

Our customers define  
the shape of the world,  
**we make it  
possible.**

**Company presentation**  
January 2017

 **BIESSEGROUP**



# Biesse Group

**Biesse Group is a global leader in the technology for processing wood, glass, stone, plastic, advanced materials and metal.**

Founded in Pesaro in 1969 by Giancarlo Selci, the company has been listed on the Italian Stock Exchange (*STAR*) since June 2001.

Starting from October 2015 Biesse is included in the Mid-Cap segment.

# In

We manufacture machines and components for wood, glass, stone, plastic and metal processing through specialised business units and 8 manufacturing sites in Italy and worldwide.

1

industrial  
group

4

business  
divisions

8

production  
sites



*Made in  
Biesse*



# HOW

Growing investments in R&D have enabled us to create software programs that have simplified the management of CNC machines, improving our customers' processes revolutionising market standards.

more than

200

patents duly  
registered



*Innovation is  
our driving force*



# Where

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.

34

branches and  
representative  
offices

300

agents &  
certified  
dealers

2

production sites  
outside Italy  
(India - Bangalore,  
China - Dongguan)



*Biesse Asia  
Grand Opening*

# Where we are

**Italy**

Brianza  
Triveneto

**Austria**

Salzburg

**U.K.**

Daventry

**Switzerland**

Luzern

**Sweden**

Jonkoping

**Russia**

Moscow

**Germany**

Elchingen  
Lohne  
Gingen

**France**

Lyon

**Spain**

Barcelona

**Portugal**

Lisboa

**U.A.E. - Dubai**

Dubai

new

**Turkey**

Istanbul

**North America**

Charlotte  
Montreal  
Toronto  
Los Angeles  
Fort Lauderdale

**Brazil**

San Paolo

**India**

Bangalore  
Mumbai  
Noida

**China**

Shanghai  
Dongguan  
Guangzhou

**Asia**

Singapore  
Kuala Lumpur  
Jakarta  
Seoul

**Oceania**

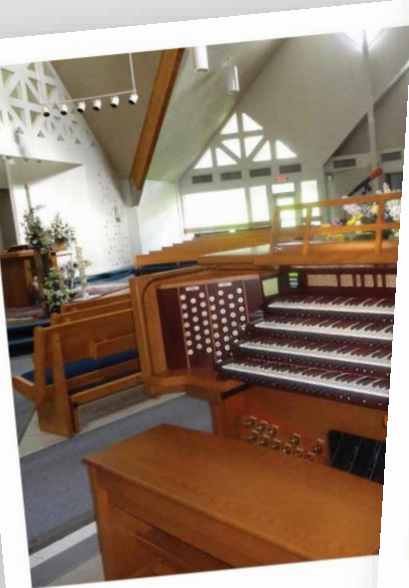
Sydney  
Brisbane  
Melbourne  
Perth  
Auckland





# With

Customers in  
120 countries



Allen Organ, U.S.A

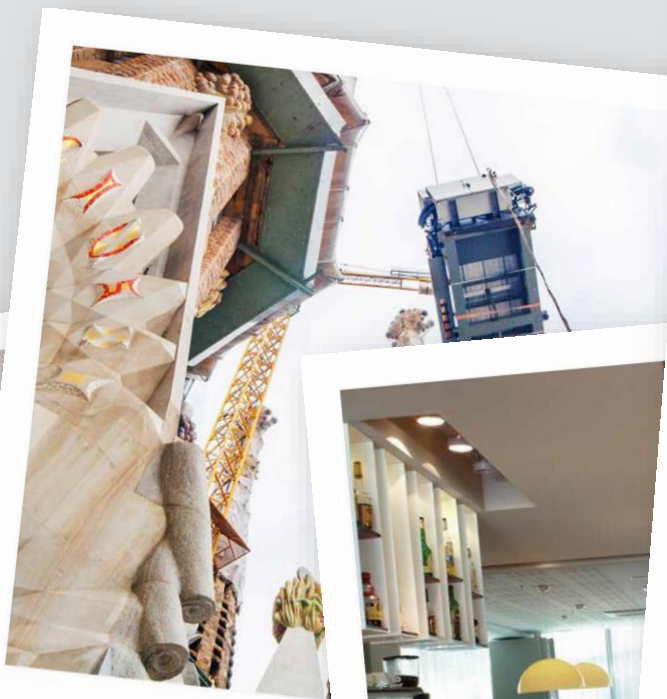


Milan Design Week,  
Italy



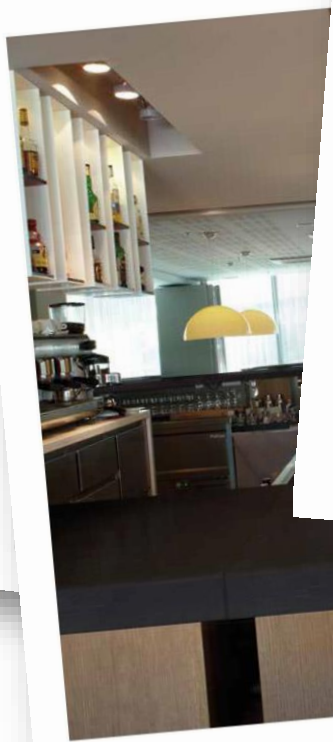
Lago, Italy

Made **With** Intermac



Sagrada Familia,  
Spain

Made **With** Biesse



Cosentino Group,  
Spain

Made **With** Diamut



Bigelli Marmi, Italy



Fiam, Italy

Made



# We

Our Human capital.

