

Strategic Business Plan 2024-2026

Pesaro

28th February 2024





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Who we are

01

This is Biesse



We are an international company that manufactures integrated lines, machines and components to process wood, glass, stone, polymer and composite.

Founded in Italy in 1969 and listed in the **Euronext STAR segment** of the Italian Stock Exchange, we support the business evolution of our customers in the furniture, housing & construction, automotive and aerospace sectors.

Today, **80%** of our consolidated turnover is achieved abroad by an ever-growing worldwide network with **12 manufacturing sites** and **20+ showrooms** reaching **over 160 countries**.

Thanks to our rooted competence embodied by more than **4,400 employees**, we empower the imagination of industry-leading companies and prestigious names in Italian and international design to make the potential of any material shine.





VISION

To simplify clients' manufacturing process, empowering their imagination to enhance people's everyday life.

MISSION

To provide clients with the most suitable solutions, committing our rooted competence to enable them to unleash the potential within any material.

VALUES

International natives

The sense of belonging without borders that enhances the peculiarities of individuals.

Insightful curiosity

A constant desire for discovery, which turns into intuition.

Genuine “maestria”/mastery

The original “know-how” which comes out from a genuine tradition.

Widespread transparency

The honesty of the people, the integrity of the company.

Heartfelt commitment

The adherence to a common project, lived and strengthened on a daily basis.

Respectful sight

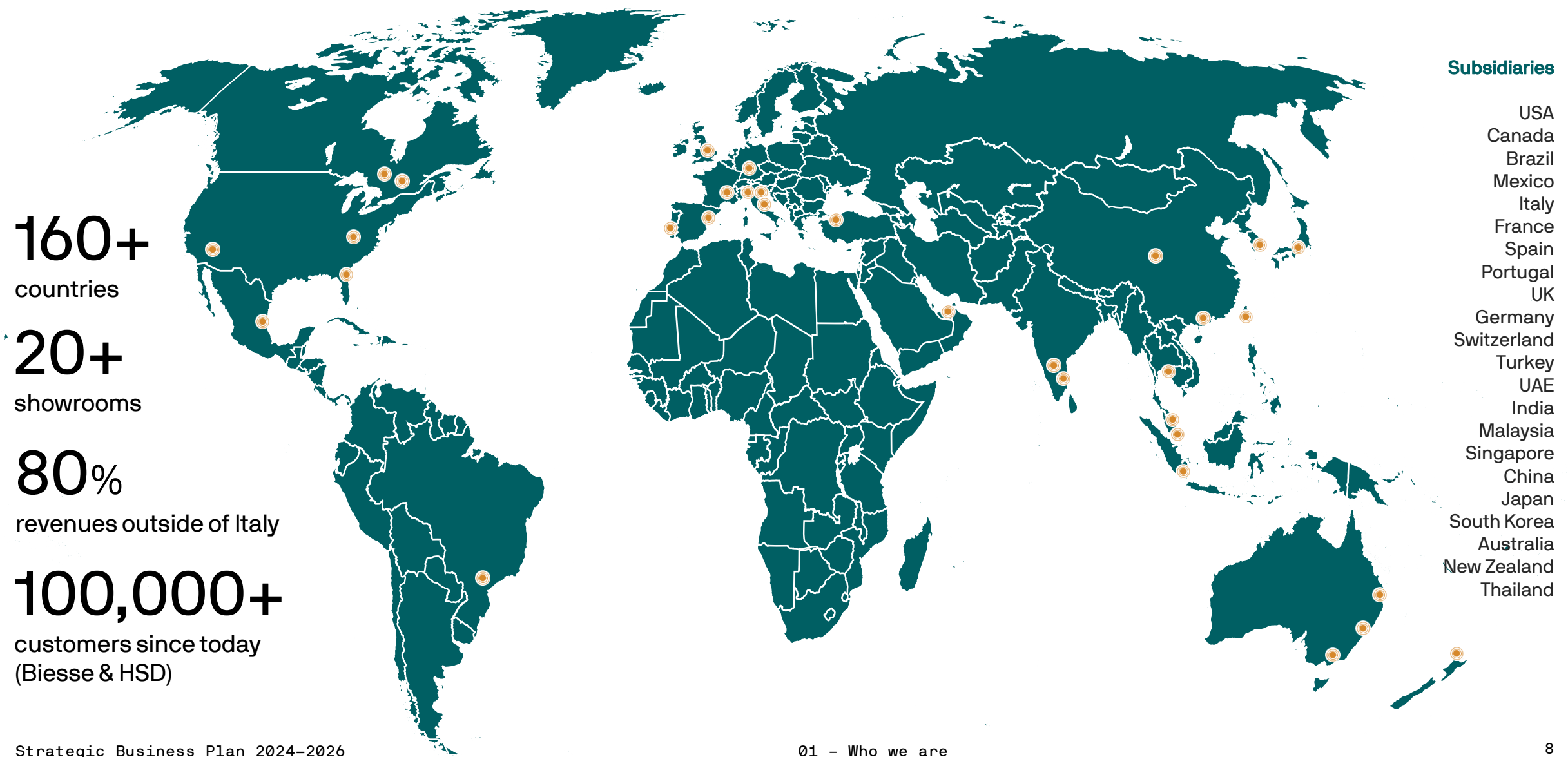
The care for the environment, society, people.

Our history in milestones



1969	Biesse is founded in Pesaro, Italy, to design, manufacture and distribute wood processing machinery.	1991	The HSD business unit is established to design, manufacture and distribute electromechanical components.	2018	Biesse publishes its first Sustainability Report.
1983	Biesse launched on the market Rover, a numerical control wood processing centre.	2001	Biesse S.p.A. is listed on the STAR segment of the Italian Stock Exchange.	2020	Start of the “One Company” project: new organization, new brand and product architecture, rationalization of production hubs.
1987	A business sector dedicated to design, manufacture, and distribute glass and stone processing machines is born.	2008	Opening of the first foreign manufacturing site in Bangalore, India.	2021	Acquisition of Forvet S.p.A.
1989	The internationalization process starts with the opening of the first subsidiary abroad.	2017	Biesse develops and launches its own IIOT platform, making its technology 4.0 ready. Acquisition of Movetro and Montresor.	2024	Acquisition of GMM Group, including Bavelloni and TechniWaterjet, manufacturing of machines for stone, glass, metal and tooling.

International natives – Commercial sites



The Brand and Product Architecture

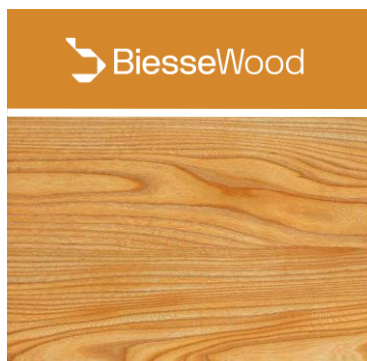


The multi-material brands and their respective colors highlight the specifics of the business sectors in which we operate.

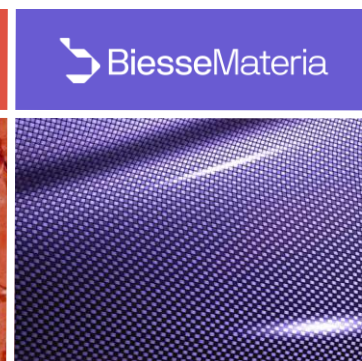
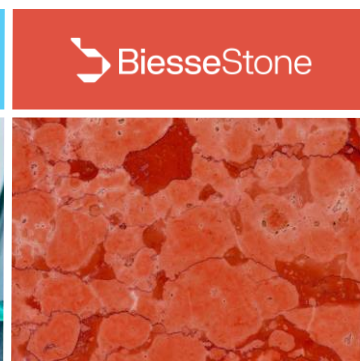
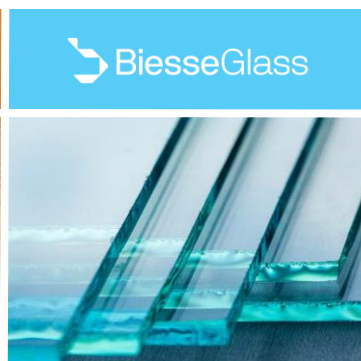
Biesse Wood, Biesse Glass, Biesse Stone and Biesse Materia guide the customer through the company's offering, expressing the distinctive characteristics of each business sector through the processed material.

Distinctive colors evoke the specific nature of each of the sectors and reinforce the concept of multi-materiality - an element that distinguishes Biesse from its competitors.

We design and manufacture **WOOD** processing integrated lines and machines for the furniture, window and door and building component industries.



We design and manufacture **GLASS** processing integrated lines and machines for the furniture, construction and automotive industries.



We design and manufacture **STONE** processing integrated lines and machines for the stone, furniture and building industries.

We design and manufacture solutions for the processing of technological, packaging, construction and visual communication **MATERIALS**.

