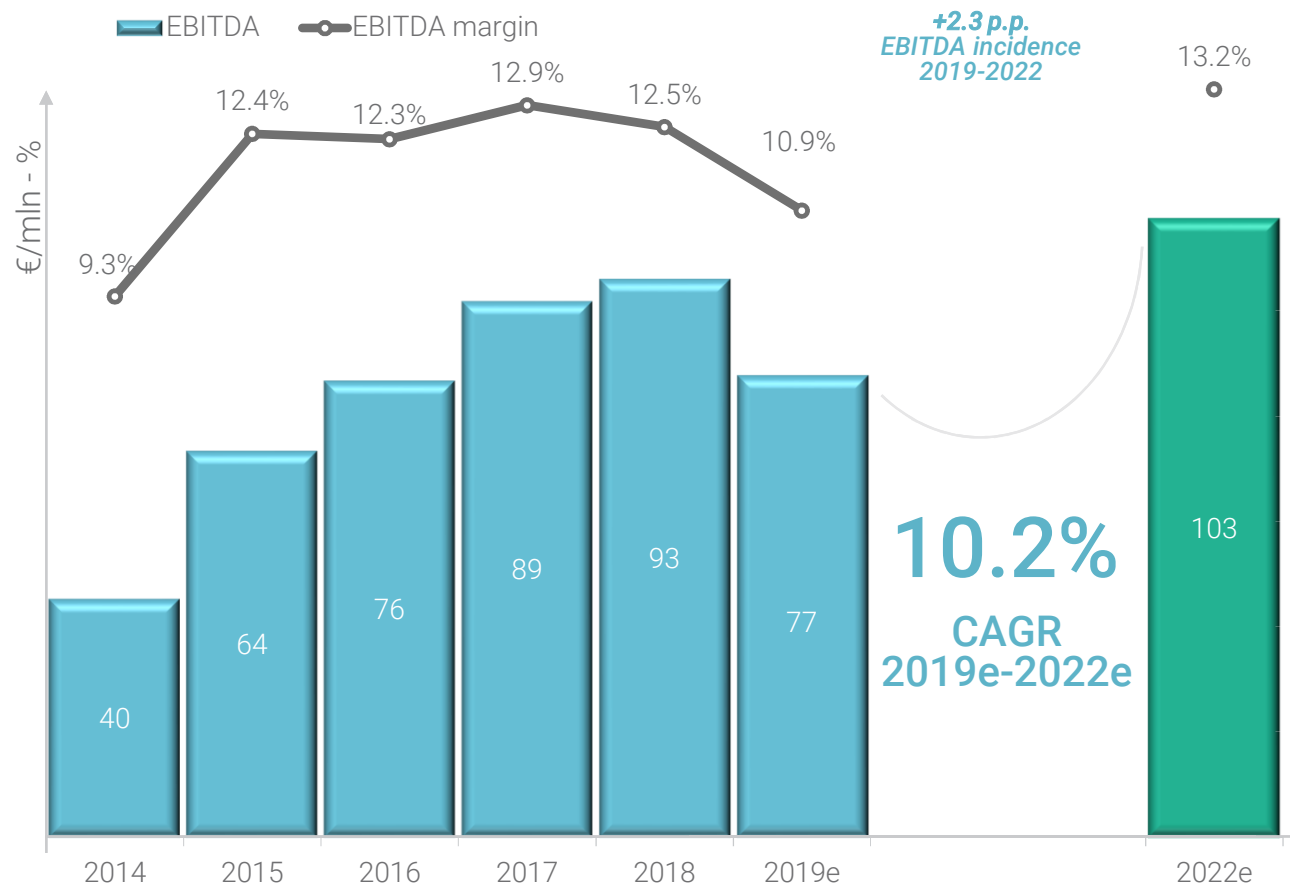
<47%

Target labour & Overhead
Cost incidence on Net Sales

NET SALES

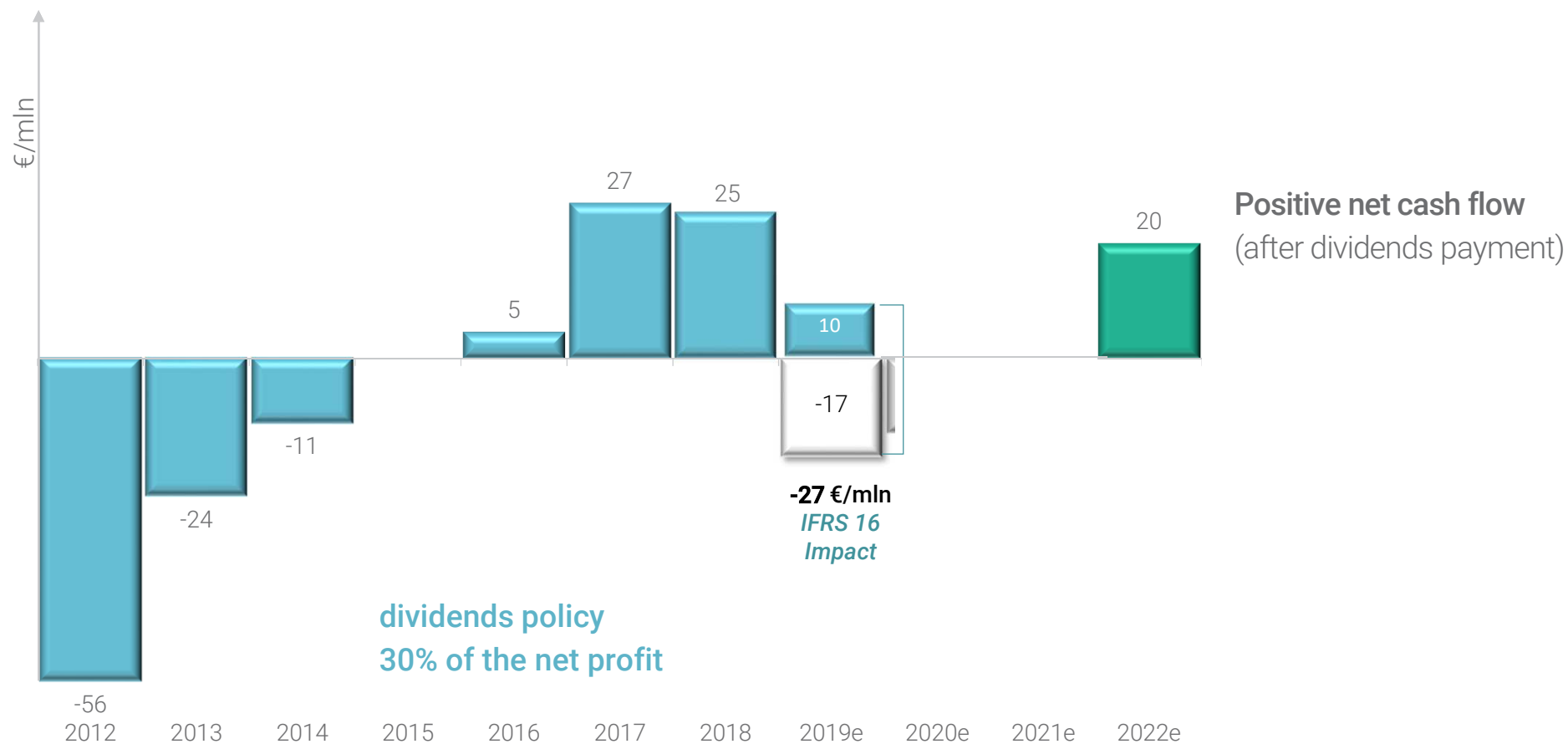