more than

# 3,500

employees  
throughout the world  
without interim people

25 YEARS 1990-2015  
BIESSE AMERICA



*“Strength lies in differences.  
not in similarities”.*





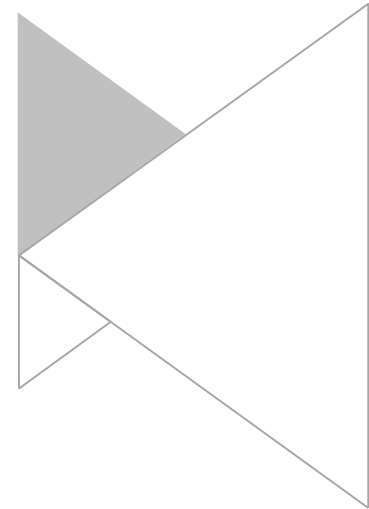
# Our **Values**

Innovation

Reliability

Sustainability

Excellence





Our values /

# Innovation

meets **creativity**.

**Our pillars** to mastering innovation:

- ✓ Customer Focus
- ✓ Internet of Things
- ✓ Digital Manufacturing
- ✓ Industry 4.0 / Think4ward

Biesse. the perfect combination of **innovation** and **italian creativity**.



Our values /

# Innovation

generates **value**.

Some of our leading  
technology solutions:

- ✓ **Automatic blade change on beamsaws**
- ✓ **5-axis operating unit**
- ✓ **Air Force System**
- ✓ **Twin Pusher**
- ✓ **bSuite software**

 **BIESSEGROUP**



Our values /

# Reliability

to enhance **trust** and **compliance**.

BIESSEGROUP

Satisfied

**Customers**

Trusted & Loyal

**Partners**

Winning & Committed

**Employees**

Growing & Qualified

**Investors**

## OUR MAIN PRINCIPLES

- ✓ Fairness to all stakeholders
- ✓ Mutual trust and transparency
- ✓ Unrestricted and clear communications
- ✓ Sharing of knowledge and experience



# Sustainability

to get **widespread goodwill** and **strong reputation**.

Society

Environment

People

Regulation

Financial

Only the culture of strictly adherence to **good compliance** can keep our Group ahead on **sustainable** basis.

Our values /

# Excellence goals

More  
Revenue

01

More  
Profit

02

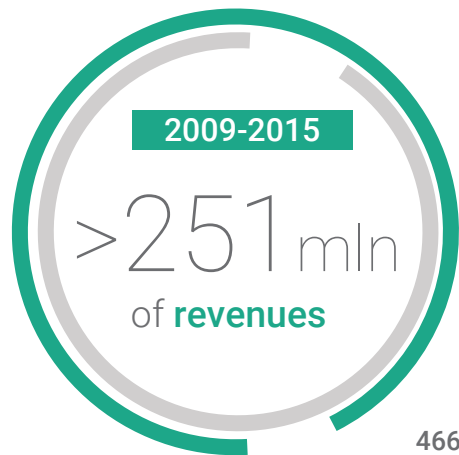
More  
Cash

03

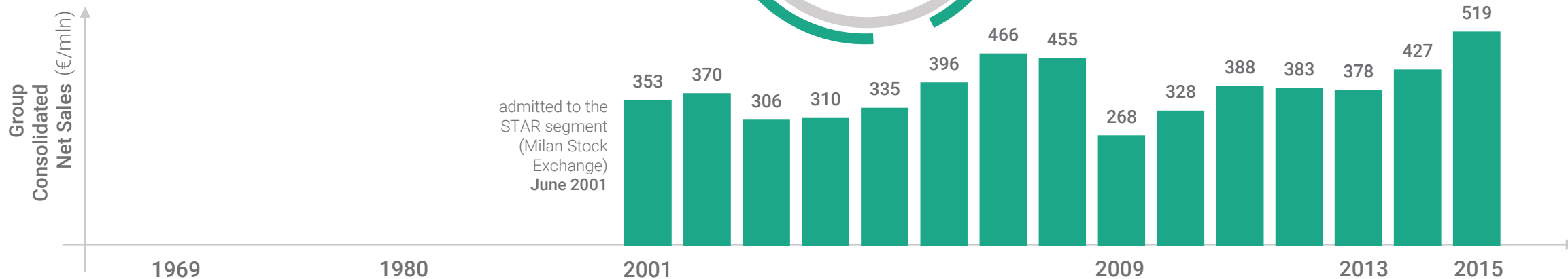
for a consistent  
growth

Our values / Excellence /

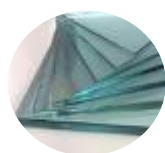
# More Revenue



■ Biesse Group  
Consolidates Net Sales (€/mln)



