

# COMPANY PRESENTATION

DECEMBER 2020

 **BIESSEGROUP**



# OUR IDENTITY

# OUR VALUES

 **BIESSEGROUP**

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 believes in:

**INNOVATION**  
**INTEGRITY**  
**PROACTIVITY**



# 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

# 4 12

**MAIN BUSINESS  
DIVISIONS**

**PRODUCTION  
SITES**

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.



# ALL OVER THE WORLD

We support our colleagues all over the world, using the most advanced management, sales and support systems. Our global network enables us to be always close to our customers.

39  
+ 300

SUBSIDIARIES AND  
REPRESENTATIVE  
OFFICES

SELECTED  
DISTRIBUTORS

 **BIESSEGROUP**

 **BIESSE**  
 **DIAMUT**  
 **INTERMAC**



# SUPPORTING OUR CUSTOMERS

 BIESSEGROUP

Customers in 120 countries: manufacturers of furniture, design items and door/window frames, producers of elements for the building, nautical and aerospace industries.

CUSTOMERS IN

120

COUNTRIES



# WITH OUR PEOPLE

 **BIESSE**GROUP

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 that are part of the Biesse family.

# < 4k

**EMPLOYEES\***

\* temporary workers included



# SUSTAINABILITY



# PLANNING FOR A MORE SUSTAINABLE FUTURE

 BIESSEGROUP



All activities are carried out in recognition of the moral and social responsibilities that we have towards our stakeholders, in the belief that the achievement of sales objectives cannot overlook our values of honesty, integrity, fair competition and correctness in dealings with all our stakeholders, including shareholders, customers, employees, suppliers and local communities.



# CSR HIGHLIGHTS

 **BIESSEGROUP**

## ECONOMIC SUSTAINABILITY

More than

**300**

persons involved in  
R&D activities

**89%**

of purchases by our  
manufacturing plants in Italy,  
India and China come from local  
suppliers

## SOCIAL SUSTAINABILITY

**95%**

of employees have  
permanent contracts

**+100K**

hours of training  
provided to personnel during  
the course of 2019

## ENVIRONMENTAL SUSTAINABILITY

**+37.5%**

photovoltaic panels installed  
compared to the previous year

**92%**

of waste products  
are non-hazardous



# 2020 MAIN TARGETS

 BIESSEGROUP

REDUCTION OF THE EMISSION IN THE  
ATMOSPHERE

at least

-40% CO<sub>2</sub>

\*

Through strategies of carbon footprint reduction aimed  
at utilising energy from renewable sources combined  
with energetic efficiency.

*\*CO<sub>2</sub> scope 2 market based*



# 2020 MAIN TARGETS

 **BIESSE**GROUP

**CERTIFICATION OF THE HEALTH AND  
SAFETY SYSTEM FOR BIESSE SPA**

# ISO 45001

Biesse Spa has started the process of formalization and certification of the health and safety system in accordance with ISO 45001 international standards.



# GLOBAL ORGANIZATION

EXPORT  
more than

**85%**  
OF SALES





# CUSTOMERS/SECTORS BIESSE GROUP



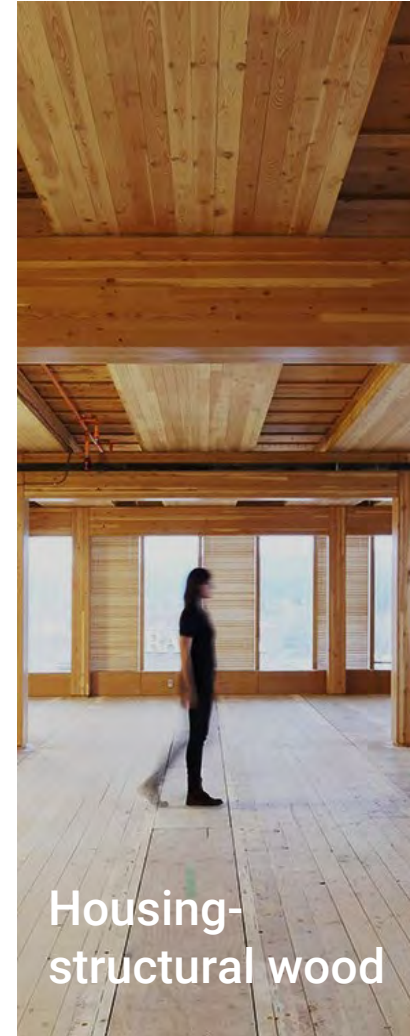
Furnishing



Furnishing



Frames  
(doors/windows)



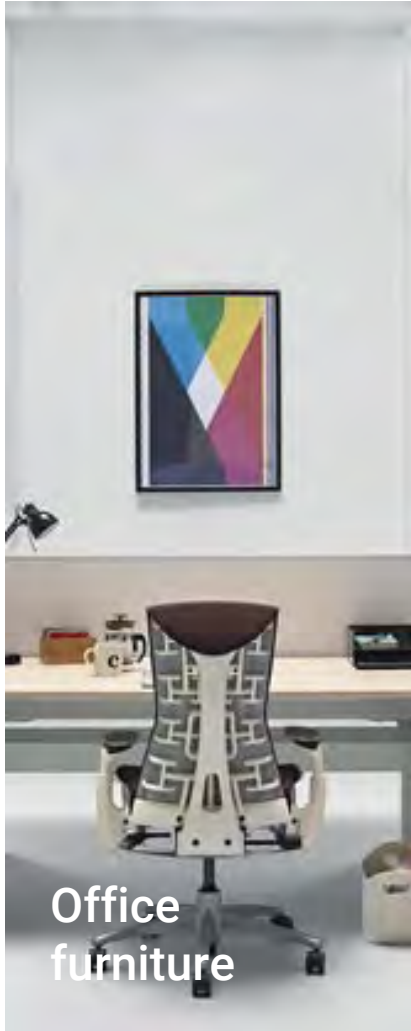
Housing-  
structural wood



Housing



# CUSTOMERS/SECTORS BIESSE GROUP



Office  
furniture



Advanced  
materials



Glass



Stone-marble



Automotive



# CUSTOMER SALES

 BIESSEGROUP

> 67,000

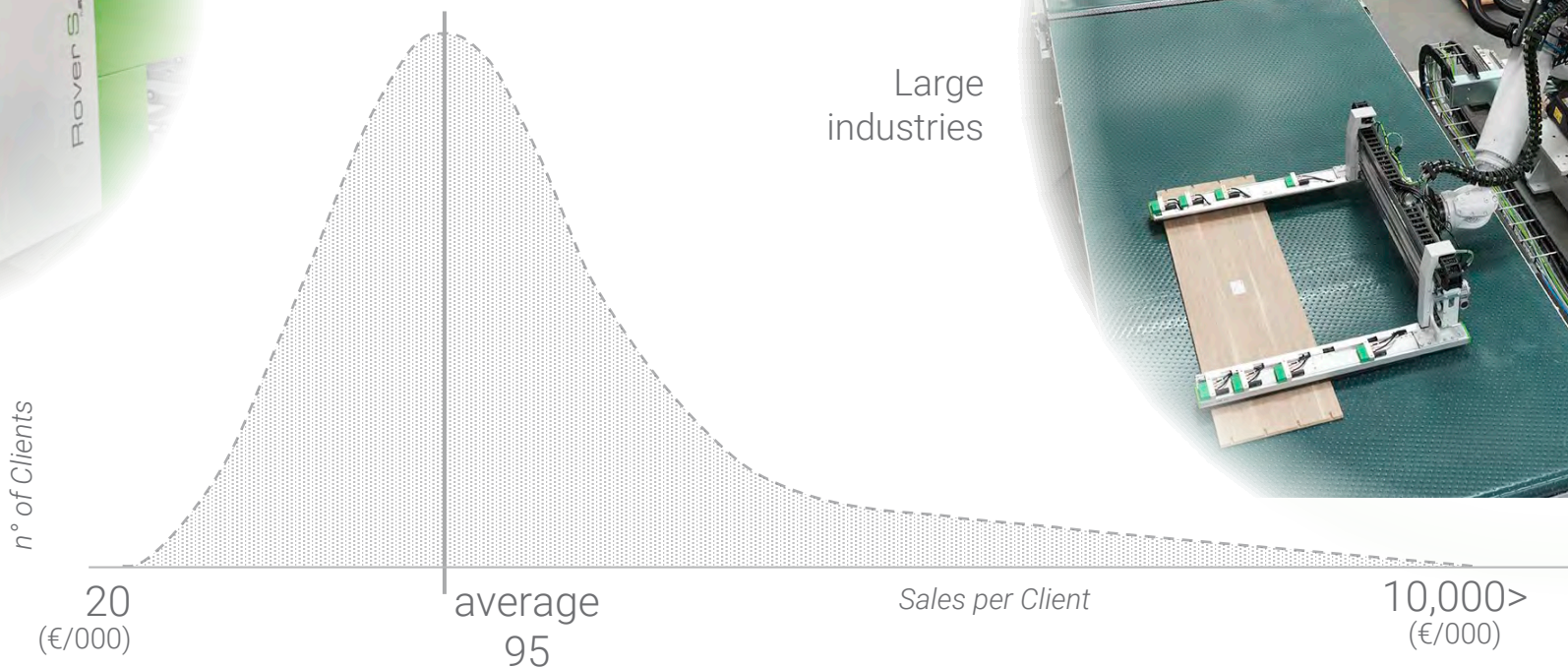
An extremely wide and fragmented customer base with no risk of concentration.