EBITDA

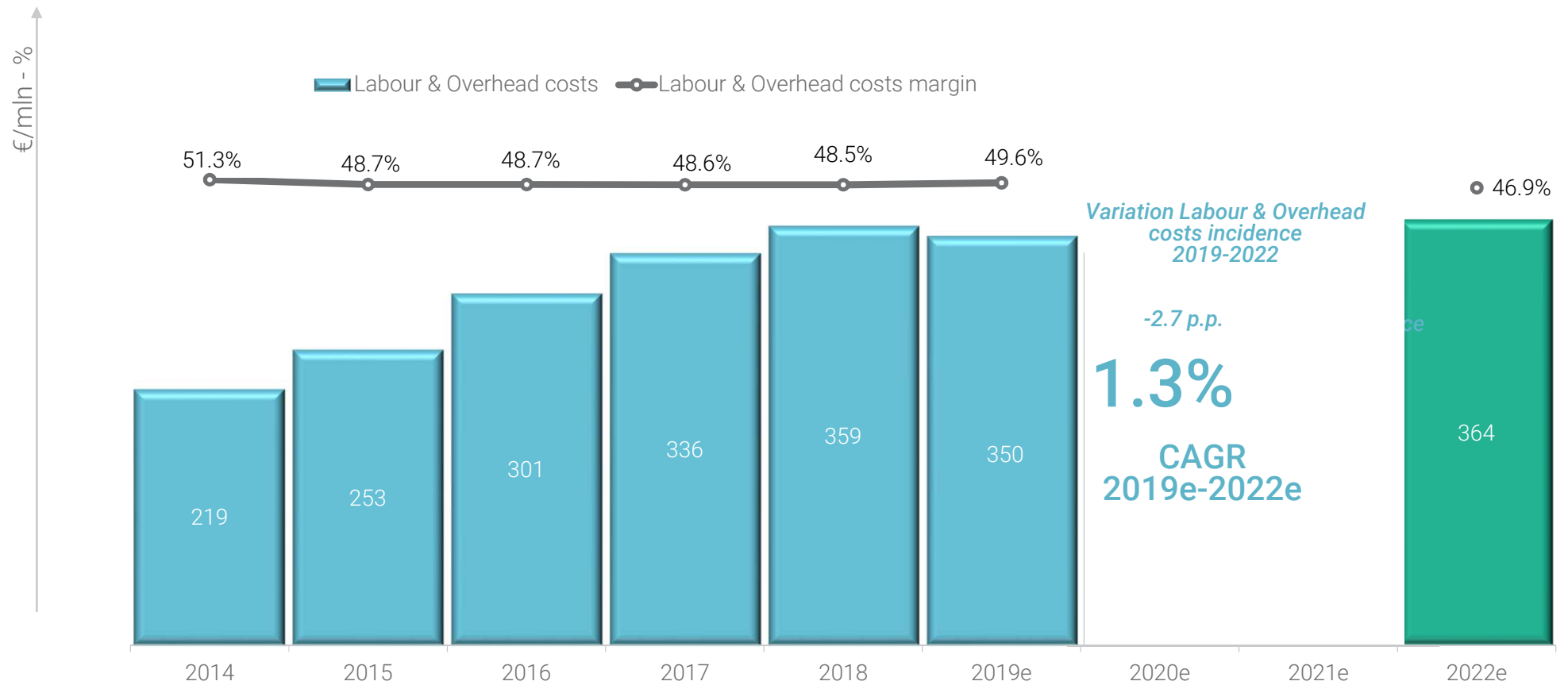


- ✓ **COGS** on Net Sales approximately **40%**
- ✓ **Labour & Overhead Cost** on Net Sales less than **47%**