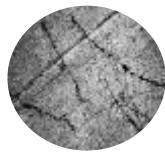
Wood



Glass



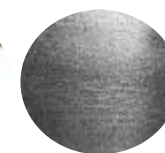
Mechatronics



Stone



bSoft  
(software)



Metal



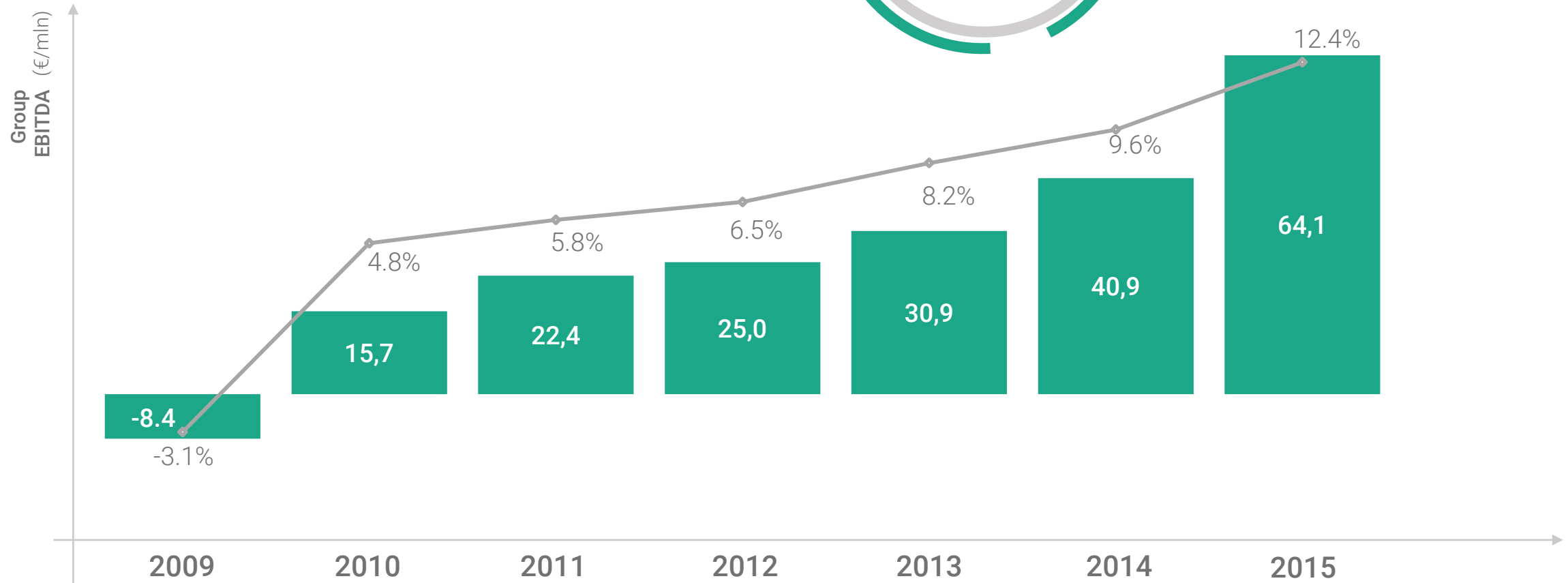
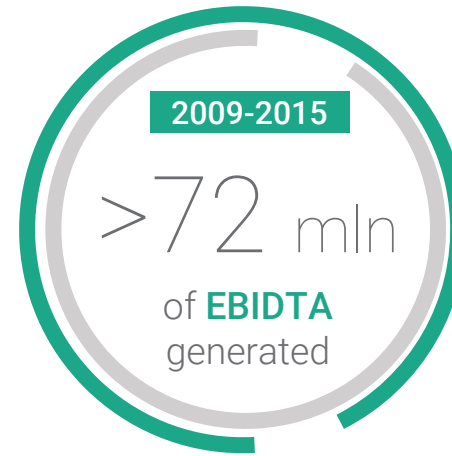
Plastic &  
Advanced  
Materials