Biesse Components Mechatronics and Tools

HSD
MECHATRONICS



HSD is the Biesse brand that designs, manufactures and distributes electrospindles, 2-axis milling heads and technologically advanced components for machining metal, alloys, composite materials and wood

It boasts a structure of 8,000 square meters organized according to the principles of "Just in time" production

DIAMUT
BAVELLONI
TOOLS



Diamut and Bavelloni Tools are the Biesse brands that design, manufacture and distribute a complete range of tools for the machining of glass, natural and synthetic stone that can be used on CNC, automatic and semi-automatic machines

Sectors

Furniture



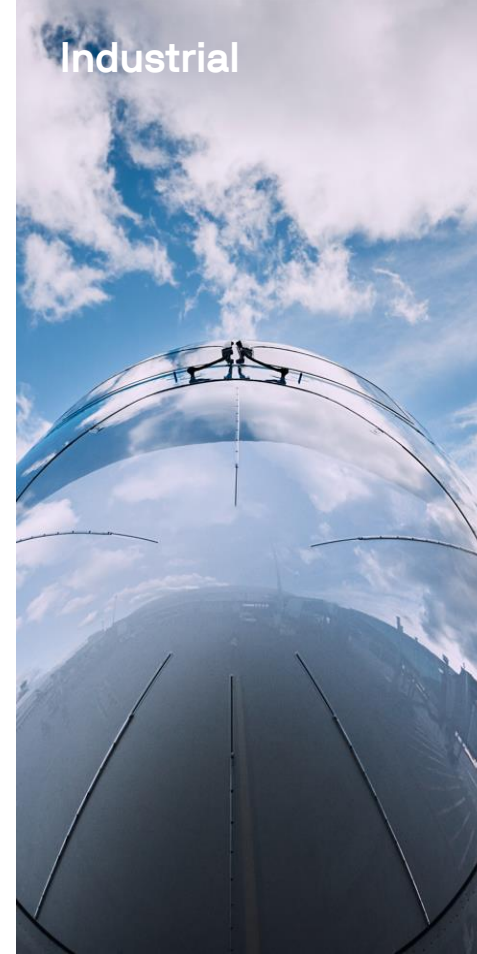
Home
Building



Automotive



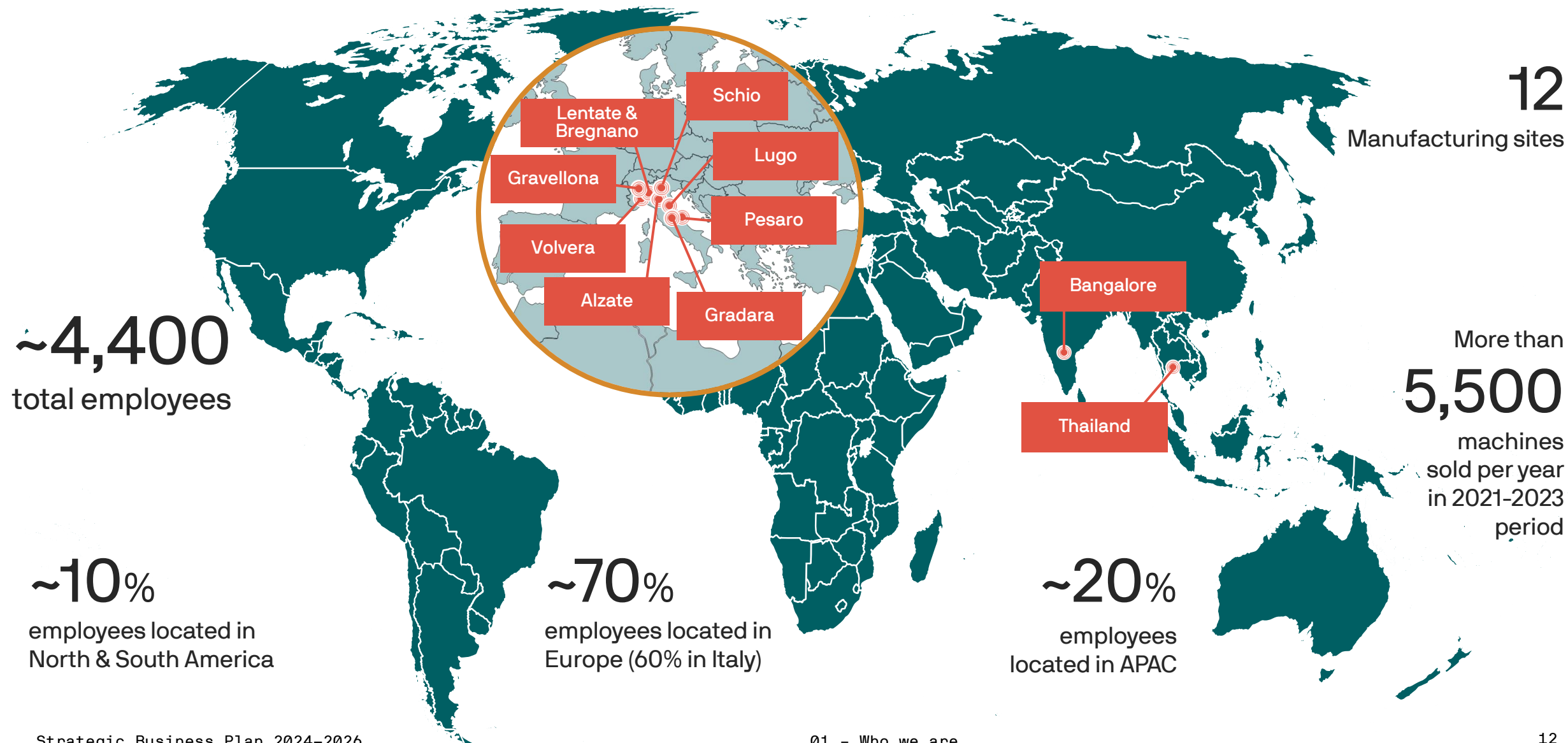
Industrial



Some of our prestigious customers

Cosentino Group
Fiam
Gruppo Lube
Herman Miller
Ikea
Jeldwen
Lago
Marmi Fontanelli
Nobia
Oppein
Rimadesio
Saint-Gobain
Saltoki
Tivitec
Veneta Cucine
Wren
Yatchline 1618

Biesse presence worldwide



Planning for a more Sustainable future



The success of Biesse is also the result of the ability to recognize and evaluate its environmental and social impacts, to establish new collaborations, to involve employees and to build relationships of trust, honesty and integrity with customers and suppliers

Sustainability, therefore, stands at the base of every choice, in order to ensure the company's long-term growth and success

The 17 UN's Sustainable development Goals were adopted by all UN Member States in 2015, as part of the 2030 Agenda for sustainable development

They will guide Biesse's strategy, serving as a **guideline** to direct our efforts, establish objectives, and involve our partners



Sustainability high-lights for 2023



Workplace safety management system of Biesse S.p.A. and Biesse India private Limited certified according to UNI ISO 45001:2018 standard

Support for social, cultural, artistic and sports initiatives in the community

Biesse India Private Limited has carried out several educational projects supporting children and teenagers



100% of electricity purchased from renewable sources with guarantees of origin for the Group's Italian companies

16,500 m² of photovoltaic panels installed

Environmental management system of HSD S.p.A., Biesse S.p.A. and Biesse India Private Limited certified according to UNI ISO 14001:2015 standard

95% of purchases from local suppliers, as far as manufacturing plants in Italy and India are concerned

People as key differentiator



Change Management Program

- **To.Get.There:** the Biesse Transformation Process to nurture the **urgency of change**, improving **adaptability** and **never-ending learning** capabilities

Talent Strategy

- **Align employees on goals and strategy:** Share strategic objectives and align rewarding policy
- **Facilitate Change Management:** Support organizational culture and values
- **Enhance cross-functional collaboration:** improve operational efficiency