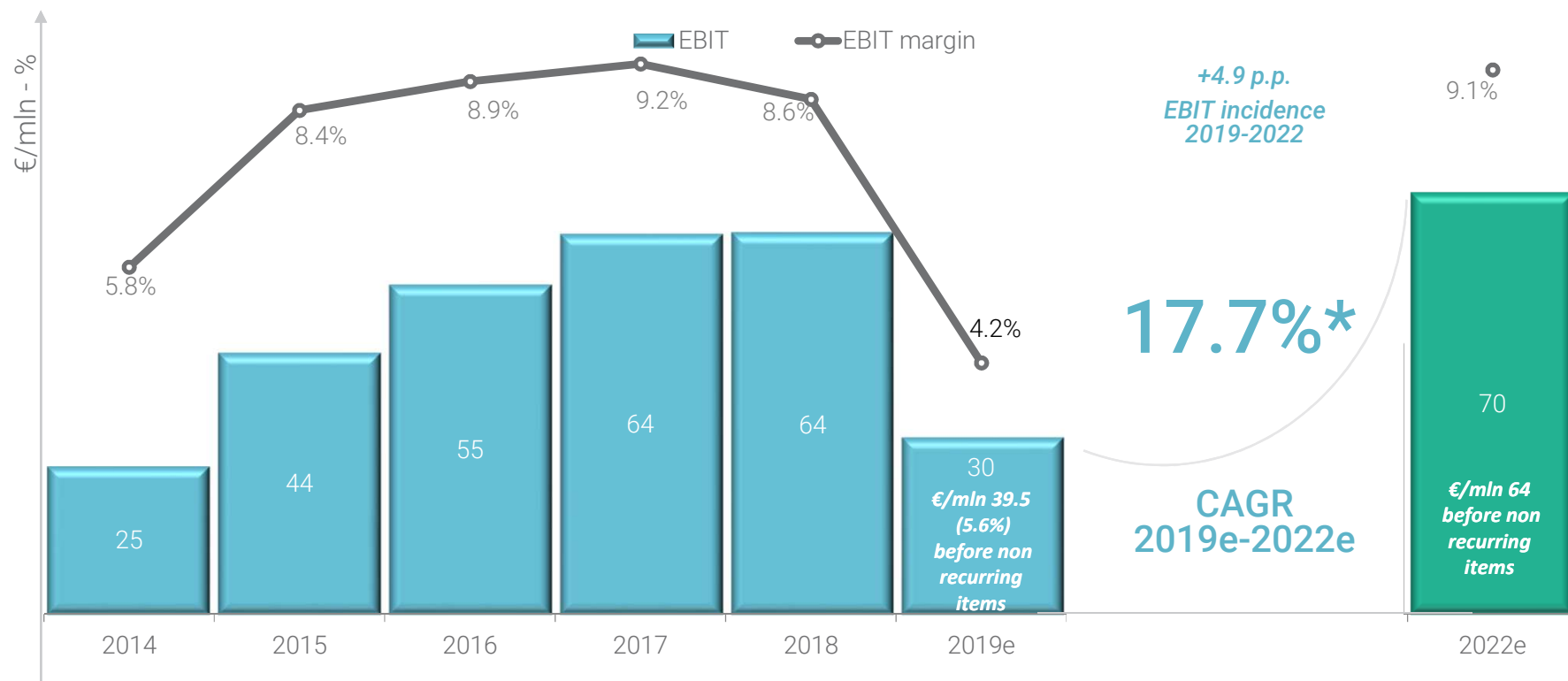
NET DEBT



LABOUR & OVERHEAD COSTS



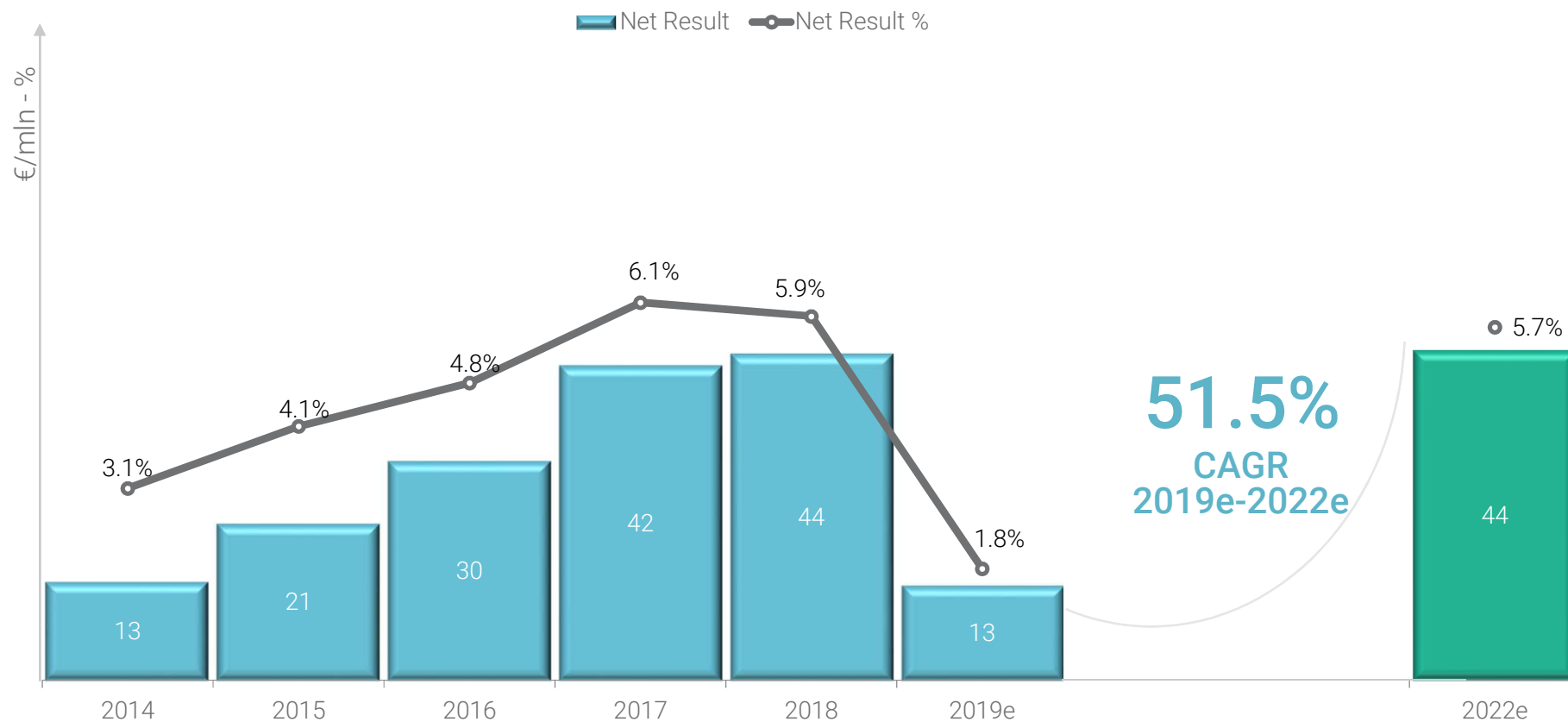
EBIT



2019e results are expected to be impacted negatively by 9.5 €/mln of non recurring items
2022 results are expected to be impacted positively by Chinese plant divestment