From small manufacturers to medium/large industries.



# CUSTOMERS

extremely wide and fragmented  
customer base with low risk of  
concentration



Small-medium  
companies

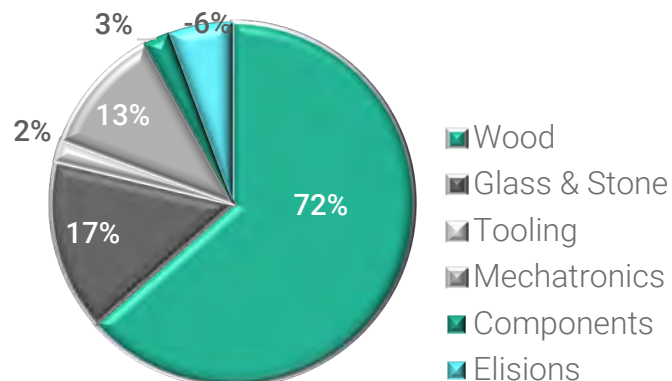
Large  
industries



# SALES BREAKDOWN

**BIESSEGROUP**

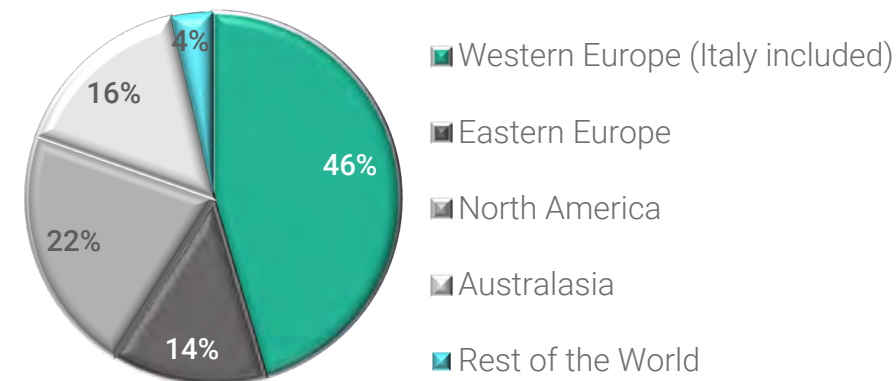
BY DIVISION



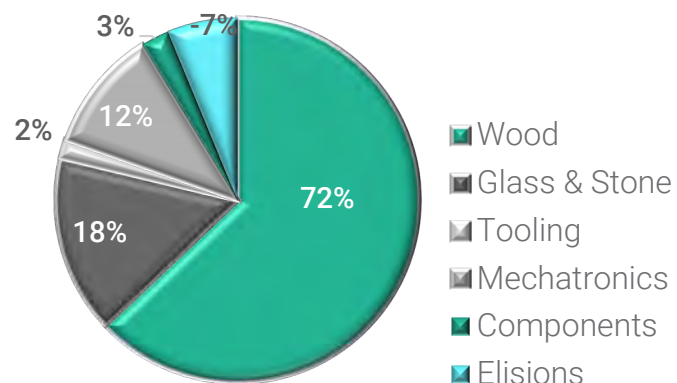
IIIQ 2020

BY MAIN GEO-AREAS

Italy 13.0%



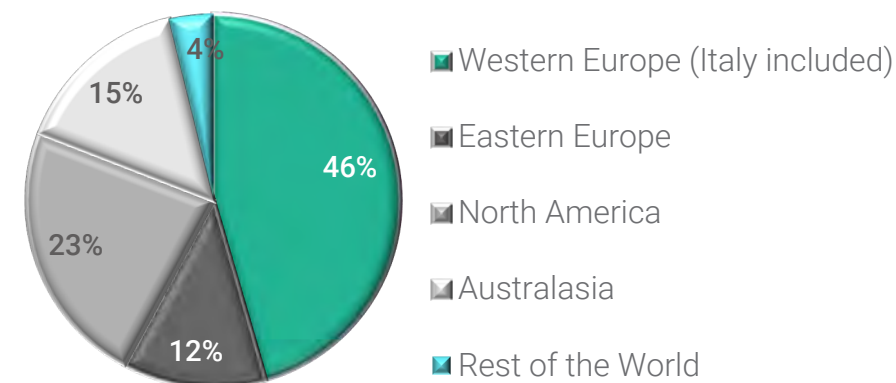
BY DIVISION



IIIQ 2019

BY MAIN GEO-AREAS

Italy 14.3%





# STRATEGY

RECAP



# 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

## One Company

*Establish a new operating model*

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

## Network Expansion

*Enlarge Global Distribution*

- 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



# BIESSE SMART FACTORY

## THE MARKET EXPECTS

Solutions that allow manufacturing companies of the fourth industrial revolution to evolve technologically, combining human skill and experience with total production automation and interconnectivity.

## BIESSE RESPONDS

with advanced technologies and services that can digitalise and automate factories and production processes, optimising all their main assets - whether technological, strategic, organisational or human.



# SOPHIA: SMART FACTORY ENABLER

## Digital transformation

The use of Artificial Intelligence solutions and IoT technologies enable our clients to remotely activate and manage their manufacturing systems.

## Biesse responds to the future

SOPHIA is a central hub of services connected to machines. The future objective is to evolve the platform into a centralised coordinator of services based on Artificial Intelligence.



**Predictive Maintenance**



**Smart Objects**



**Internet of Things**



**Machine Learning**

*"Focus on your work, Sophia takes care of the rest".*

# SOPHIA RESULTS

>2,000

Connected Machines by  
SOPHIA in 2019

>50,000

Carts Created on  
Parts, the Online and in-app  
SOPHIA Marketplace

1 Hour

With SOPHIA the average  
response time for a machine  
downtime ticket is 1 hour in  
80% of cases

90%

of Customers in Italy and 70%  
worldwide have renewed the  
service





# SOPHIA TARGETS

 **BIESSE**GROUP

## >50%

Spare Parts order on  
SOPHIA Marketplace  
(Parts) by 2022

### Route to the future

Digital innovation creates the future: an inevitable process, that is yet to be developed in machinery industry.