To.Get.There

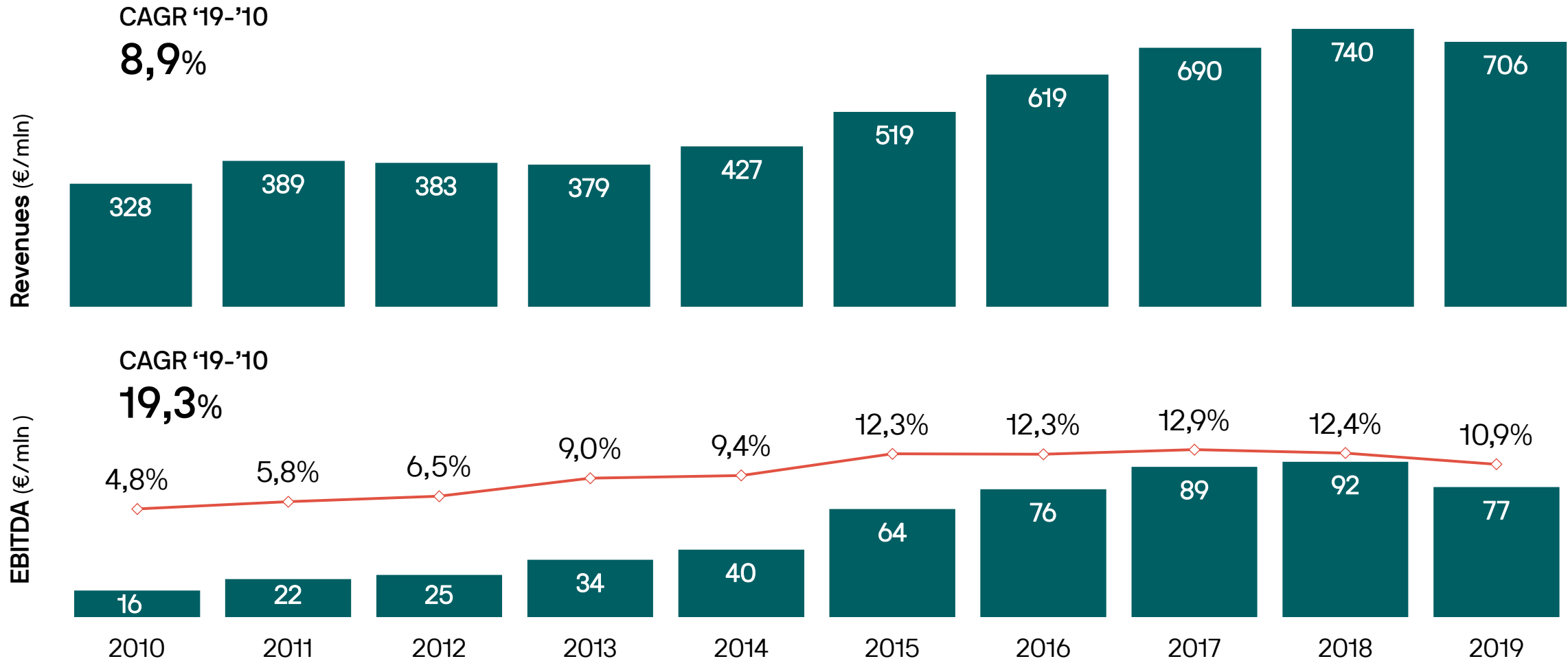


Enhance leadership and communication

Increase employee engagement and create awareness

Improve knowledge sharing and targets alignment

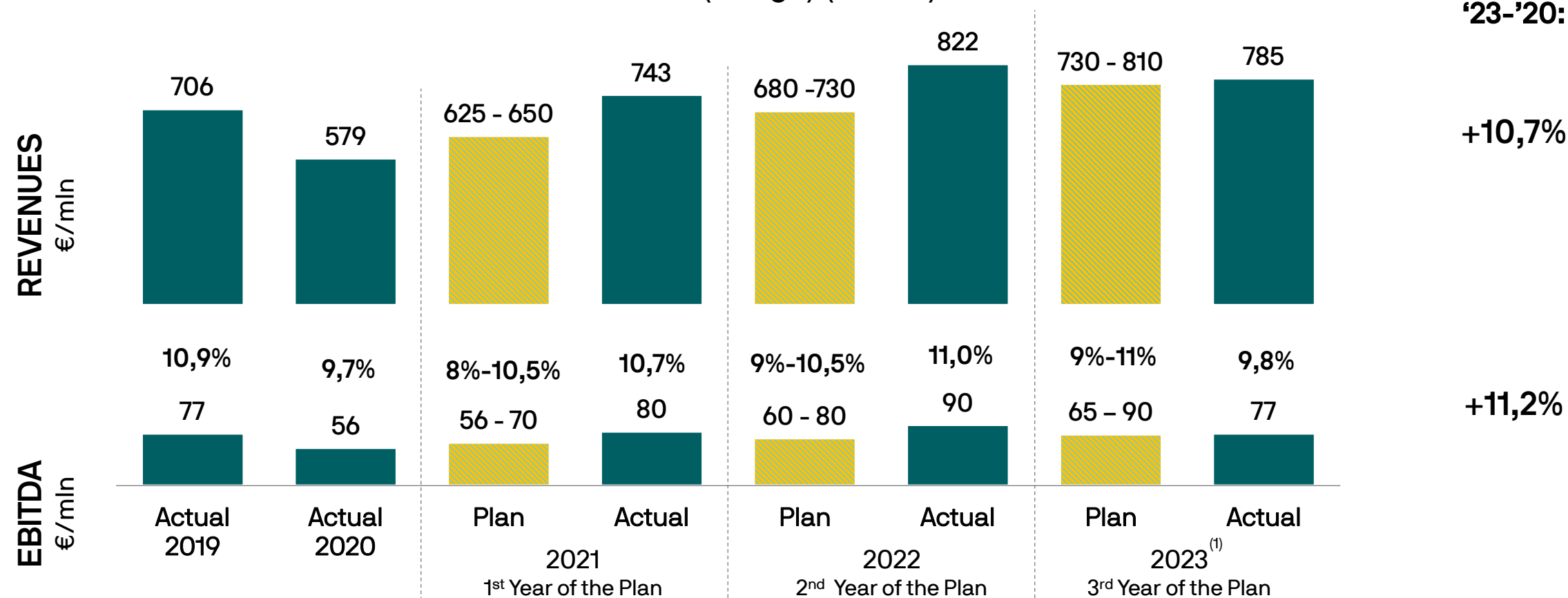
A history of growth



Business Plan 2021-2023 successfully completed despite economic turmoil



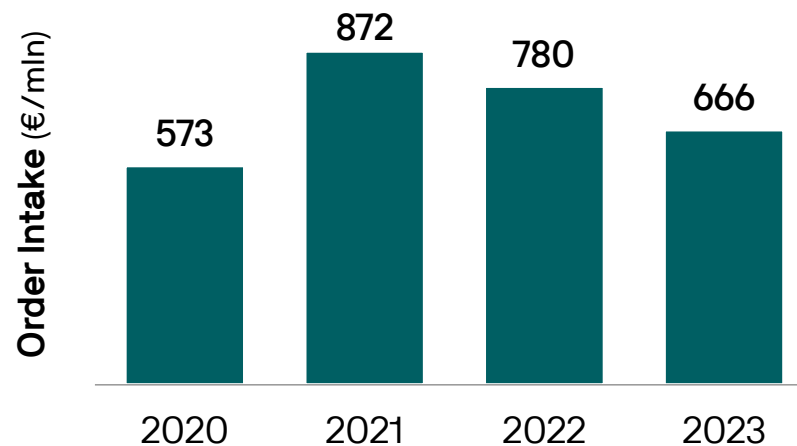
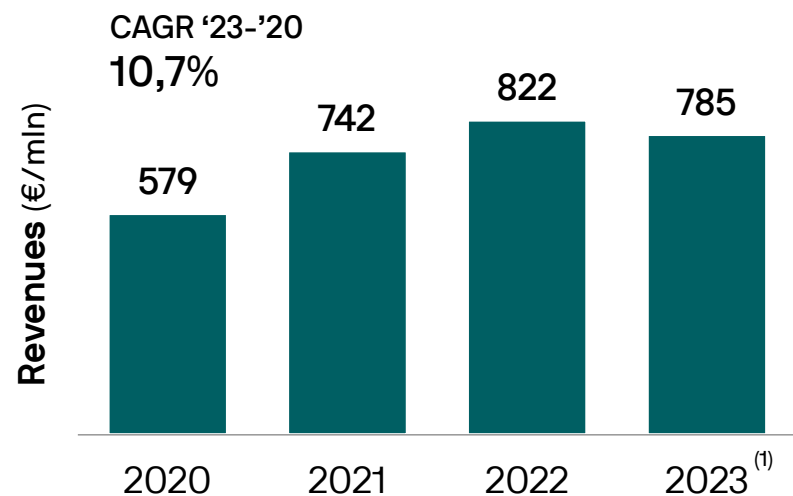
Revenues and EBITDA: Actual, Plan 2021-2023 (Range) ⁽²⁾ (€/mln)



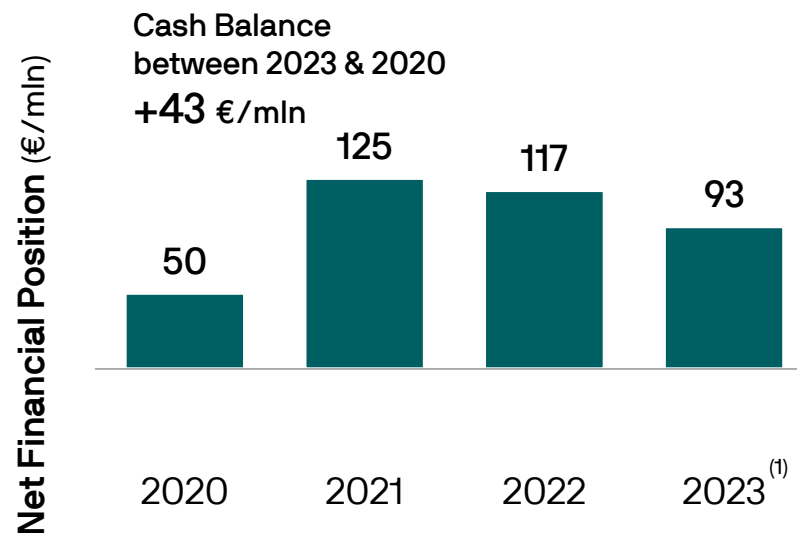
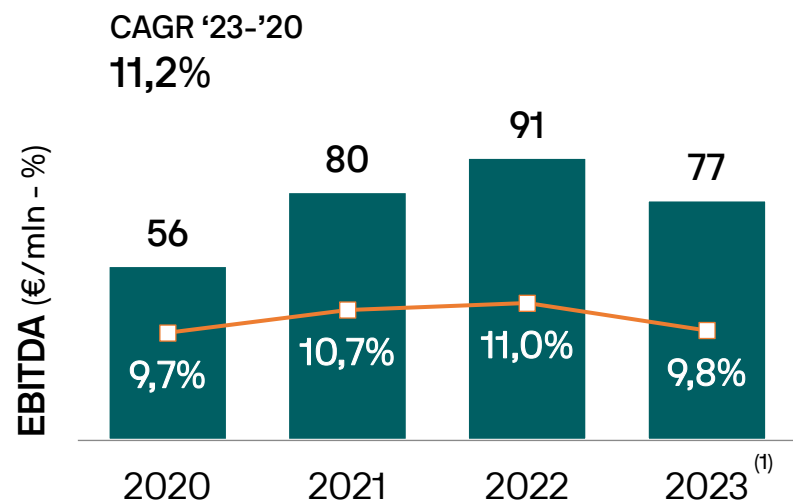
⁽¹⁾ 2023e data preliminary

⁽²⁾ Plan presented in 2021 and available on https://www.biessegroup.com/en/biesse_over_the_years/three_years_plan

Strong resilience in the uncertainty



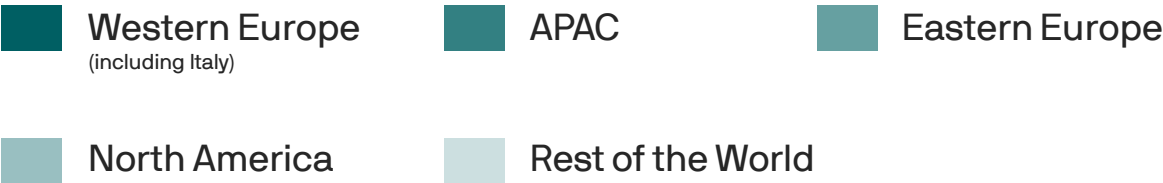
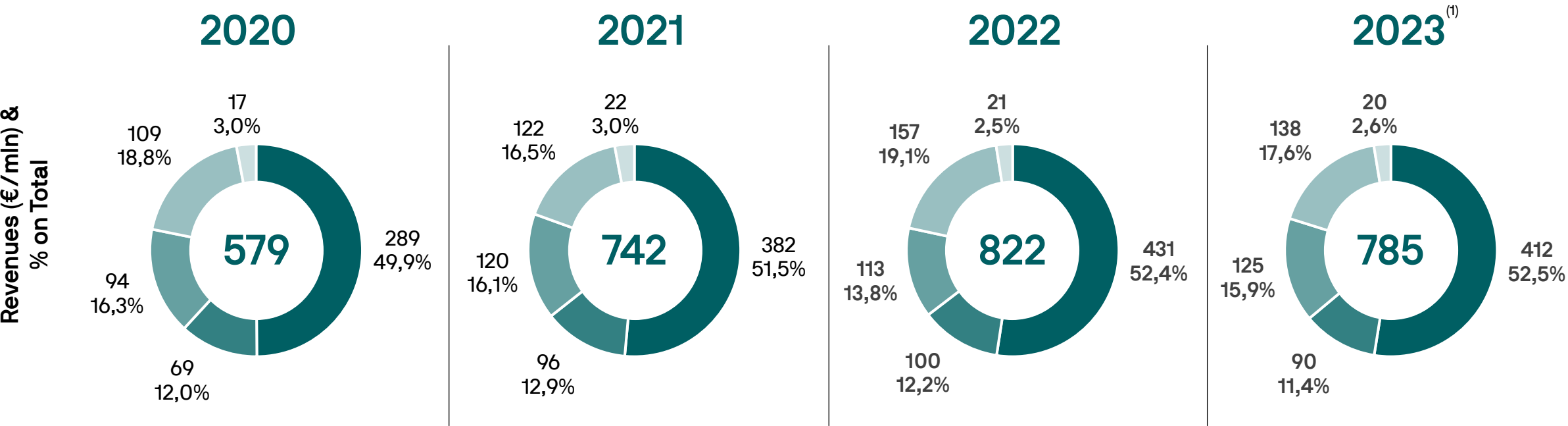
- In the period 2021-2023 (post-pandemic) we reached a CAGR 10,7%, growing compared to pre-pandemic period
- From 2020 to 2023 we generated positive cash flow, with a balance of 43 million euros after dividends payment