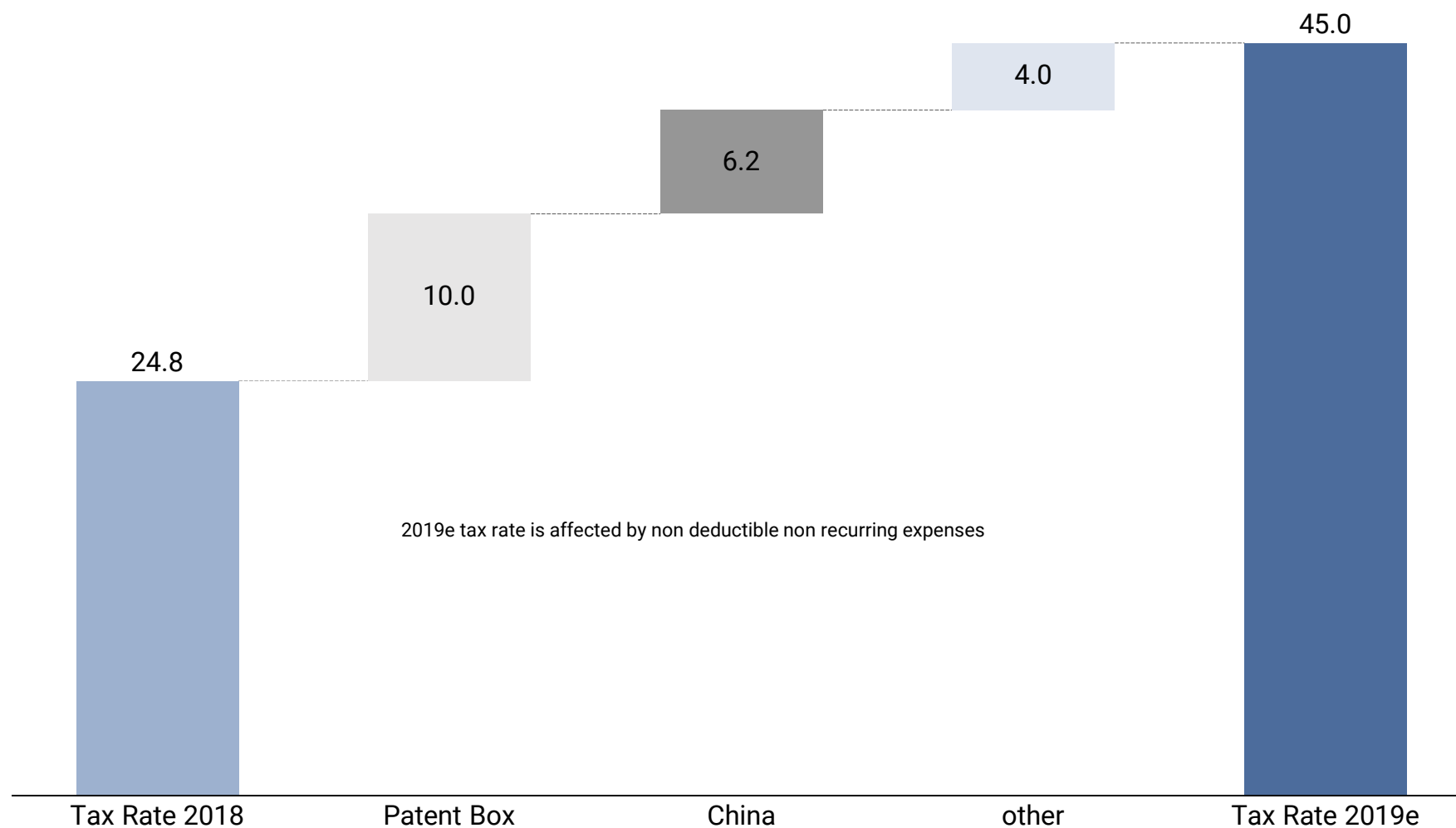
*Before Non Recurring in
2019e and 2022

NET RESULT



2019e results are expected to be impacted negatively
by 9.5 €/mln of non recurring items
2022 results are expected to be impacted positively by
Chinese plant divestment

TAX RATE EVOLUTION



EXTRACT OF THE P&L

€/mln	2014	2015	2016	2017	2018	2019e		2022e	
Net sales year -1	427 +12.9%	519 +21.5%	618 +19.1%	690 +11.6%	740 +7.2%	706 -4.6%	CAGR 2014-2019 10.6%	776	
Cost of goods sold	171 40.1%	206 39.7%	245 39.6%	270 39.1%	295 39.9%	287 40,6%		316 40.7%	
Labour & Overhead cost	219 51.3%	253 48.7%	301 48.7%	335 48.6%	359 48.5%	350 49.6%		364 46.9%	<47.0% incidence on Net Sales
EBITDA %	40 9.3%	64 12.4%	76 12.3%	89 12.9%	93 12.5%	77 10.9%		103 13.2%	
EBIT %	25 5.8%	44 8.4%	55 8.9%	64 9.2%	64 8.6%	30* 4.2%		70 9.1%	

*after non recurring items
before € 39.5 (5.6%)

2019e results are expected to be impacted negatively
by 9.5 €/mln of non recurring items
2022 results are expected to be impacted positively by
Chinese plant divestment