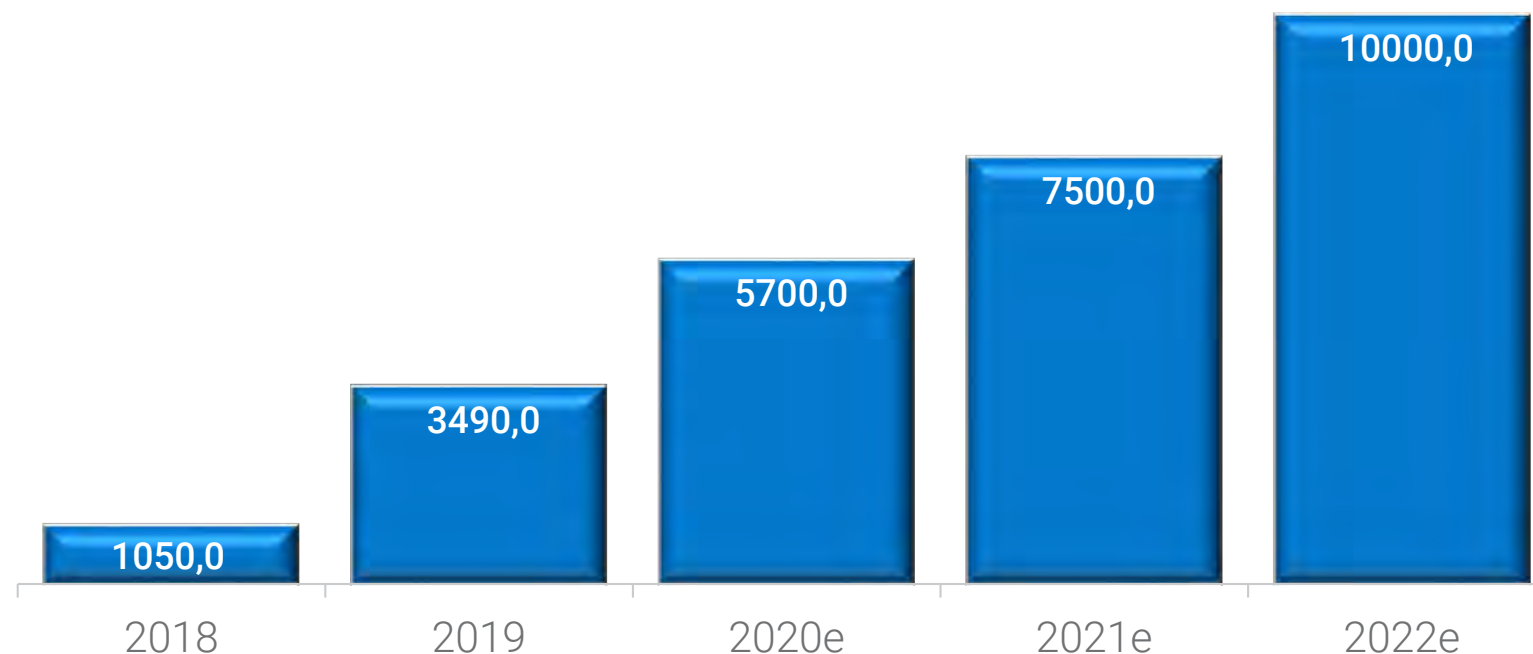
SOPHIA paves the way for the future of Industry 4.0, starting now.

*Number of **SOPHIA packages** sold with new machines and renewal 2018-2022*

SOPHIA will be in  

## >10,000

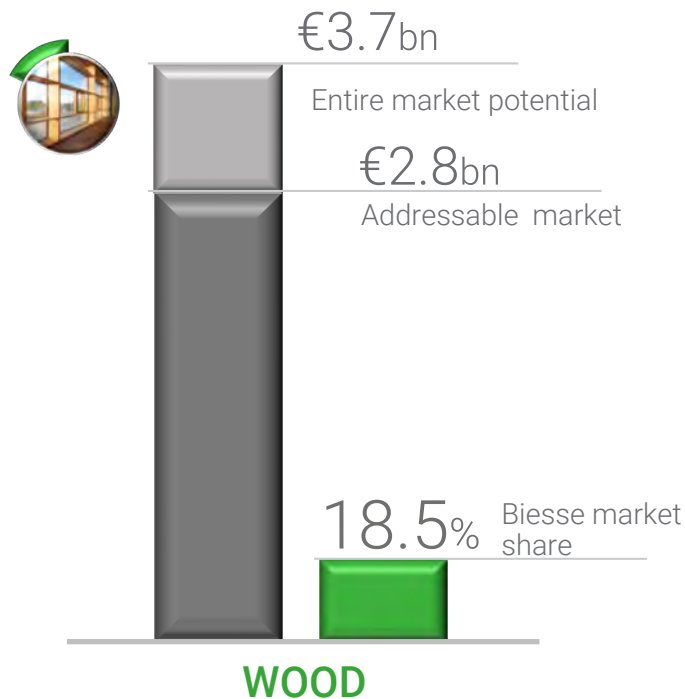
machines sold by 2022 and  
make them intelligent.



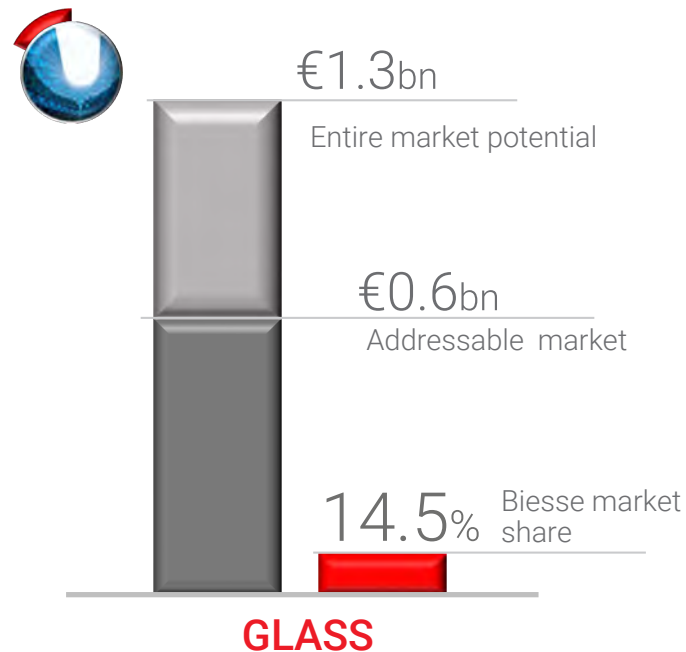
# CORE SEGMENTS MARKET 2019

 **BIESSE**GROUP

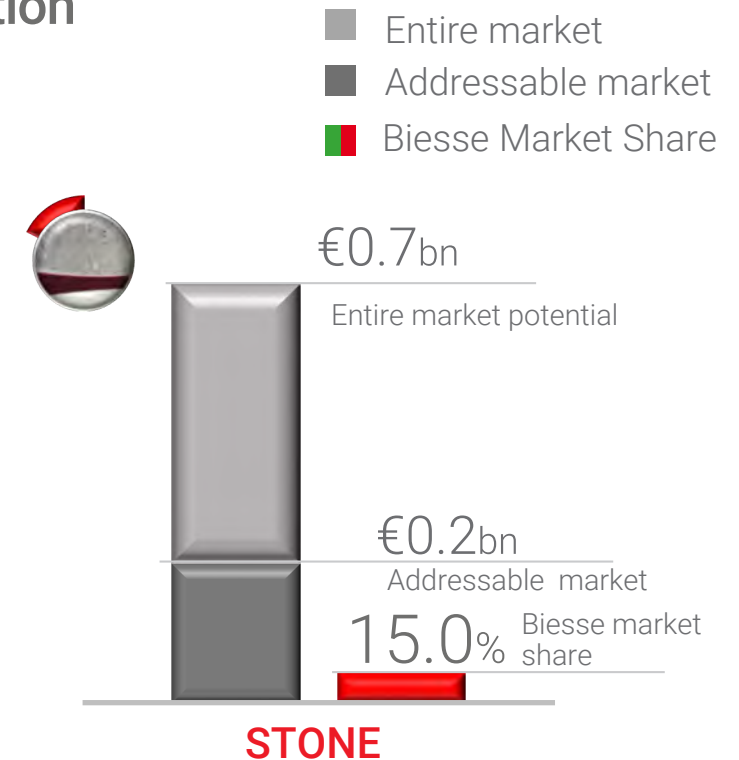
We are in leading positions in our reference markets: Wood, Glass, Stone working machines.  
We want to consolidate our positioning fostering product innovation