Markets revenues

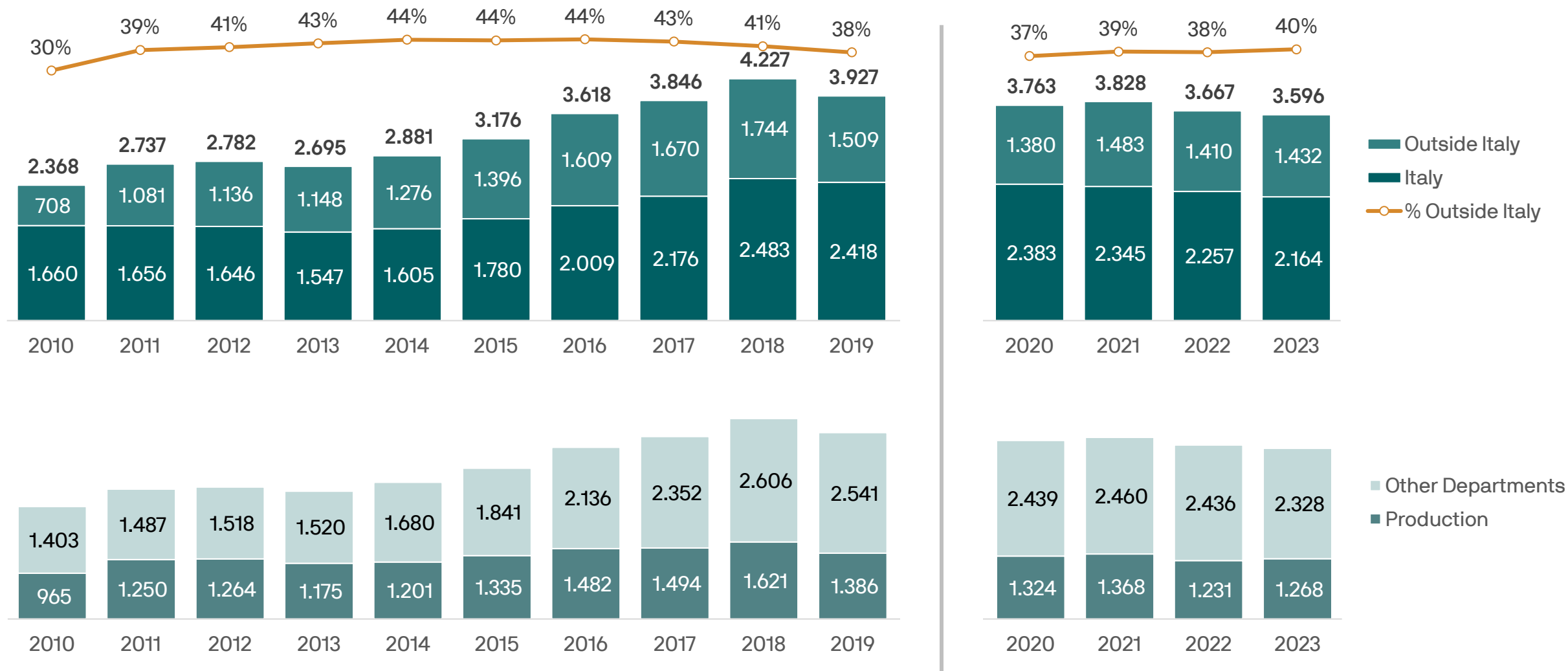


Revenues by geographical area 2020 – 2023 (€/mln – Incidence on Total)



~20% incidence of after-sale and parts on revenues in 2023

People distribution (without temporary workers)



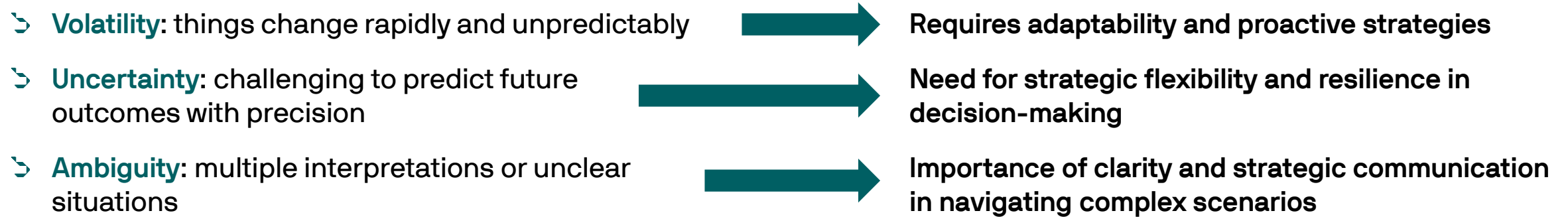
Strategic Business Plan 2024-2026 Guidelines

02

Macrotrends: uncertainty is the new certainty

Complexity as the new World paradigm

The impact of complexity

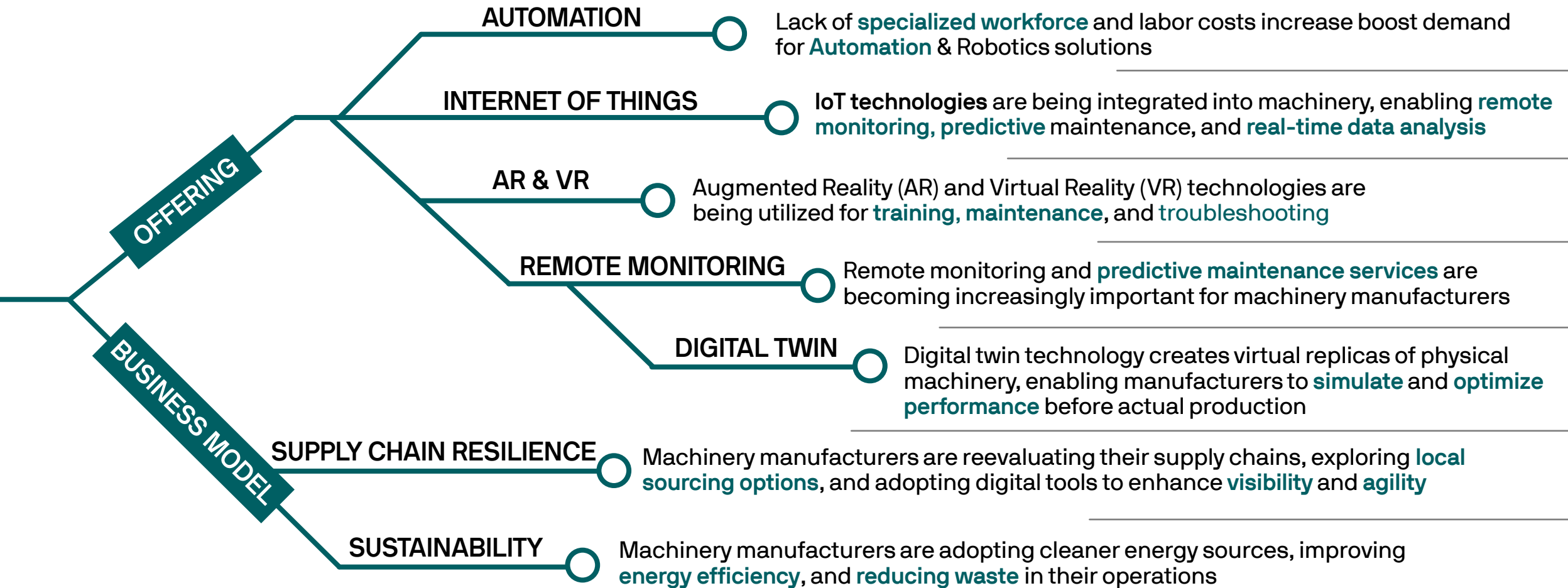


Nine ways in which the world is complex

1. **Interconnected Systems:** Globalization & Regionalization
2. **Technological Advancements:** Automation & AI
3. **Cultural Diversity**
4. **Economic Interdependencies**
5. **Environmental Factors:** Climate change
6. **Political Dynamics:** Geopolitical tensions, international relations
7. **Information Overload**
8. **Social Dynamics:** Growing and Ageing Population
9. **Health Challenges:** Global pandemics, emerging diseases and healthcare disparities