CASH FLOW

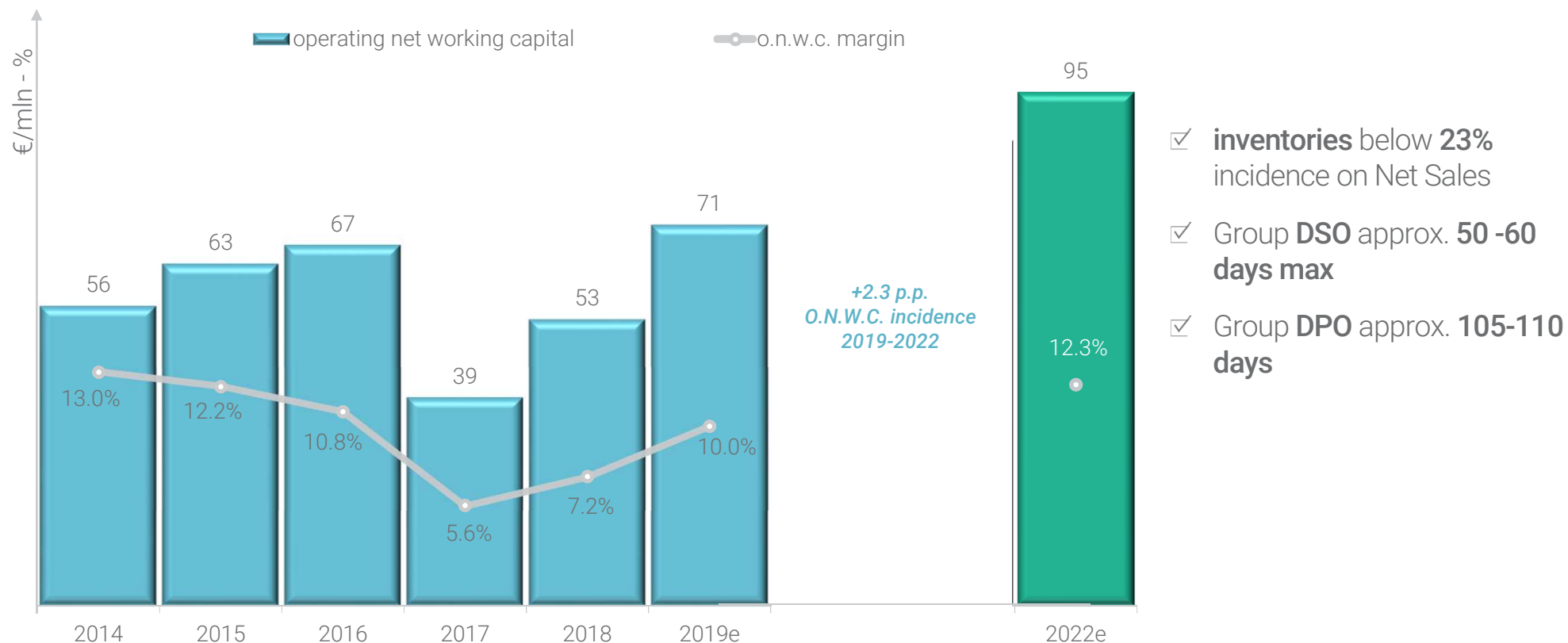
€/mln	2014	2015	2016	2017	2018	2019e	2022e
Gross Cashflow % net sales	38 9.0%	46 8.9%	47 7.4%	74 10.9%	53 7.1%	42 5.9%	68 8.8%
Investments % net sales	-21 4.9%	-25 4.9%	-32 5.2%	-39 5.7%	-45 6.1%	-71* 10.1%	-31** 4.0%
Net Cashflow % net sales	17 4.1%	21 4.1%	15 2.2%	35 5.2%	8 1.1%	-29 -4.2%	38 4.8%
Dividends	-4.8 0.18 per share	-9.8 0.36 per share	-9.8 0.36 per share	-9.9 0.36 per share	-13.1 0.48 per share	-13.1 0.48 per share	

* 34 €/mln IFRS 16 effect