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



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

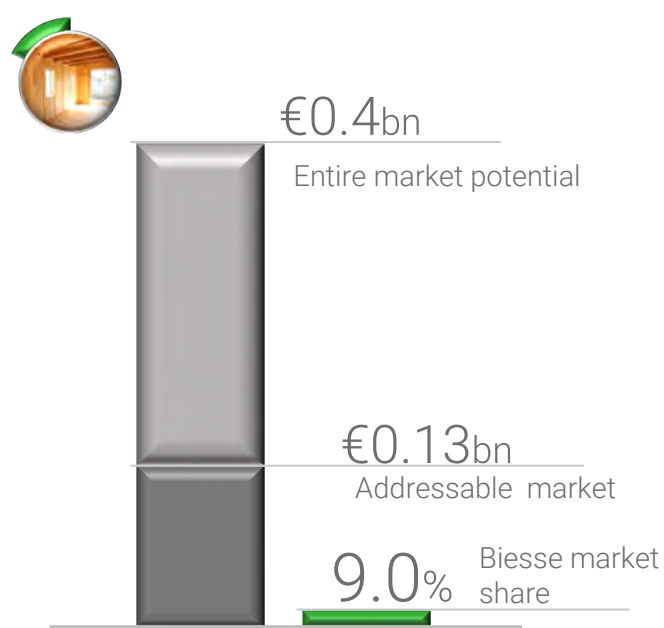


We are the world **industry leader** in  
the stone market in which we  
operate.



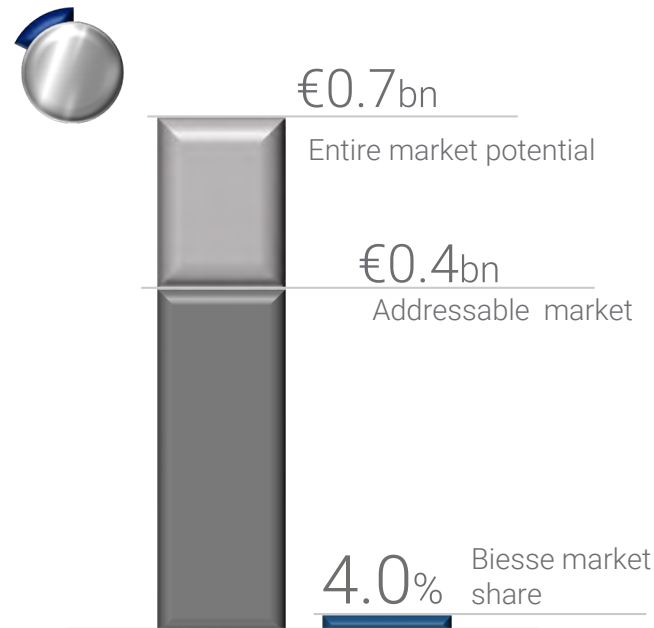
# NEW SEGMENTS MARKET 2019

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



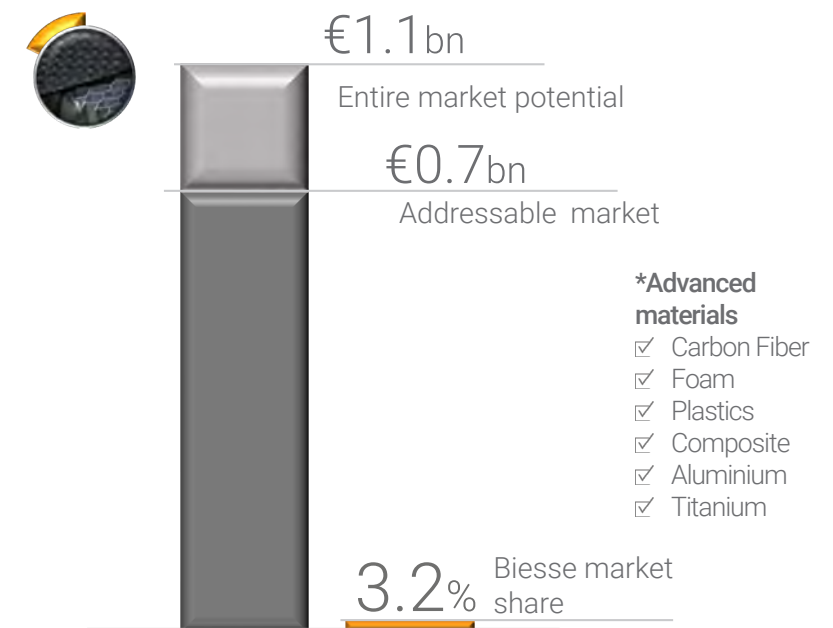
## STRUCTURAL WOOD

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**.

# IIIQ 2020



# EXTRACT OF THE P&L

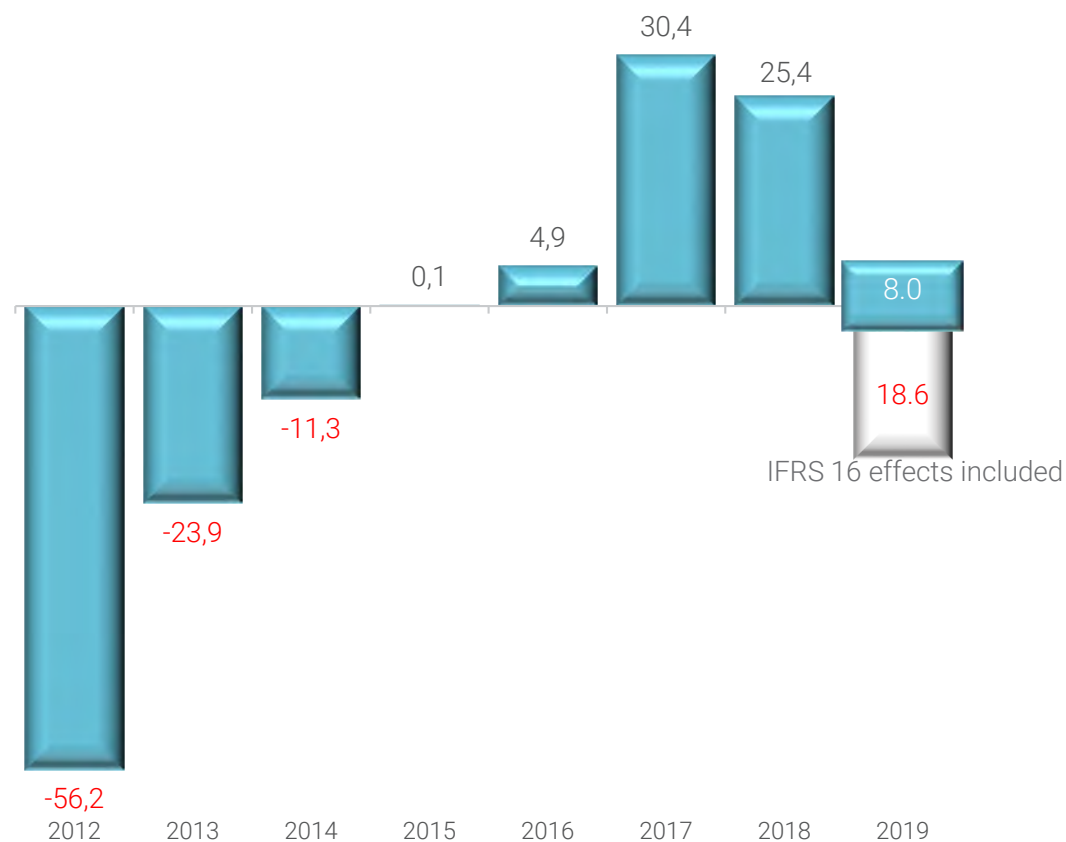
€/mln	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	9 months 2019	9 months 2020
<b>Net sales</b> <i>year -1</i>	<b>427</b> <b>+12.9%</b>	<b>519</b> <b>+21.5%</b>	<b>618</b> <b>+19.1%</b>	<b>690</b> <b>+11.6%</b>	<b>741</b> <b>+7.4%</b>	<b>705.9</b> <b>-4.8%</b>	511.1	396.4 -22.4%
Cost of goods sold	171 40.1%	206 39.7%	245 39.6%	270 39.1%	295 39.9%	286 40,6%	236.8 46.3%	191.9 48.4%
Labour & Overhead cost	219 51.3%	253 48.7%	301 48.7%	335 48.6%	359 48.5%	350 49.6%	163.3 31.9%	136.2 34.3%
<b>EBITDA*</b> %	<b>40</b> <b>9.3%</b>	<b>64</b> <b>12.4%</b>	<b>76</b> <b>12.3%</b>	<b>89</b> <b>12.9%</b>	<b>93</b> <b>12.5%</b>	<b>77</b> <b>10.9%</b>	<b>57.1</b> <b>11.2%</b>	<b>37.5</b> <b>9.5%</b>
<b>EBIT*</b> %	<b>25</b> <b>5.8%</b>	<b>44</b> <b>8.4%</b>	<b>55</b> <b>8.9%</b>	<b>64</b> <b>9.2%</b>	<b>64</b> <b>8.6%</b>	<b>30*</b> <b>4.2%</b>	<b>29.4</b> <b>5.7%</b>	<b>10.2</b> <b>2.6%</b>