Trends shaping our Industry

Machinery Companies are facing great challenges in coming years

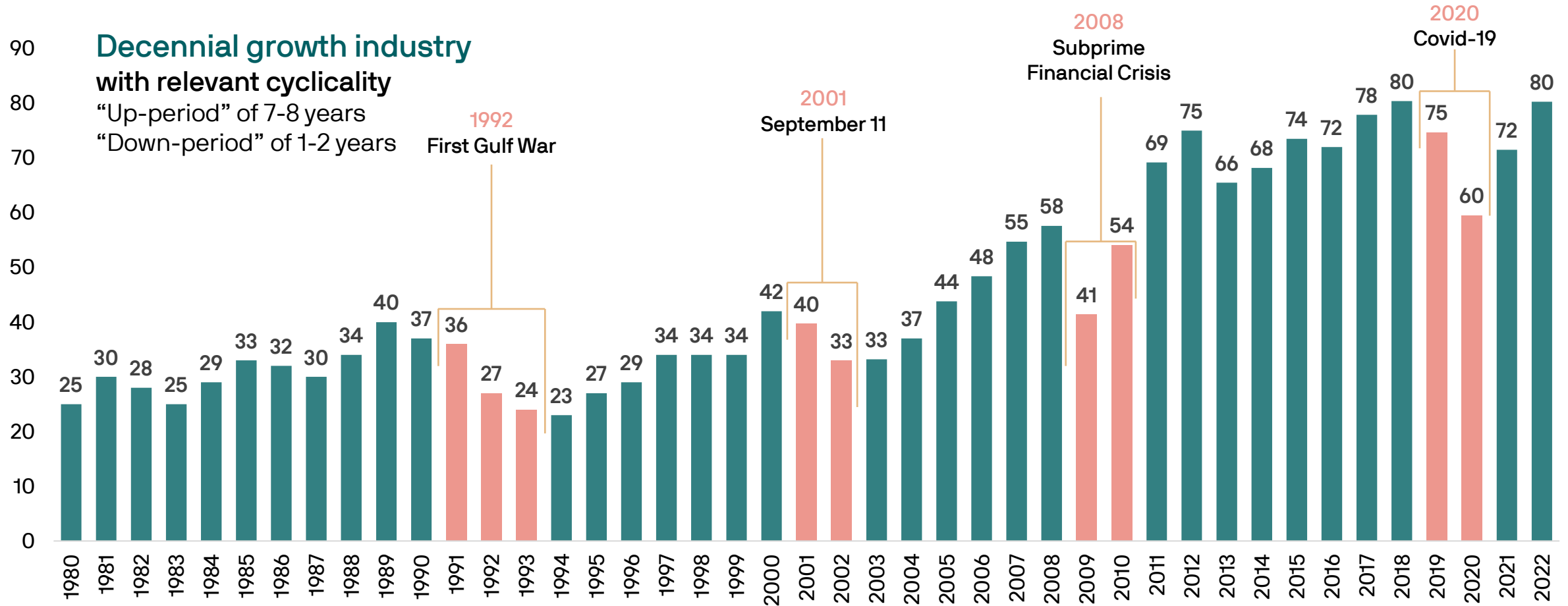


The Machine Tools manufacturers market



Machine tools market production 1980 – 2022 (€/bln)

Expected slowdown in 2023-2025
due to global economic uncertainty

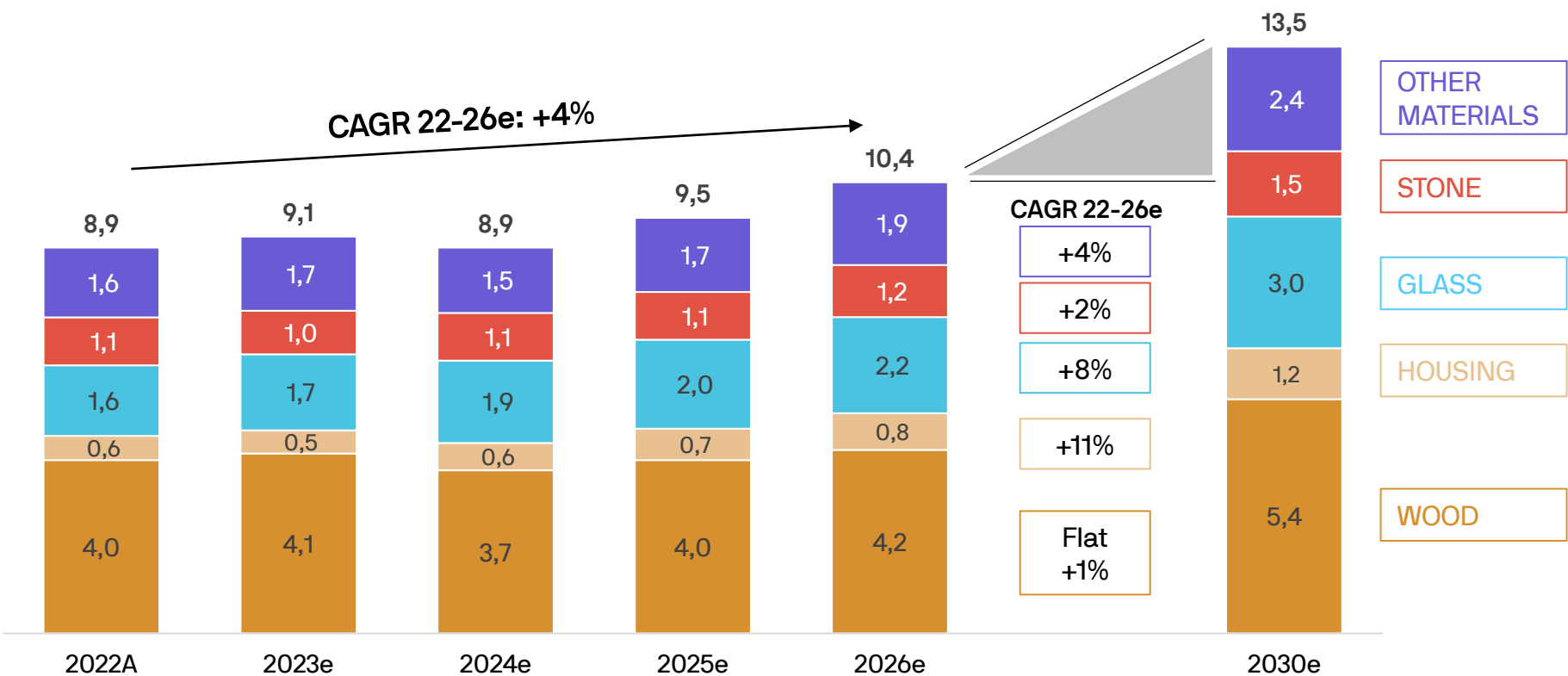


Source: KPMG elaboration on Machine Tool Builders' Association (VDW), CECIMO & Oxford Economics – Market Forecast

Biesse's reference Market



Biesse reference machinery market 2022 – 2026e
(€/bln, CAGR) – Machines Sales excluding services & after-sales



- Expected Markets slow-down in 2024e after post-Covid recovery
- Woodworking machinery strongly affected by market slowdown in 2024e and 2025e
- Glass, Stone, Other Materials will experience a steady growth, especially glass working
- In long term view (2030) Glass, Stone and Other Materials working machinery markets will value more than woodworking

Source: Biesse Elaboration on peer available data
(*) Subtractive Multi+Cut for Home Building, Furniture, Automobile and Industrial Components
Strategic Business Plan 2024–2026

Business Plan 2024-2026 strategic objectives

Creating a Company able to **overpass the complexity, secure revenues and profit**



STRATEGIC OBJECTIVE

**Building the Leader in
Multi-Materiality,
Stabilizing Turnover to
enable future growth**

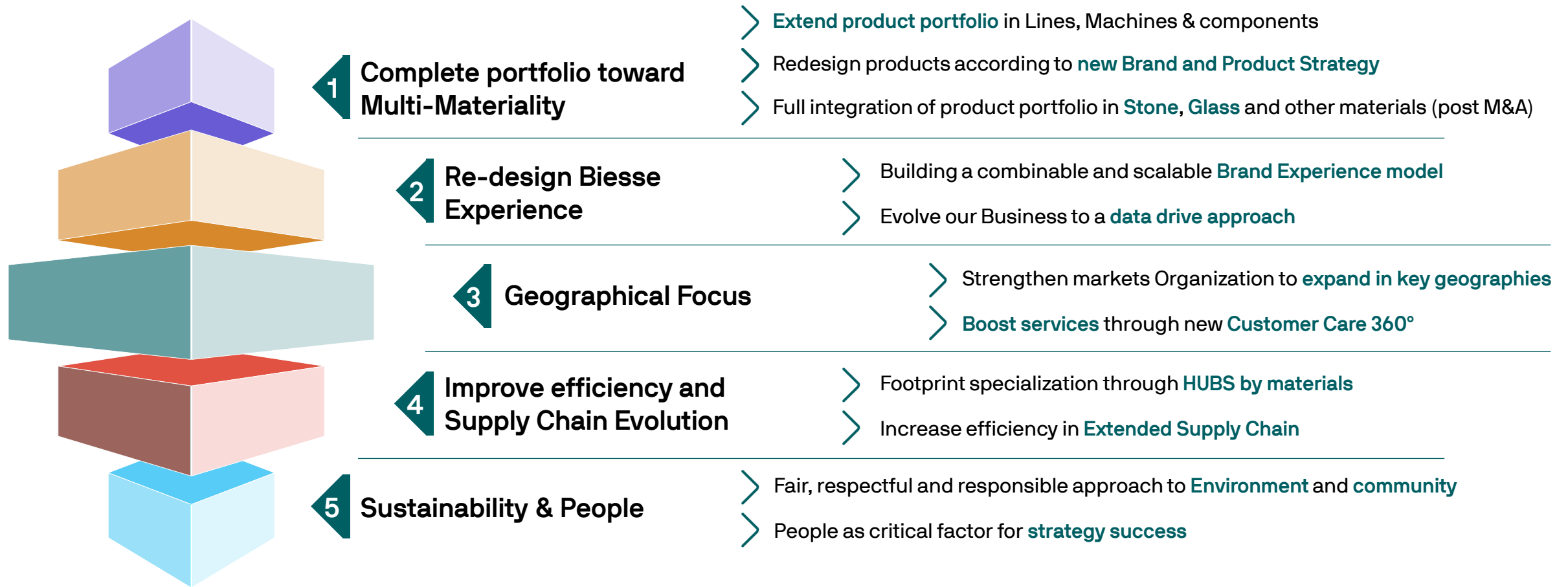
Biesse Objectives for 2024-2026 Plan

- Focus on Key markets for long-term sustainable growth
- Solid **decentralized international organization** which is **centrally governed**
- Multi-regional **Supply Chain**
- Established **Multi-Material sales organization**
- Segmented **machine product portfolio** with an **extended coverage**
- Development of **Integrated Lines** and **Components business** for additional value creation
- **Best organization structure** and the **right talents** in a complex environment

Strategy for Multi-Materiality leadership



2024-2026 Plan will enable the growth for the future years



Complete portfolio | Extend our offering



Portfolio completion and integration will enable future growth

Lines

- A **dedicated global organization** to support Markets & **Services dedicated network** in the markets
- A **new dedicated Brand** to provide a clear identity and value
- A new **Software Architecture** to simplify customer experience

Machines

- Defend market share and positioning among leaders of **Biesse Wood**
- Develop **Biesse Glass** product portfolio, combining current Biesse Portfolio with Forvet & Bavelloni's portfolio
- Consolidate **Biesse Stone** (with GMM) leading position through clear geographical strategy
- Explore additional opportunities in **other materials** (Composite, Plastics, Light Alloy, etc)