** Included Chinese plant divestment

IFRS 16 effect
IAS 17 effect

OPERATING NET WORKING CAPITAL



OPERATING NET WORKING CAPITAL ELEMENTS

3 -Year Business Plan

BIESSEGROUP

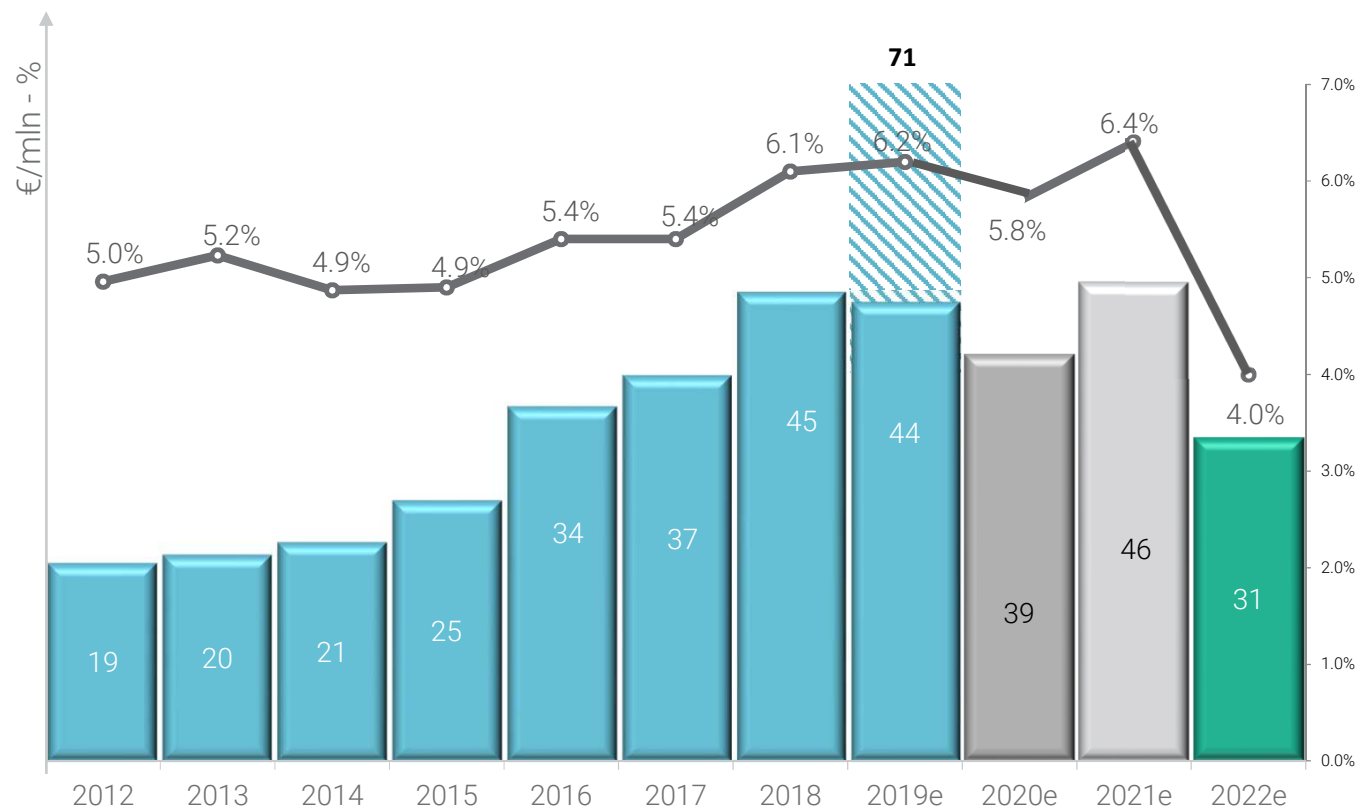
€/mln	2014	2015	2016	2017	2018	2019e	2022e
Inventories % net sales	23.0%	21.5%	21.1%	20.7%	22.0%	22.0%	22.0%
Receivables % net sales	18.9%	20.3%	20.8%	17.3%	18.1%	6.7%	9.2%
Payables % net sales	28.8%	29.5%	31.1%	32.4%	33.0%	18.8%	19.1%
Operating Net Working Capital % net sales	56 13.0%	63 12.2%	67 10.8%	39 5.6%	53 7.2%	71 10.0%	95 12.3%