\*before non recurring items

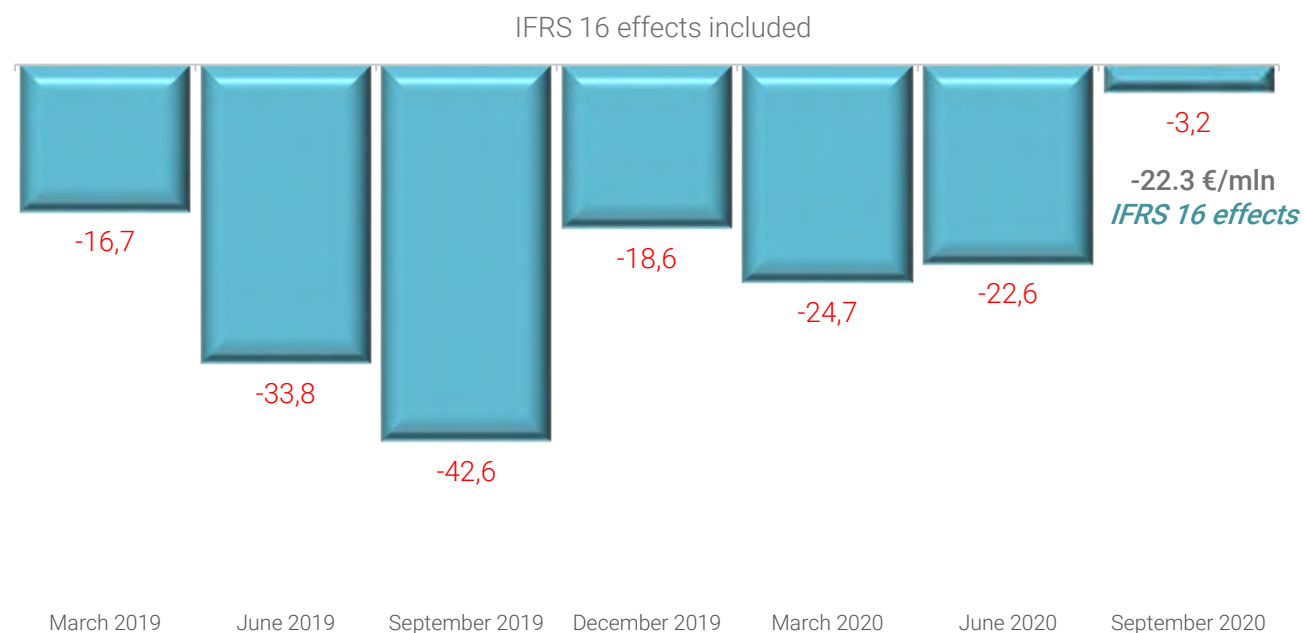
# NET DEBT

€/mln

N.F.P. on yearly basis (2012-2019)



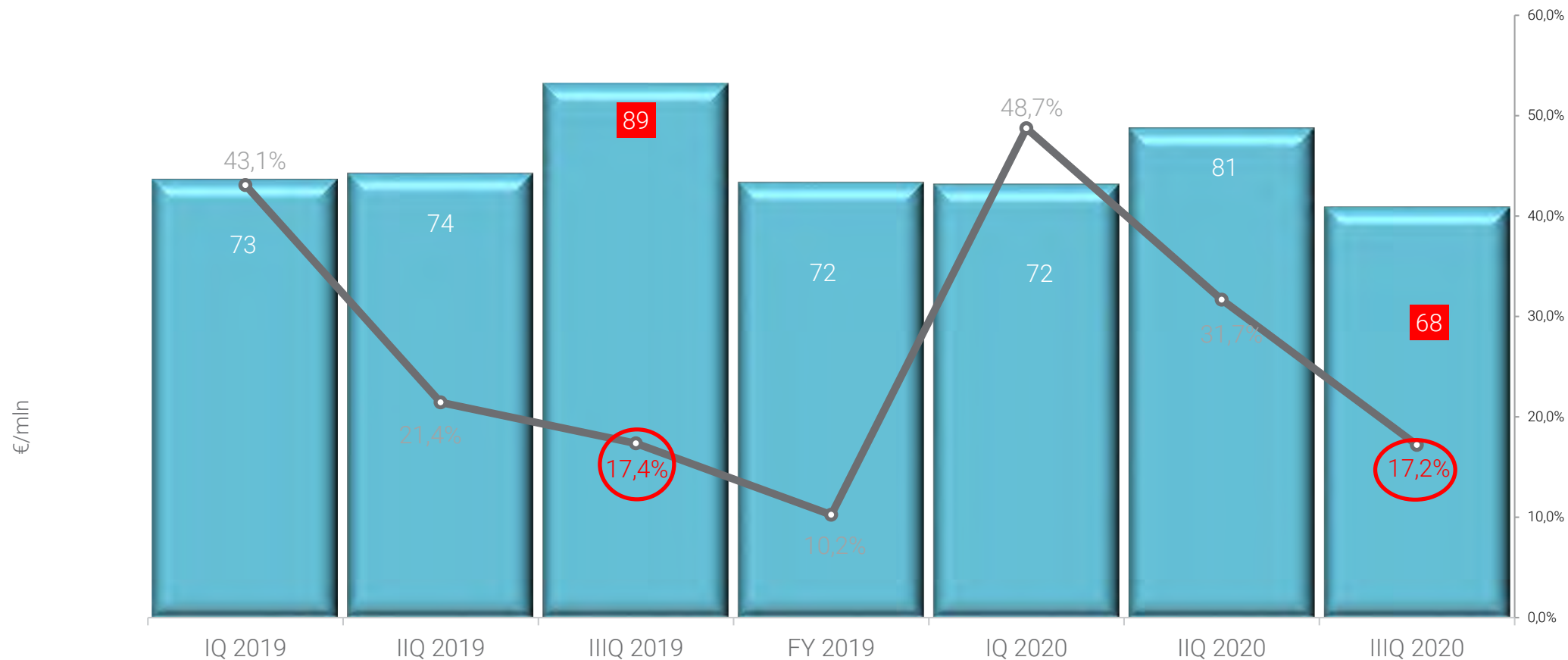
N.F.P. on quarterly basis (2019-2020)