Our values / Excellence /

# More Profit

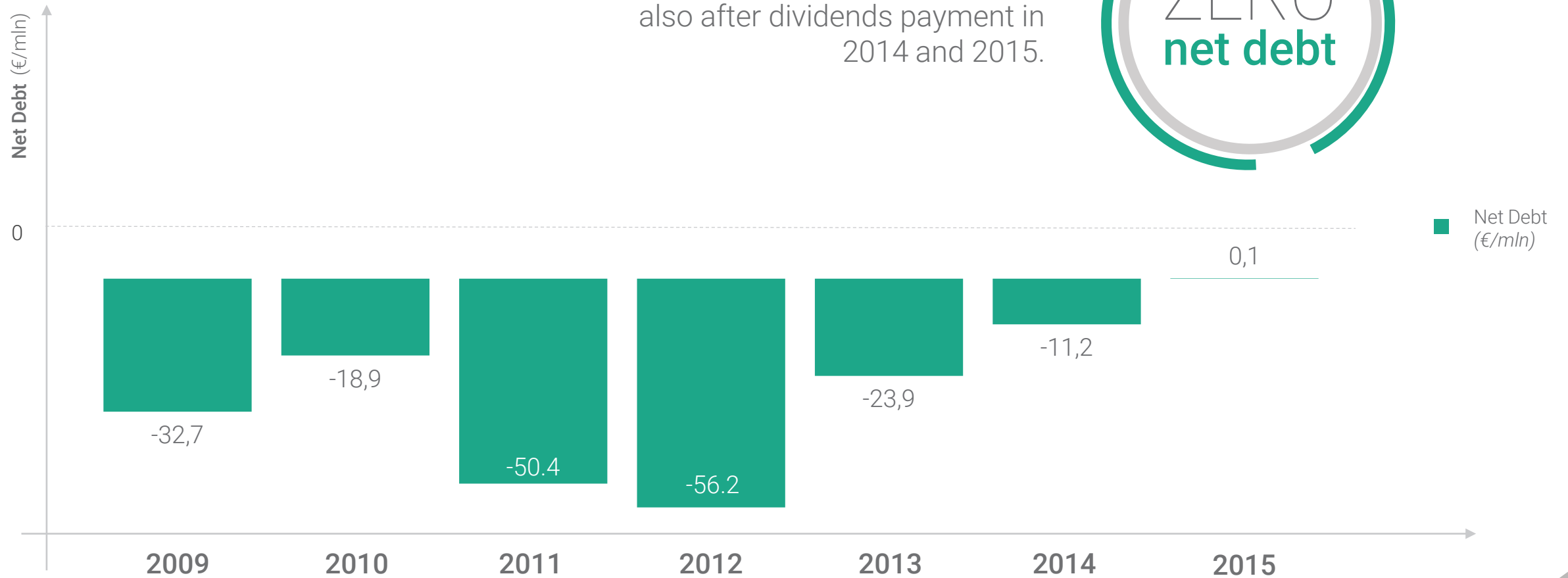
## EBITDA



# More Cash

## Net debt

Our **Net Cash Flow** is positive also after dividends payment in 2014 and 2015.



# Our Business Model



We **make**  
top-quality Italian **products**



We **deliver** top-quality,  
dedicated **solutions** worldwide

key points

Knowledge

Delivery

Products

Customers



Our **Business Model** / Wide offering for a wide Customer base

# Our Products



WOOD



GLASS



STONE



PLASTIC



METAL

01

## Machines

We design, manufacture and distribute a comprehensive range of machinery and technologies for processing wood, glass, stone and, in recent years, plastics.

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.

04

## Tooling

We create customized diamond and binder mixes for stone and glass processing machinery.



Our **Business Model** /

# Our **main customers**

Ikea  
 Howdens  
 Masonite  
 Colombini Group  
 Veneta Cucine  
 Roland Gerling  
 Lube Cucine  
 Lago  
 Fiam

Legal & General Insurance  
 Onsrud  
 Heian  
 Saint Gobain  
 Pilkington  
 Fidia  
 Glaströsch  
 Cosentino  
 Sauder

TYPE OF CUSTOMERS		
-------------------	--	--

- |   |   |  |
|---|---|--|
| <input checked="" type="checkbox"/> Joiners                                   | <input checked="" type="checkbox"/> Glass workers                       | <input checked="" type="checkbox"/> Wood machinery producers     |
| <input checked="" type="checkbox"/> Makers of large furniture items           | <input checked="" type="checkbox"/> Marble workers                      | <input checked="" type="checkbox"/> Aluminum machinery producers |
| <input checked="" type="checkbox"/> Windows and doors                         | <input checked="" type="checkbox"/> Windows                             | <input checked="" type="checkbox"/> Plastic machinery producers  |
| <input checked="" type="checkbox"/> Wood building companies and manufacturers | <input checked="" type="checkbox"/> Furniture                           | <input checked="" type="checkbox"/> Metal machinery producers    |
|   | <input checked="" type="checkbox"/> Kitchen companies and manufacturers |  |

# Wide customer base

## Customer Sales Distribution 2015

+60.000  
number of  
**Customers**  
(up today)



**Small  
manufactures**

**Large  
manufactures**

20  
(€/000)

10.000 >  
(€/000)

Median

Average







special event:

# Inside



**The traditional three-day event dedicated to the technological innovations at the service of those who work with wood and advanced materials.**

The “Smart 4 all” theme of this edition has allowed the visitors to acquire a 360° vision of the potentials that digitalization can offer to the manufacturing sector. “4.0 ready” machines, systems and software marked Biesse for the big and small size companies which want to gain competitiveness through the optimization of their own design and manufacturing processes.