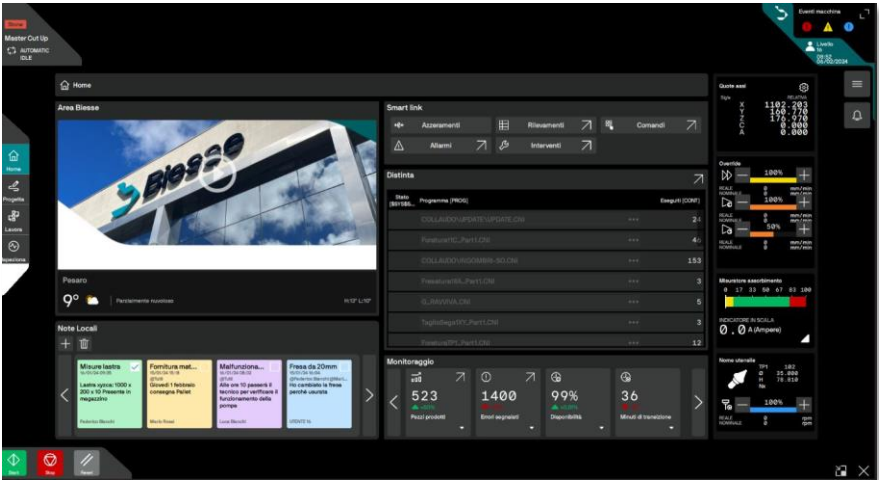
Components

- Secure and develop **Parts** business through **Customer Care**
- Electrospindles expansion in **most valuable material segments** (Wood & Metal)
- Develop Biesse **Tool's product portfolio**
- Expand markets share in **high potential markets** through Biesse network in the countries

Complete portfolio | Re-design Products

Introducing the “One Company” to the market with the Restyling Project

- Integrate the **new Brand Architecture** into the whole Biesse Machines Product portfolio
- Innovate product naming rules to set **new clear standard** for the market
- Update the Machines **Product Catalogue**
- Develop and sell with the machine dedicated **service packages** related to each machine



Complete portfolio | Portfolio integration with GMM Group



GMM is leader in stone cutting & processing



Integration guidelines
Complete GMM product portfolio with Biesse products



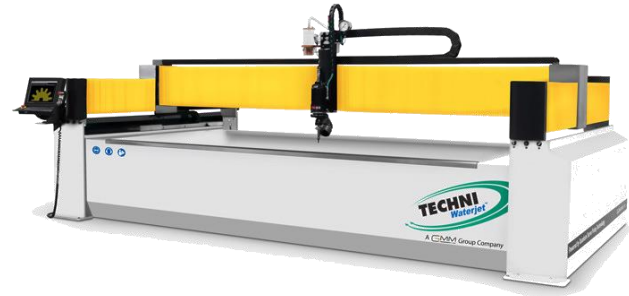
Bavelloni is among leaders in flat glass edgebanding



Integration guidelines
Combine product portfolios to complete the offering



Techni Waterjet is growing in Metal cutting through Waterjet worldwide



Integration guidelines
Explore additional growth opportunities

Biesse Experience | New Experience Model

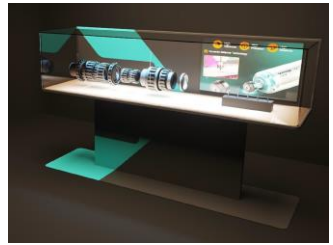
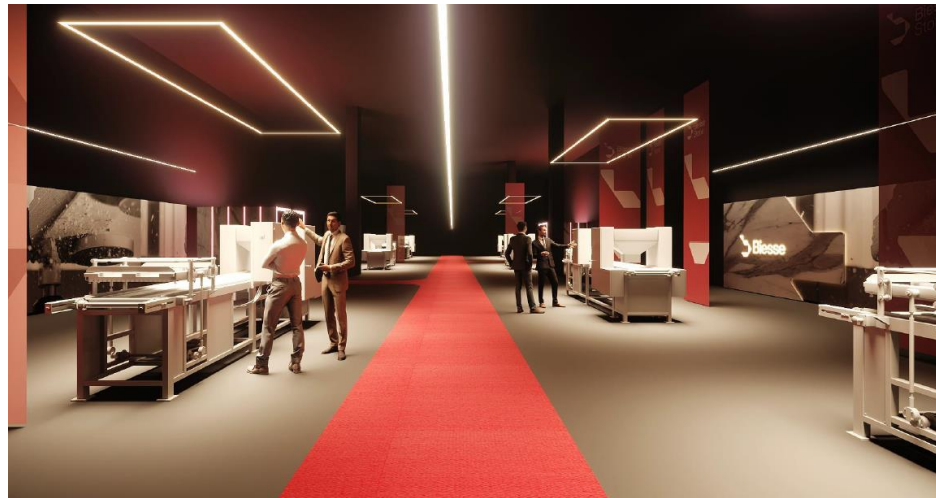
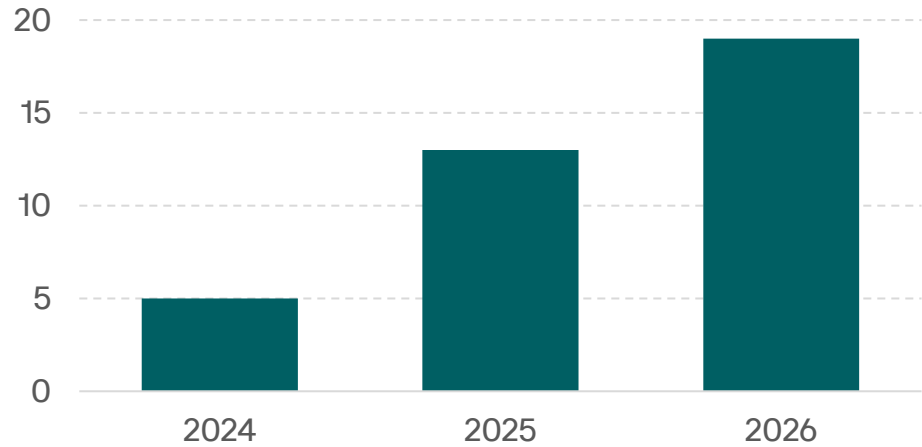


Renovate an integrated global network of showrooms

We will build a significant and memorable **brand experience** that allows the Biesse identity to be manifested across the main touchpoints (venues, showrooms, factories, exhibitions,...), elevating the Brand equity and making our Biesse Showroom become an **experiential multi-material hub**



Biesse Experience Hub roll-out plan
(cumulated # new HUBS)





Geographies | Expand in key geographies through Regional Model

Increasing the size of the Countries and looking at **new growing markets**



- Consolidate leading positioning in North America
- Expand Market Share in Central & South America



- Consolidate leading positioning in West Europe
- Expand market share in high growth market (Est Europe)
- Defend Italy baseline



- Expand market coverage and growth in high potential markets
- Develop multi-material penetration

Geographies | Improve Customer Lifetime value through Customer Care



- Provides consistency in customer centric **“end to end” approach** across all markets
- Delivers a **best-in-class customer experience** by maximizing efficiency and business simplicity
- Provides **greater efficiency** on Customer claim management
- **Strengthens the markets** and increase services revenues
- Represents a key requirement for organizational sustainability and **roadmap for future growth**



Supply Chain | HUBS specialization



Evolution of the global manufacturing and sourcing footprint to guarantee sustained competitive advantage aligned to **multi-material strategy** and **regional model**



- HUBS specialization of **Italian** footprints by material: **Wood, Stone, Glass**
- Development of **Components HUB**: electro-spindle, bi-rotary heads and tools
- Expansion of **Multi-material HUB** in **APAC** (Bangalore – India)
- Consolidation of **light-alloy HUB** (Thailand)

Supply Chain | Boost Efficiency



Evolve Supply Chain towards a more effective industrial model

Key actions

New **market conditions** require a different approach in managing procurement and sourcing processes, particularly a rationalization of the global supplier base



Rationalize supplier base and inbound logistics to reduce cost incidence and achieve our goals toward sustainability

Volatile market conditions and more complex competitive scenario require higher flexibility in operations



Embed versatility in our Supply Chain

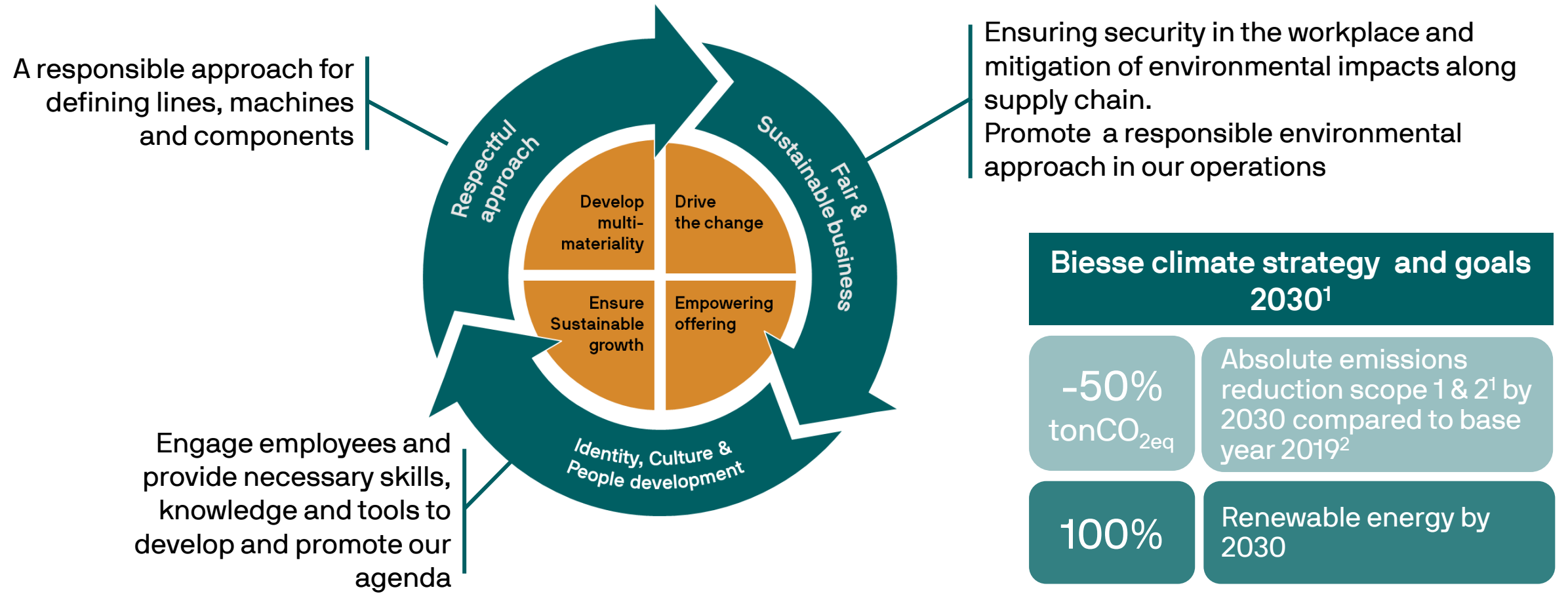
Logistics in the post-pandemic world is become extremely critical and fragile.
Central coordination considering is becoming a key success factor to control costs and delivery time