According to IFRS 15 Advanced Payments from Clients are reclassified from Account Payables to Account Receivables. In 2019e advanced payments are approx. euro 65 million

IFRS 15 effect

CAPEX

total capex value total capex % on sales



2022e includes China restructuring effects (cash-in)

Main investments items in the plan period
2020-2022: (tangible average 55.9%)

- ✓ **Components** Cosmec (mechanical components) new plant and working centers
- ✓ **India** – expansion of the manufacturing plant
- ✓ **Subsidiary** Biesse America campus
- ✓ **Supply chain** – investments in the logistics network
- ✓ **R&D** capitalized
- ✓ **Divestment of the Chinese plant**

EMPLOYEES DISTRIBUTION

(without interim people)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Production % of total people	1,265 45%	1,175 44%	1,201 42%	1,335 42%	1,482 41%	1,494 39%	1,621 38%	1,385 35%
Service & After sale % of total people	574 21%	613 22%	628 22%	690 22%	803 22%	894 23%	1,001 24%	992 25%
R&D % of total people	338 12%	321 12%	361 13%	383 13%	436 12%	479 12,5%	501 12%	482 12%
Sales & Marketing % of total people	364 13%	351 13%	439 15%	495 15%	587 16%	641 17%	715 17%	685 17%
G&A % of total people	242 9%	235 9%	252 9%	273 9%	310 8,5%	338 8,8%	389 9%	382 10%
ITALY % of total people	1,646 59%	1,547 57%	1,605 56%	1,780 56%	2,009 56%	2,176 56%	2,483 59%	2,417 62%
OUTSIDE ITALY % of total people	1,136 41%	1,148 43%	1,276 44%	1,396 44%	1,609 44%	1,670 44%	1,744 41%	1,509 38%
TOTAL	2,782	2,695	2,881	3,176	3,618	3,846	4,227	3,926

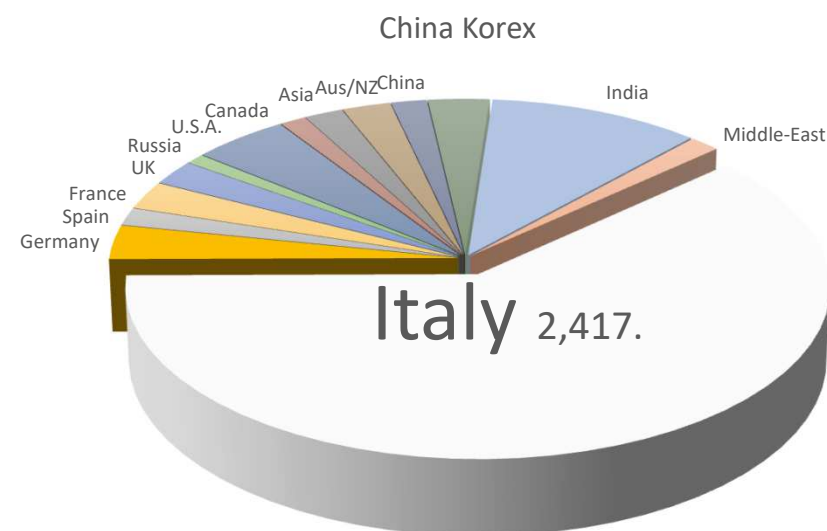
EMPLOYEES DISTRIBUTION (GEO)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
ITALY % of total people	1,646 59%	1,547 57%	1,605 56%	1,780 56%	2,009 70%	2,176 57%	2,483 59%	2,417 62%
OUTSIDE ITALY % of total people	1,136 41%	1,148 43%	1,276 44%	1,396 44%	1,609 44%	1,670 43%	1,744 41%	1,509 38%
TOTAL	2,782	2,695	2,881	3,176	3,618	3,846	4,227	3,926