Inside Biesse replica

Last **November 17-19**

more than

# 3,000

**customers**

(+16% vs previous edition)

almost

# €10 mln

the total amount of **orders intake**  
(more than **165%** vs. previous edition)

# Think4ward

becoming a **4.0 factory**.

01 Implementing **lean production** in order to fully satisfy customer requirements. increasing quality and reducing waste.

02 Understanding **sector trends** and deciding when and how to invest in order to grow.

03 Finding the **best solutions** ahead of competitors.

04 **Anticipating** customers' needs.





# Think4ward

creating **4.0 factories** for our customers.

**Forward-thinking automation and software solutions to help our customers leverage the fourth industrial revolution.**

- ✓ Orders processed on the same day.
- ✓ Custom-designed, integrated machines.
- ✓ Streamlined, intelligent warehousing.
- ✓ Impeccable quality and simplified processes without unnecessary costs.

**Meeting tomorrow's demands today.**



# Summary / Guidance / Main Drivers

## Summary

- ✓ 12 months 2016 with a positive orders intake trend and backlog record level
- ✓ 12 months 2016 with a strong sales increase (higher than the 15.4% increase at the end of the IH 2016)
- ✓ 12 months 2016 with a net debt decrease vs the previous year

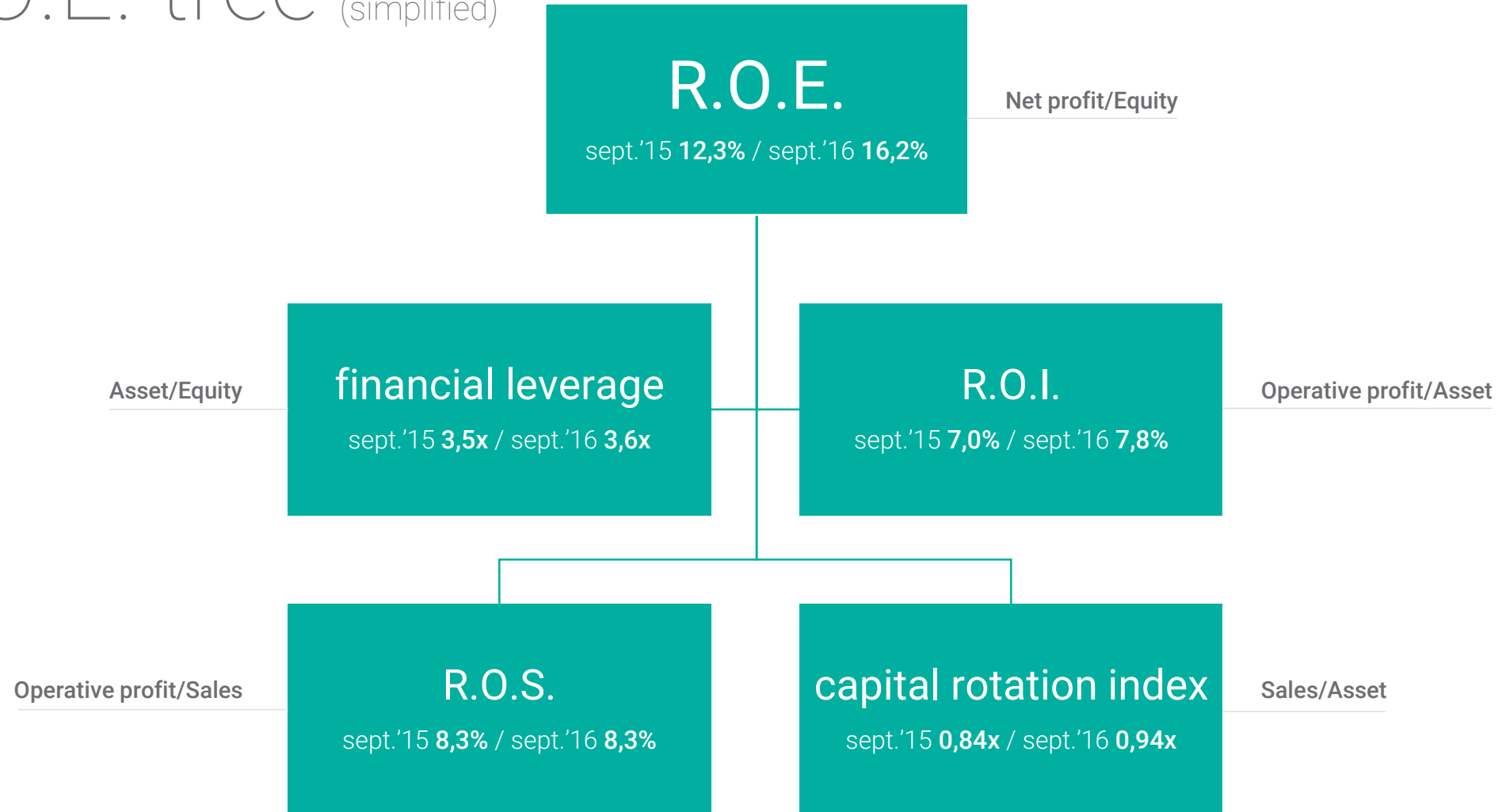
## Guidance

- ✓ Guidance for an higher net sales level
- ✓ Guidance for an higher labour cost due to investments scheduled for the next two years that have been already brought forward (150 new jobs) leading to a slight decrease of profitability % (EBITDA & EBIT margin)
- ✓ Guidance for an orders intake growth considering the last summer world fairs (Melbourne-Atlanta) results and the recent BiesselInside fate (Pesaro-Italy)

## Drivers

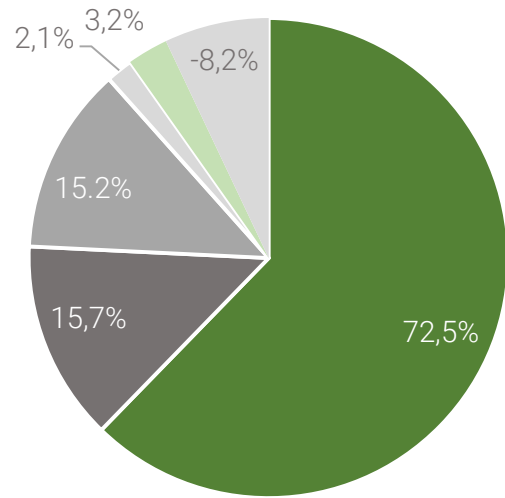
- ✓ Urbanization factor - constructions & restructuring
- ✓ Substitution cycle
- ✓ Energy efficiency – structural wood growing demand
- ✓ Software integration & digitalization increase – Industry 4.0

# R.O.E. tree (simplified)

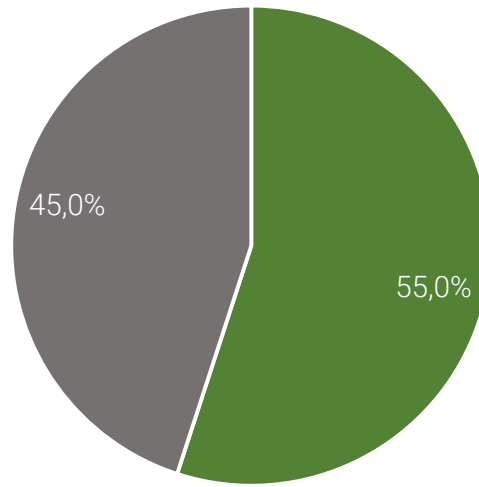




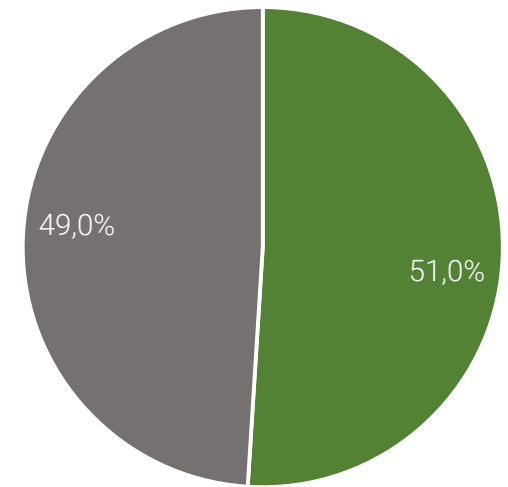
# Biesse at a glance



- Wood
- Glass & Stone
- Mechatronics
- Tooling
- Components
- Elisions



- Italy
- outside Italy



- Bi.Fin
- free float

# Biesse at a glance

## Wood

(world) market share

14,5%

(latest estimation 2015)



## Glass & Stone

(world) market shares

25,0%    21,0%

### Glass

(latest estimation 2015)

### Stone

(latest estimation 2015)



## Mechatronic

(world) market share

36,0%

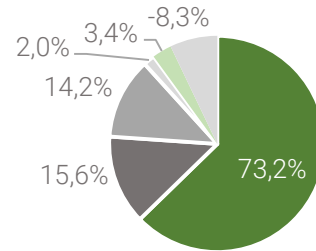
(latest estimation 2015)