Secure outbound logistics through a worldwide organization with local logistics hubs

Sustainability | Biesse responsible approach

Three streams to help us to develop our vision



1) Scope 2 - market-based 2) 2019 set as the base year as it is not affected by the coronavirus

Strategic Business Plan 2024-2026 Figures

03

Targets

We settled achievable targets despite context complexity



EBITDA
Margin
9 – 10%
2026e
Target Range

EBITDA
75 – 90
2026e
Target Range
€/mln

Net Revenues

830 – 880 Net Revenues
Target 2026e (€/mln)

Cost of good sold

< 41% Target COGS
incidence on Net Sales in 2026e

Net Financial
Position

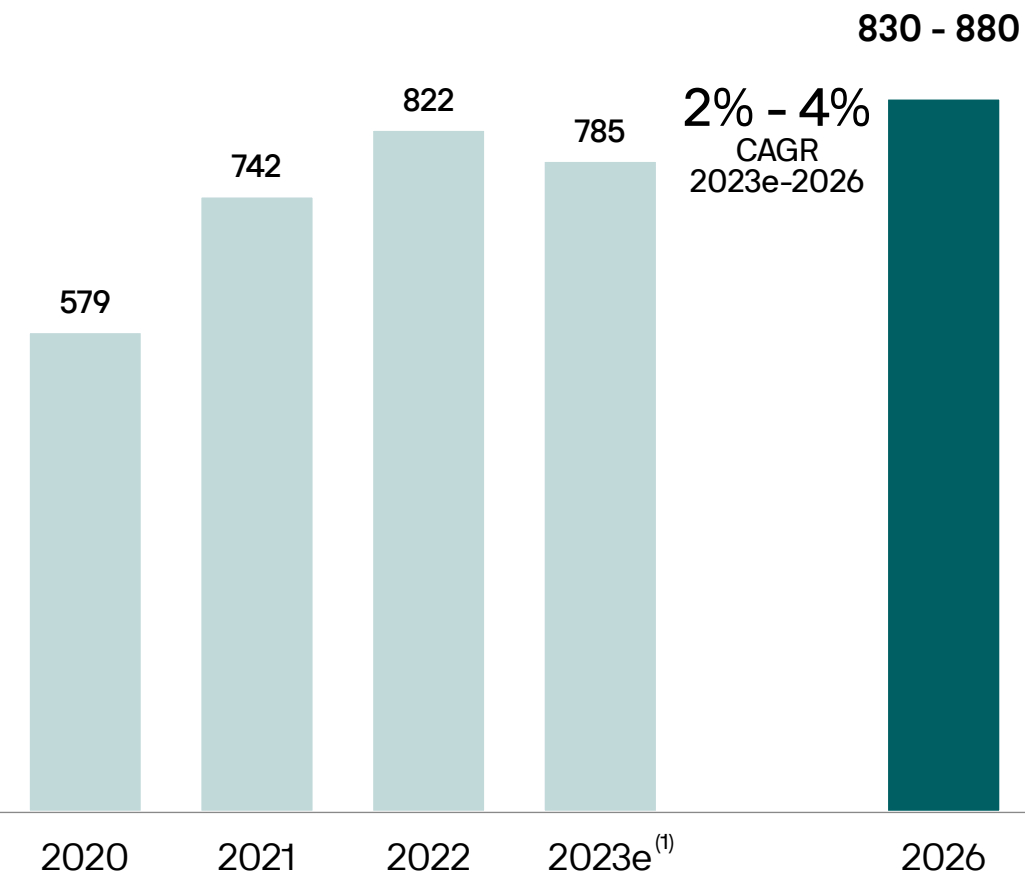
Positive Target Net Financial Position
at 2026e

Key financials – Profit & Loss



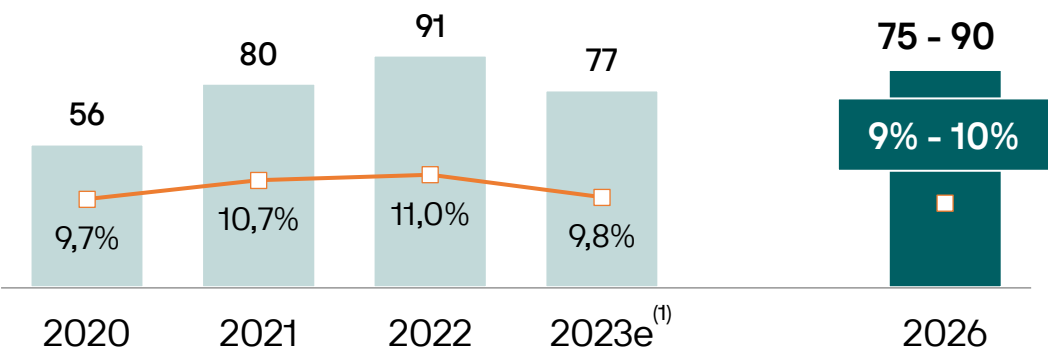
Net revenues (€/mIn)

Steady growth despite market slowdown



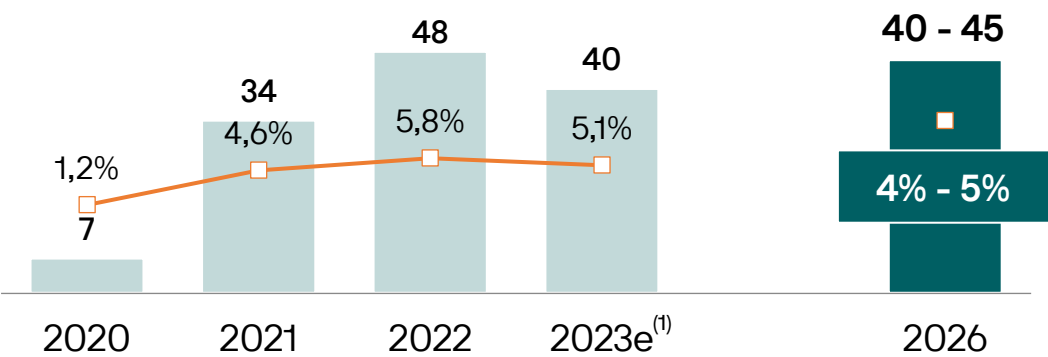
EBITDA & EBITDA margin (€/mIn; % on net sales)

Maintain profitability in the uncertainty



EBIT Adj. ⁽²⁾ & EBIT Adj. margin (€/mIn; % on net sales)

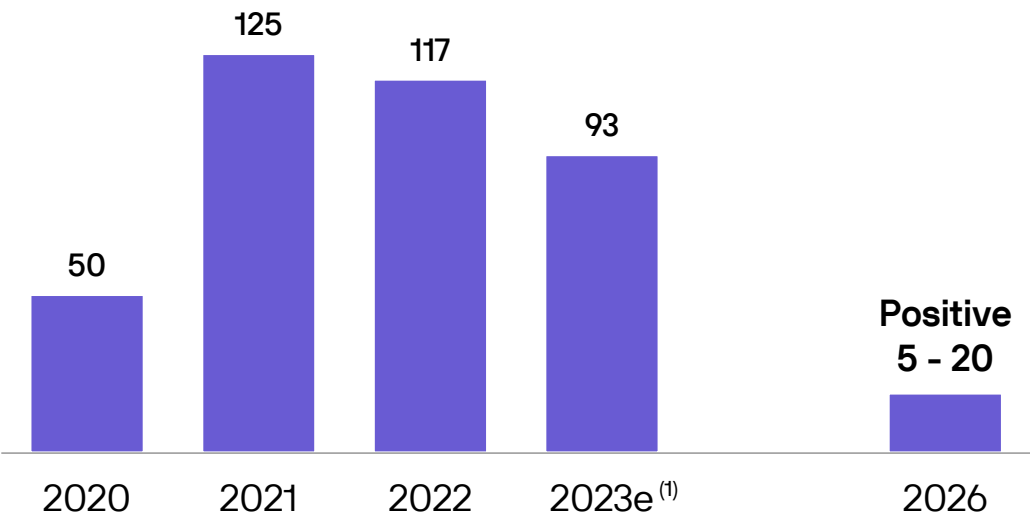
Maintain profitability in the uncertainty



Key financials – Balance Sheet



Net Financial Position (€/mln)