# OPERATIVE NET WORKING CAPITAL

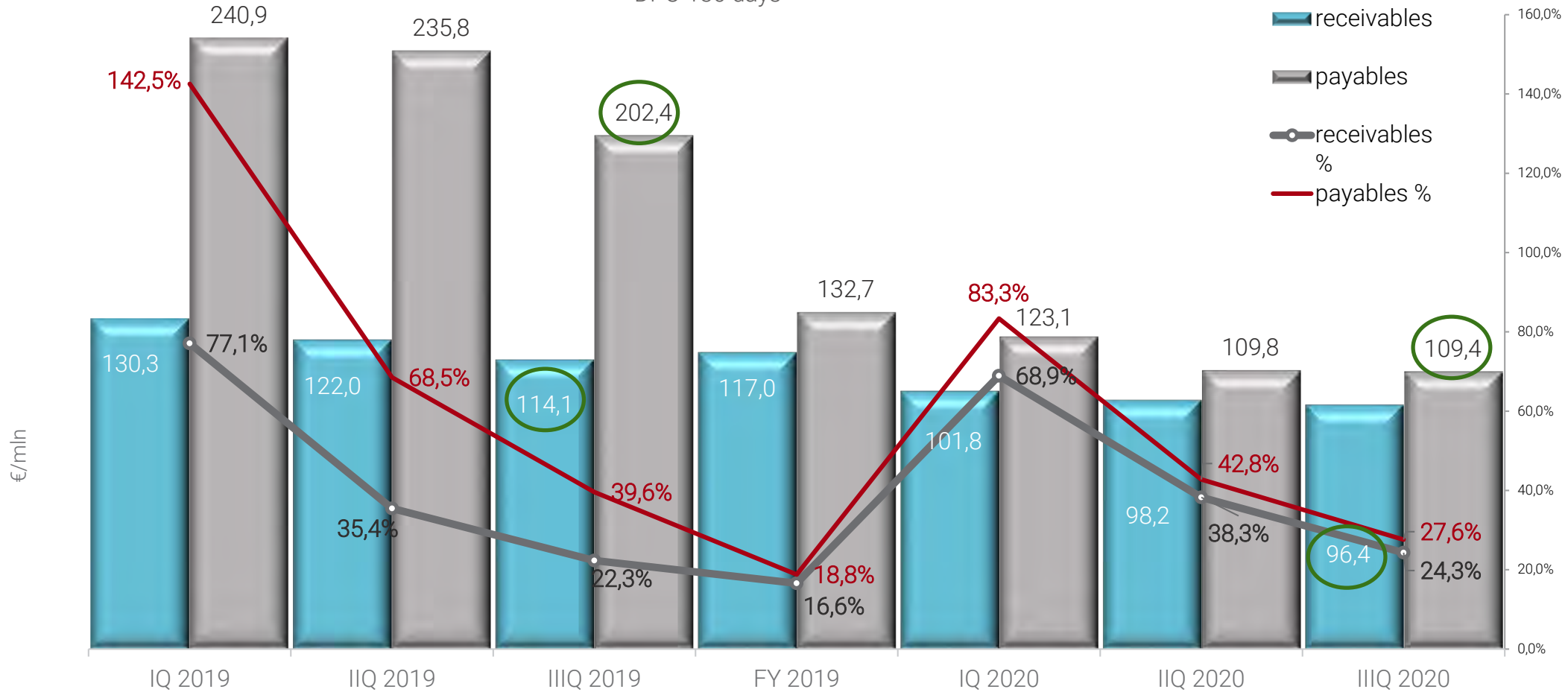
BY QUARTERS



# RECEIVABLES – PAYABLES

## BY QUARTERS

DSO 59 days  
DPO 130 days

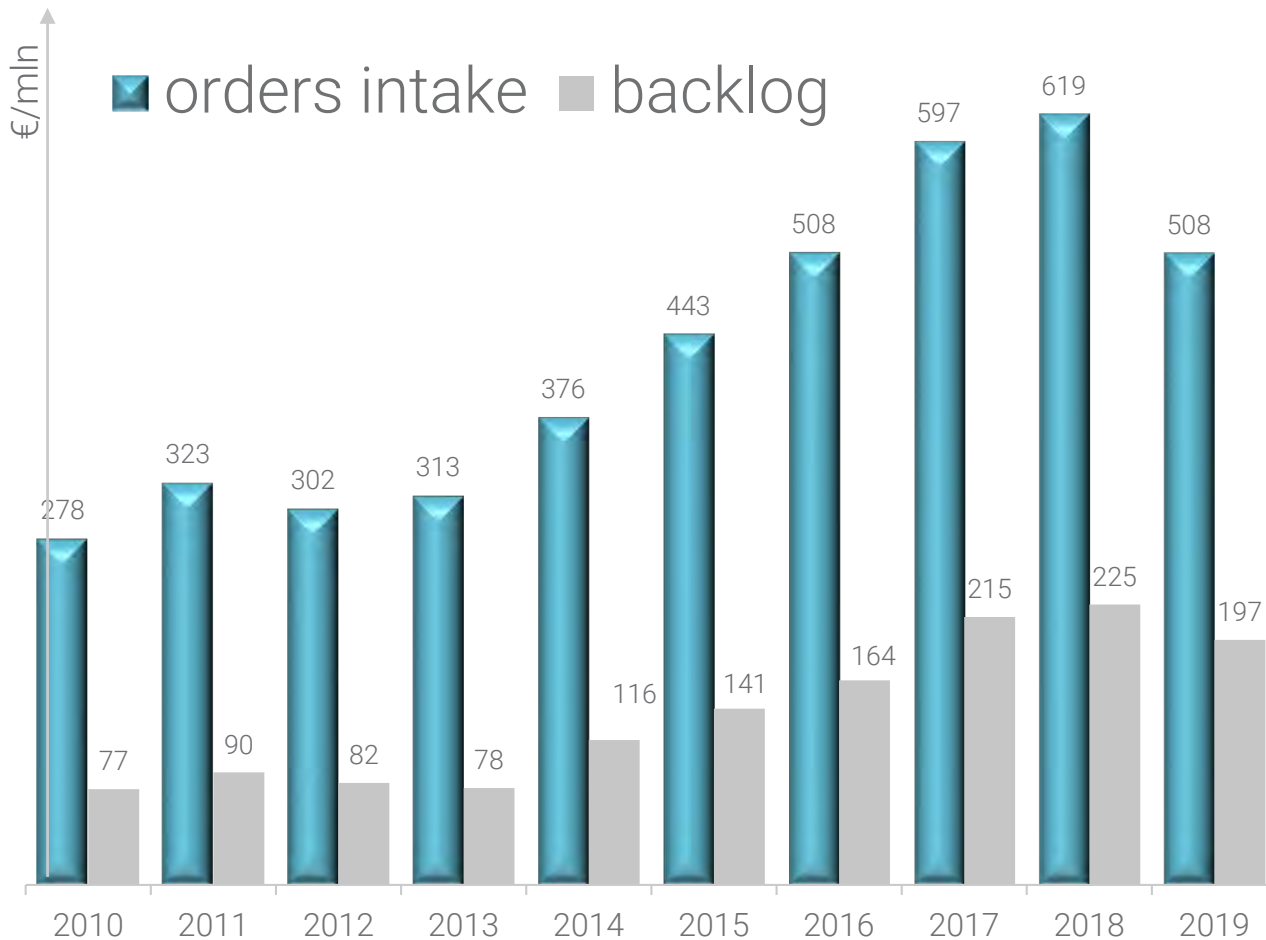




# ORDERS INTAKE & BACKLOG

# GROUP ORDERS INTAKE & BACKLOG

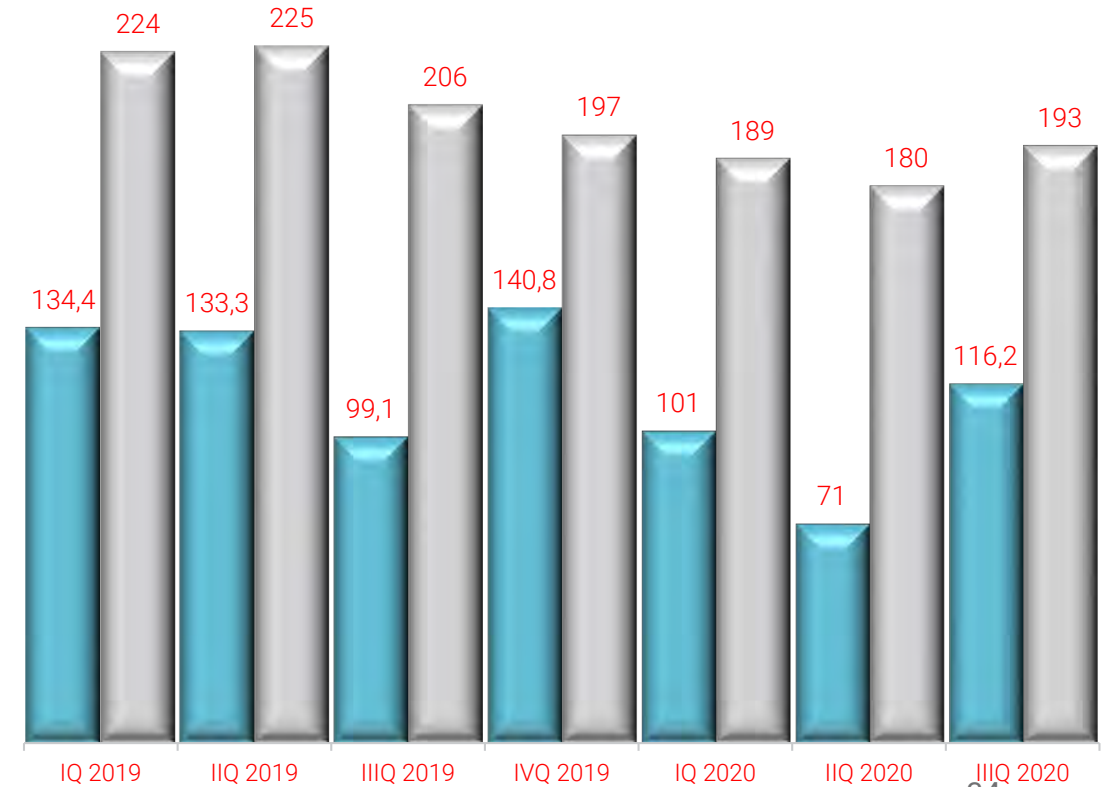
**BIESSEGROUP**



✓ 2020 Sept. Group orders Intake 9 months **-21.3%** (vs 2019)

- IQ 2020 -24.7% vs IQ 2019
- IIQ 2020 -46.5% vs IIQ 2019
- IIIQ 2020 +17.2% vs IIIQ 2019

✓ 2020 Sept. Group backlog **-6.4%** (vs Sept. 2019) and **-1.7%** (vs December 2019)



machines only



# STAFF DISTRIBUTION

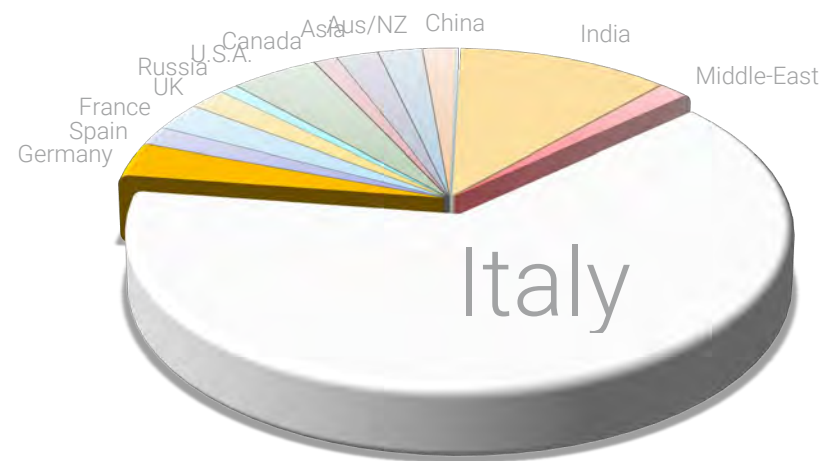
# EMPLOYEES DISTRIBUTION

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Sept 2020
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%	2,418 62%	2,398 63%
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%	1,350 36%
TOTAL	2,782	2,695	2,881	3,176	3,618	3,846	4,227	3,927	3,748

interim people at the end of September '20: nr 232  
(interim people March '20: nr 298 – interim people June '20: nr 248)

total Group including interim people = nr. 3,980

	FY 2019	Sept 2020	%
Production	1,386	1,300	-6,20%
Service & After Sales	992	968	-2,42%
R&D	482	481	-0,21%
Sales & Marketing	685	636	-7,15%
G&A	382	363	-4,97%
ITALY	2,418	2,398	-0,83%
OUTSIDE ITALY	1,509	1,350	-10,54%
TOTAL	3,927	3,748	-4,56%





# EMPLOYEES DISTRIBUTION

(without interim people)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	SEPT 2020
<b>Production</b> % of total people	1,264 45%	1,175 44%	1,201 42%	1,335 42%	1,482 41%	1,494 39%	1,621 38%	1,386 35%	1,300 34%
<b>Service &amp; After sale</b> % of total people	574 21%	613 22%	628 22%	690 22%	803 22%	894 23%	1,001 24%	992 25%	968 25%