September picture

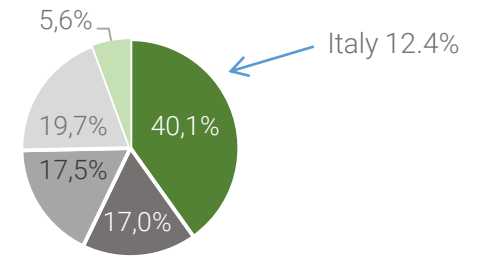
# Sales breakdown

FY 2015



Wood Glass & Stone Mechatronics  
Tooling Components Elisions

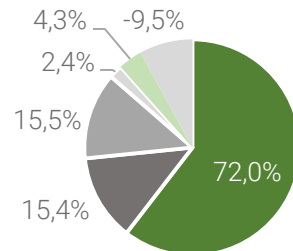
FY 2015



Western Europe (Italy included) Eastern Europe  
North America Asia

by business divisions

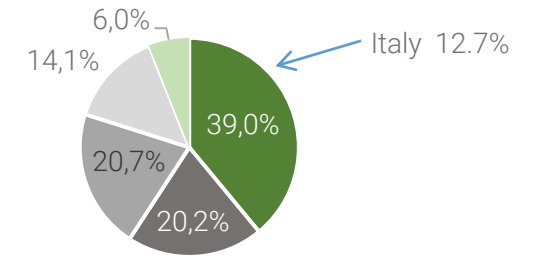
Sept 2015



Wood Glass & Stone Mechatronics  
Tooling Components Elisions

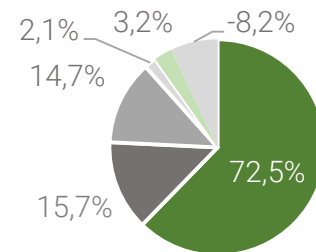
by main geo-areas

Sept 2015



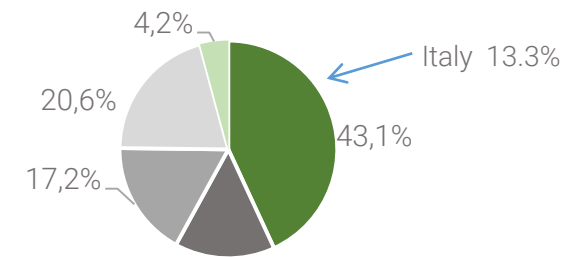
Western Europe (Italy included) Eastern Europe  
North America Asia

Sept 2016



Wood Glass & Stone Mechatronics  
Tooling Components Elisions

Sept 2016



Western Europe (Italy included) Eastern Europe  
North America Asia



## September breakdown

# People distribution (without interim people)

\* including Uniteam people (nr. 57)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Sept 2015	Sept 2016
<b>Production</b> <small>% of total people</small>	965 41%	1,250 46%	1,265 45%	1,175 44%	1,201 42%	1,335 42%	1,276 41%	1,426 41%
<b>Service &amp; After sale</b> <small>% of total people</small>	568 24%	577 21%	574 21%	613 22%	628 22%	690 22%	651 22%	788 22.4%
<b>R&amp;D</b> <small>% of total people</small>	293 12%	316 12%	338 12%	321 12%	361 13%	383 13%	369 12%	428 12.2%
<b>Sales &amp; Marketing</b> <small>% of total people</small>	340 13%	361 13%	364 13%	351 13%	439 15%	495 15.6%	470 15.5%	565 16%
<b>G &amp; A</b> <small>% of total people</small>	202 9%	233 9%	242 9%	235 9%	252 9%	273 9%	251 8.3%	302 8.6%
<b>ITALY</b> <small>% of total people</small>	1,660 70%	1,656 61%	1,646 59%	1,547 57%	1,605 56%	1,780 56%	1,689 56%	1,927 55%
<b>OUTSIDE ITALY**</b> <small>% of total people</small>	708 30%	1,081 39%	1,136 41%	1,148 43%	1,276 44%	1,396 44%	1,338 44%	1,582 45%
<b>TOTAL</b>	<b>2,368</b>	<b>2,737</b>	<b>2,782</b>	<b>2,695</b>	<b>2,881</b>	<b>3,176</b>	<b>3,027</b>	<b>3,509*</b>

# People distribution

\* including Uniteam people (nr. 57)