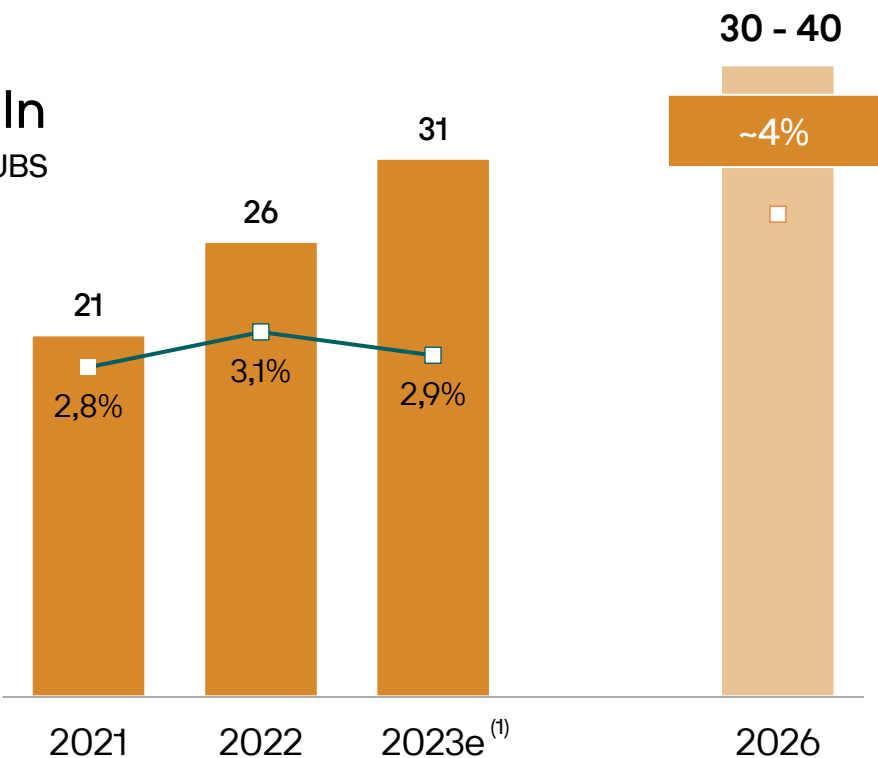


CAPEX (€/mln; % on net sales)

Ambitious Capex plan to evolve our operating model

~150 €/mln

- Industrial HUBS
- Markets & Showroom

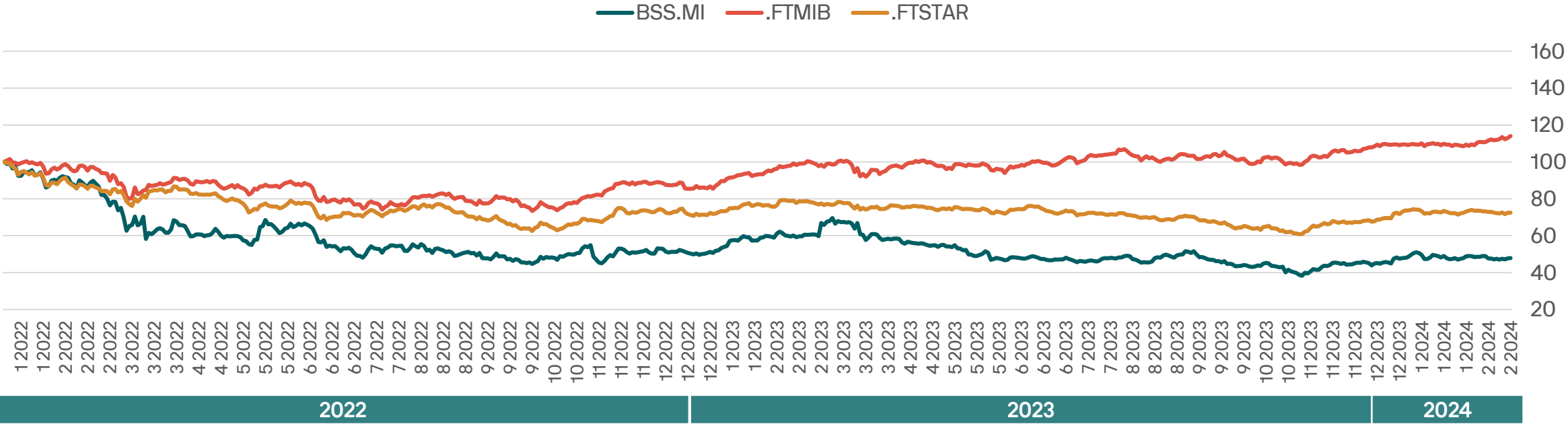


Annex

04



Stock performance & consensus



INTESA  SANPAOLO

6 November 2023: 7:26 CET
Date and time of production

BUY

Target Price: EUR 13.5
(from EUR 16.5)


Banca Akros
GRUPPO BANCO BPM

22 December 2023

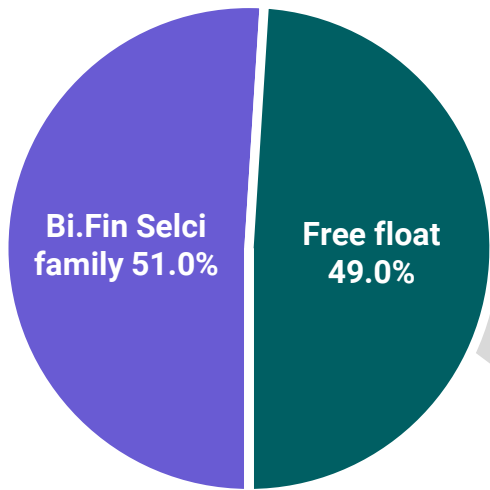
Buy	
<i>Recommendation unchanged</i>	
Share price: EUR	12.10
<i>closing price as of 21/12/2023</i>	
Target price: EUR	16.00
<i>from Target Price: EUR</i>	<i>14.00</i>

Shareholder distribution

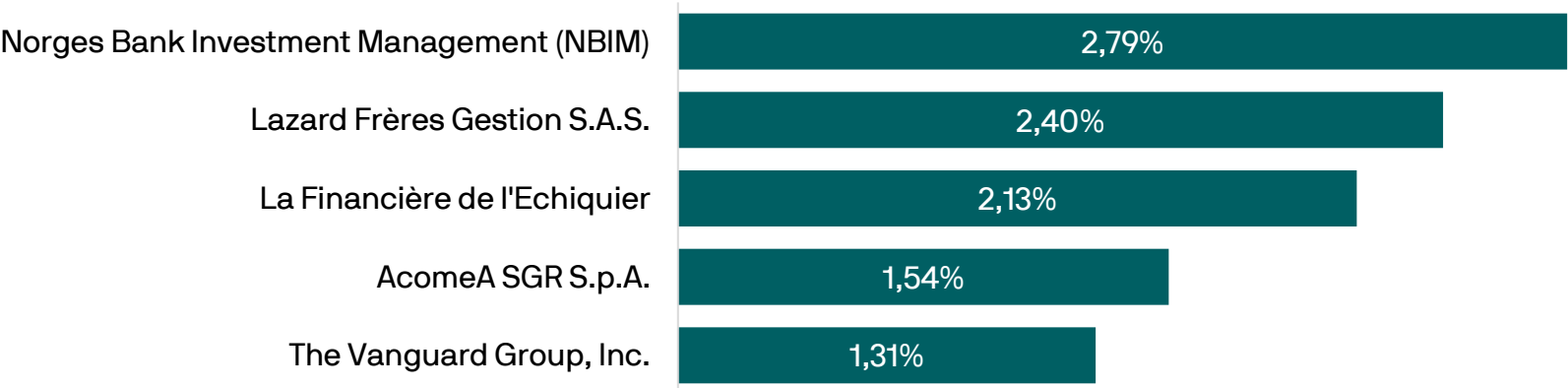
Biesse Board of Directors

- Giancarlo Selci (Founder - President)
- Roberto Selci (C.E.O.)
- Massimo Potenza (co C.E.O.)
- Alessandra Baronciani
- Rossella Schiavini
- Federica Ricceri
- Ferruccio Borsani

Shareholders distribution



Top 5 Shareholders



Source: Reuters – February 2024

Disclaimer

This document contains forward-looking information, including references that are not solely related to historical data or current events and, therefore, as such, uncertain. Forward-looking information is based on various assumptions, expectations, projections, and forecast data related to future events and is subject to multiple uncertainties and other factors beyond the control of Biesse and/or the Group. There are many factors that can generate results and trends that are significantly different from the contents, implicit or explicit, of the forecast information, and therefore such information is not a reliable indication about future performance. Biesse assumes no obligation to publicly update or revise forward-looking information either as a result of new information, future events, or for other reasons, unless required by applicable regulations. Future results could differ even significantly from what is expressed or inferable from this communication in relation to a plurality of factors including, for illustration purposes only: trends in the machinery market, commodity price developments, trends in the machinery market; general macroeconomic conditions; geopolitical factors; and developments in the regulatory framework. Furthermore, reference to past performance of the Company or Group should not be taken as an indication of future performance.

Alternative performance indicators

Management uses some performance indicators, which are not identified as accounting measures under the IFRS (non-GAAP measures), to better assess Biesse's performance. The criterion applied by Biesse to set these indicators might not be the same as that adopted by other groups, and the indicators might not be comparable with those set by the latter. These performance indicators, which were set in compliance with the Guidelines on performance indicators issued by ESMA/2015/1415 and adopted by CONSOB with its communication No. 92543 of 3 December 2015, refer to performance in the accounting period covered by this Business Plan and the previous years used for comparison.

Performance indicators are to be regarded as complementary to and not a substitute for financial data prepared in accordance with IFRS. Hereafter is a description of the main indicators adopted.

Value Added

This indicator is defined as the Profit (Loss) for the year before income taxes, finance income and expense, exchange rate gains and losses, amortisation of intangible assets, depreciation of property, plant and equipment, impairment losses on fixed assets, allocations to provisions for risks and charges, costs and revenues arising from transactions that Management considers as non-recurring relative to Biesse's ordinary operations, as well as personnel expense.

Disclaimer

Adjusted EBITDA (Adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation)

This indicator is defined as the Profit (Loss) for the period before income taxes, finance income and expense, exchange rate gains and losses, amortisation of intangible assets, depreciation of property, plant and equipment, impairment losses on fixed assets, allocations to provisions for risks and charges, as well as costs and revenues arising from transactions that Management considers as non-recurring relative to Biesse's ordinary operations.

Operating Profit or EBIT (Earnings Before Interest and Taxes)

This indicator is defined as Profit (Loss) for the year before income taxes, financial income and expenses, and foreign exchange losses and gains.

Net Operating Working Capital

This indicator is calculated as the total of Inventories, Trade receivables and Contract assets, net of Trade payables and Contract liabilities.

Net Working Capital

This indicator is calculated as the total of Net Operating Working Capital and other Current Assets and Liabilities, including Provisions for short-term risks and charges.

Net Invested Capital

This indicator represents the total of Current and Non-Current Assets, excluding financial assets, net of Current and Non-Current Liabilities, excluding financial liabilities.

Net financial position

This indicator is calculated in compliance with the provisions contained in Communication No. 5/21 of 29 April 2021 issued by Consob, which refers to the ESMA Recommendations of 4 March 2021.