<b>R&amp;D</b> % of total people	338 12%	321 12%	361 13%	383 13%	436 12%	479 12,5%	501 12%	482 12%	481 12%
<b>Sales &amp; Marketing</b> % of total people	364 13%	351 13%	439 15%	495 15%	587 16%	641 17%	715 17%	685 17%	636 16%
<b>G&amp;A</b> % of total people	242 9%	235 9%	252 9%	273 9%	310 8,5%	338 8,8%	389 9%	382 10%	363 9%
<b>ITALY</b> % of total people	1,646 59%	1,547 57%	1,605 56%	1,780 56%	2,009 56%	2,176 56%	2,483 59%	2,418 62%	2,398 63%
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<b>TOTAL</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>3,927</b>	<b>3,748</b>

# COVID-19

# FACE THE CRISIS

## Our main goals:

- a) keep safe our people
- b) re-think and re-organize our business model
- c) be ready and reactive for the future changes



# FACE THE CRISIS

## Our main goals:

- a) ☐ adopt all available health measures to keep safe our people
- ☐ smart working increase-prolong
- ☐ constant internal communication
- b) ☐ review the operating activities, adapting our model to the customers reHuest
- ☐ support and focus the margins, maintaining the liquidity
- ☐ do not give up / slow down the innovation in technology (R&D investments)
- c) ☐ internal analysis regarding the organizational measures to be taken in respect of the laws (health)
- ☐ external analysis of any possible impact of the Covid-19, especially for the future development
- ☐ evaluate all the possible steps to be taken considering our ESG commitment



# FACE THE CRISIS

## Focus on cost containment:

### Labour cost

- ☐ forced collective holidays (residual balance if any)
- ☐ CIGO (temporary lay-off scheme)