interim people at the end of Dec. 2019: 207

4,133

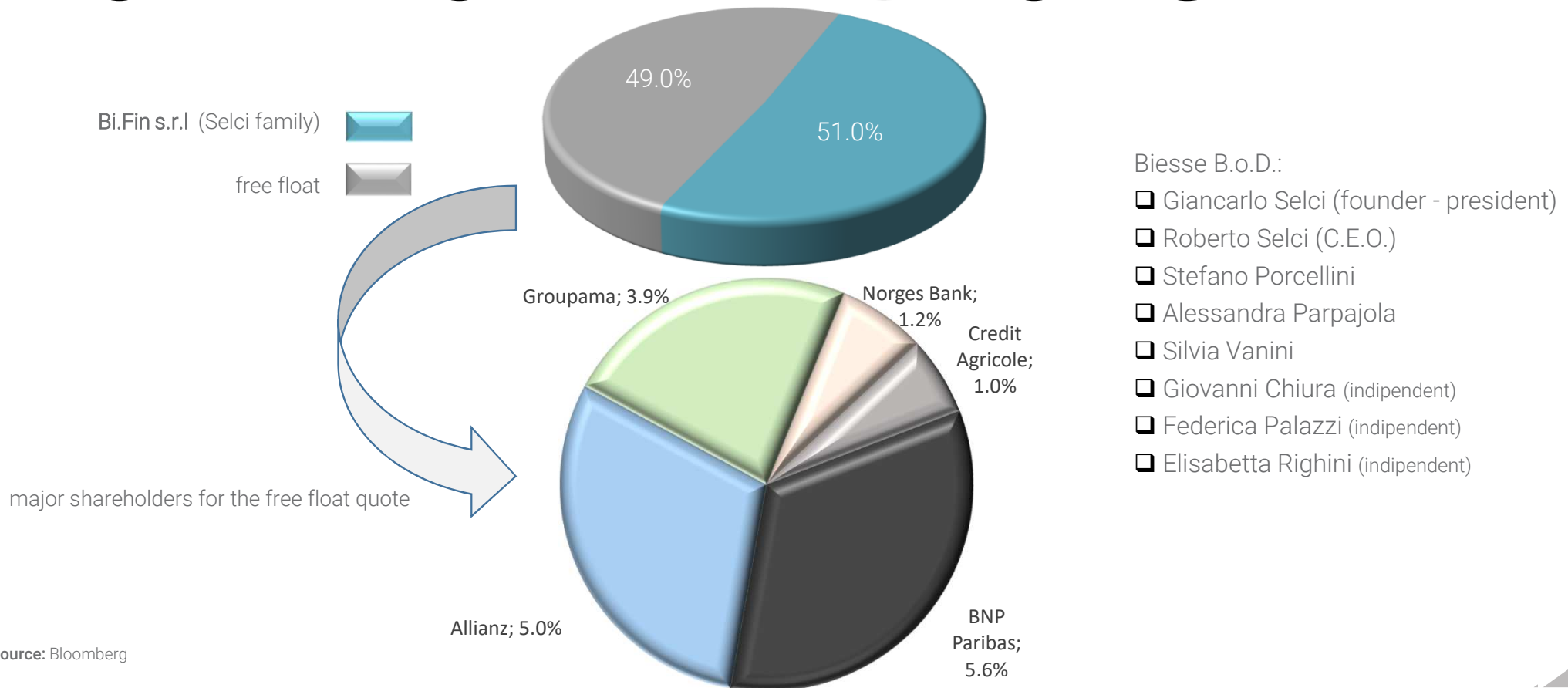
	FY 2018	FY 2019	%
Production	1,621	1,385	-14,6%
Service & After Sales	1,001	992	-0,9%
R&D	501	482	-3,8%
Sales & Marketing	715	685	-4,2%
G&A	389	382	-1,8%
ITALY	2,483	2,417	-2,7%
OUTSIDE ITALY	1,744	1,509	-13,5
TOTAL	4,227	3,926	-7,1%



SHAREHOLDERS - B.O.D.

 **BIESSE**GROUP

SHAREHOLDERS BREAKDOWN BY OWNERSHIP BOARD OF DIRECTORS



FINANCIAL CALENDAR

 **BIESSE**GROUP

FINANCIAL CALENDAR

13 March 2020

approval of the 2019 financial statement project



21-22 April 2020

general shareholders meeting (first and second convocation - Pesaro)

12 May 2020

approval of the 2020 IQ results

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