### Cost cutting

- ☐ travel, exhibitions and marketing costs reduction
- ☐ renegotiation of key contracts (fixed costs)

### Investments

- ☐ CAPEX reduction
- ☐ postponement of the NON-Strategic projects

# FINANCIAL SUPPORT

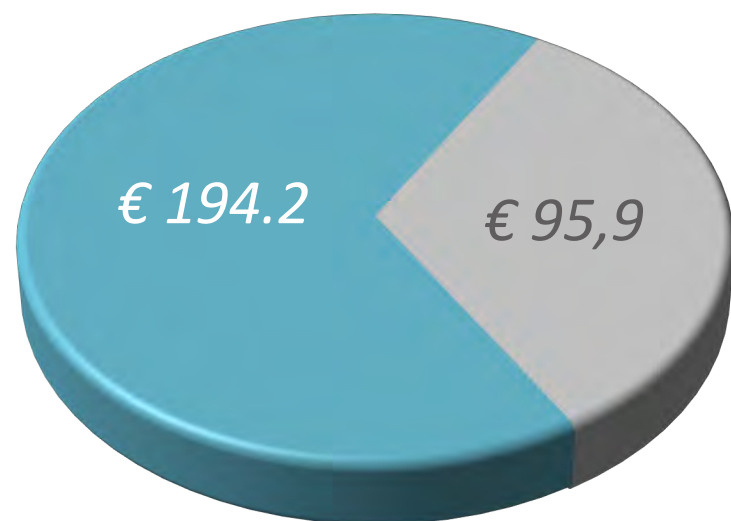


# FINANCIAL SUPPORT





# facilities breakdown

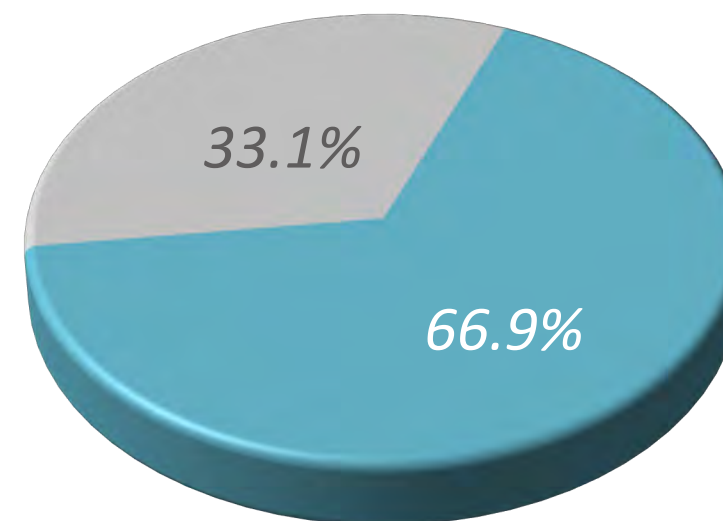
breakdown by *type*





available cash: € 158.4 mln  
> 1y debt: € 124.2 mln

-  « a revoca »
-  committed

breakdown by *duration*



-  < 12 months
-  > 12 months





# SHAREHOLDERS

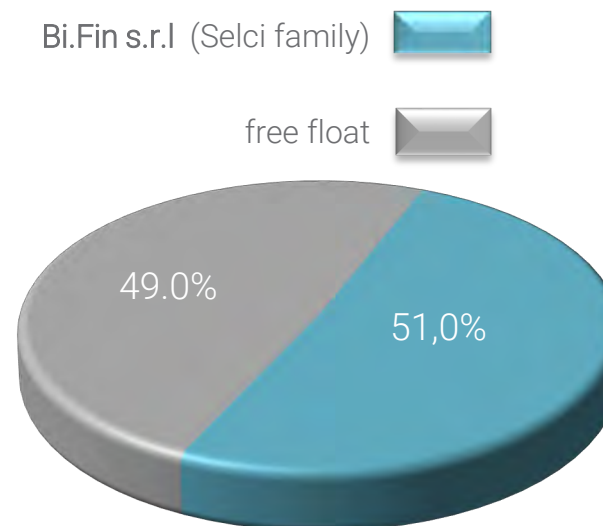
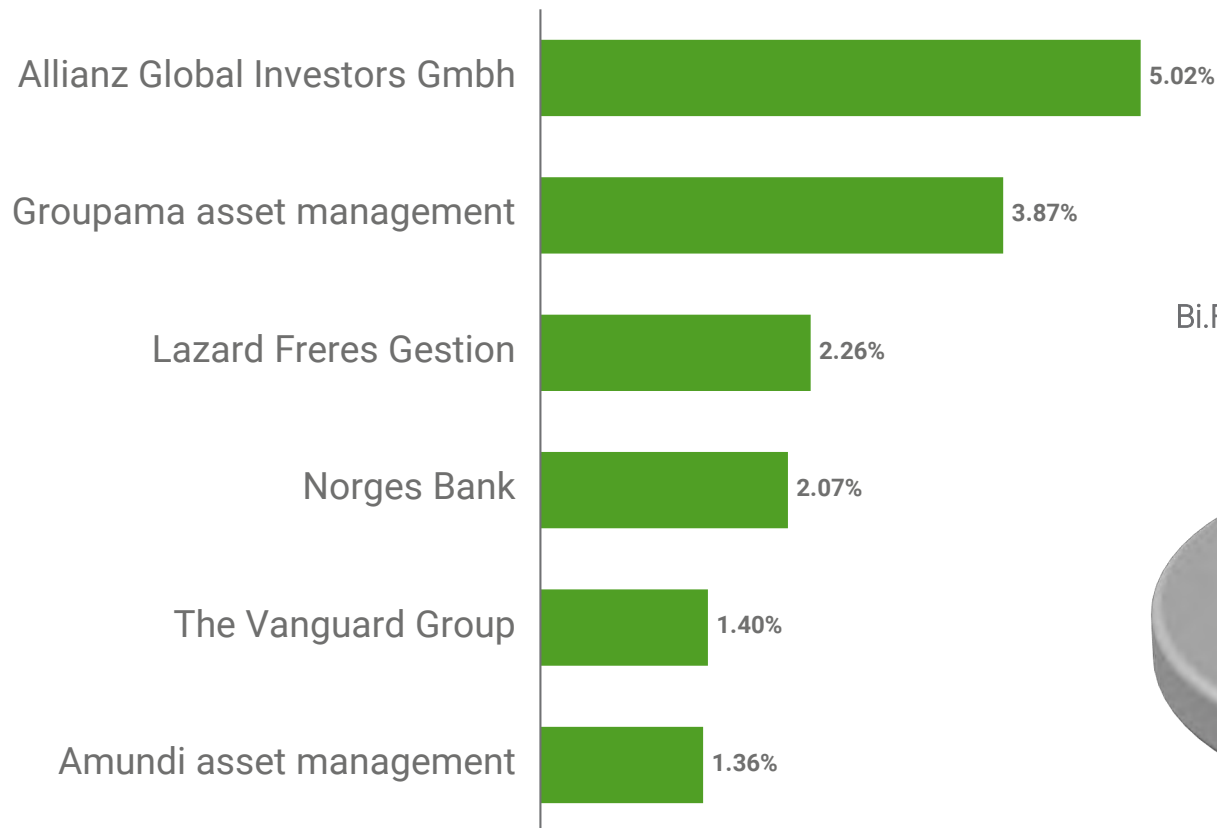
## B.o.D.

# SHAREHOLDERS BREAKDOWN BY OWNERSHIP & B.O.D.

 **BIESSE**GROUP

Biesse B.o.D.:

-  Giancarlo Selci (founder - president)
-  Roberto Selci (C.E.O.)
-  Massimo Potenza (co C.E.O.)
-  Stefano Porcellini
-  Alessandra Parpajola
-  Giovanni Chiura (independent)
-  Federica Palazzi (independent)
-  Elisabetta Righini (independent)



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