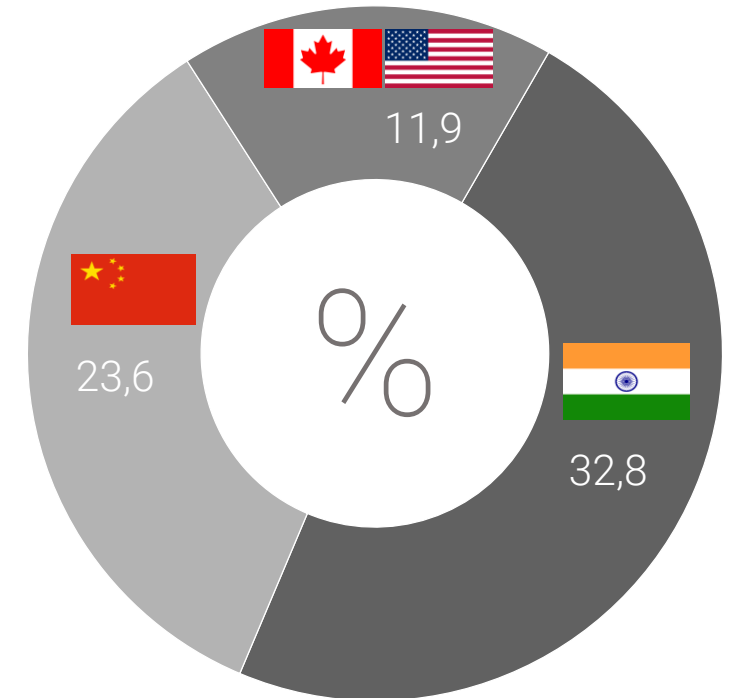
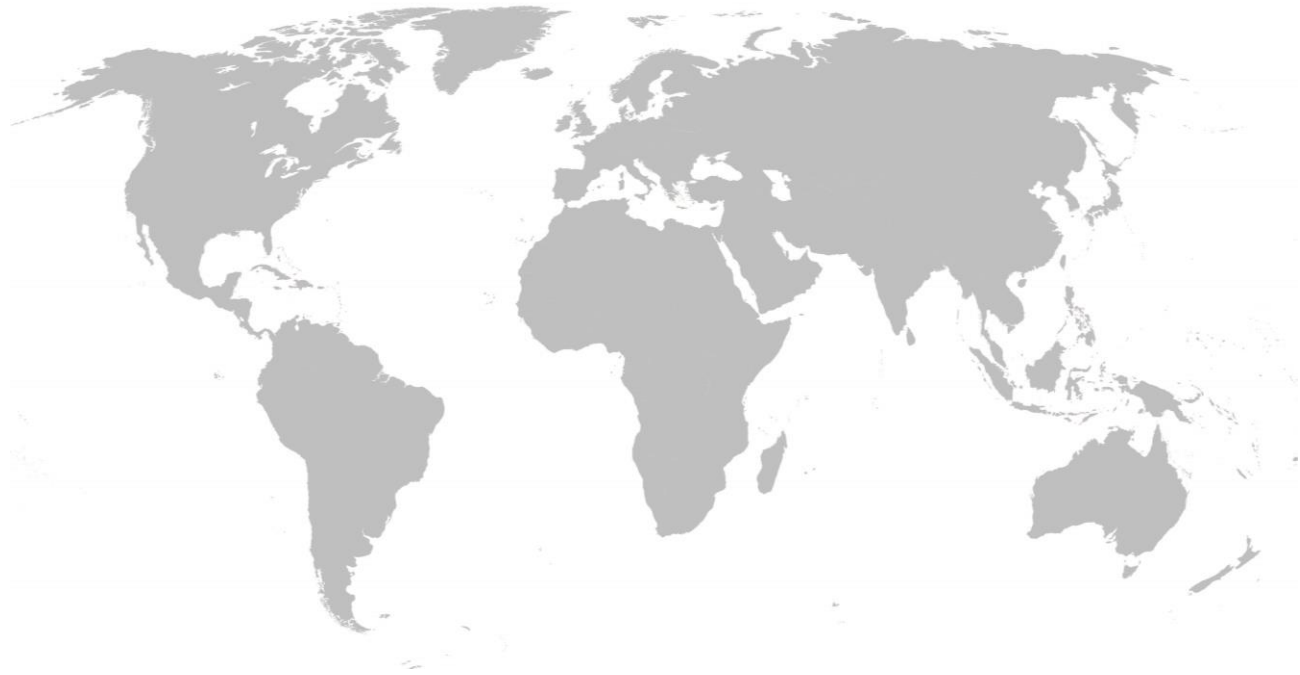
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vs Sep 2015: **+482** (15,9%)  
 vs Dec 2015: **+333** (10, 5%)  
 vs Jun 2016: **+50** (1,45%)

interim people at the end of Sept. 2015: **147**  
interim people at the end of Sept. 2016: **232**

3,741

# People distribution **by main countries**



People outside Italy: nr. **1582**  
**18.6% in the european subsidiaries**



# UNITEAM

CNC MACHINING CENTERS

UNITEAM  
CNC MACHINING CENTERS



H21

UNITEAM  
CNC MACHINING CENTERS



UNITEAM  
CNC MACHINING CENTERS

UNITEAM  
CNC MACHINING CENTERS



UNITEAM

# Uniteam S.p.A. acquisition



## May 19<sup>th</sup> 2016

Acquisition 100% Uniteam S.p.A. Thiene (Vicenza)

## Cost (paid by cash)

2.1 Euro mln

## 2015 Uniteam turnover

11.4 Euro mln

## Main activities

- ✓ 3.4.5 axis CNC centers for the processing of furniture. doors. windows and stairs (wood)
- ✓ 5 axis CNC centers for the processing of carpentry and wood structure (xlam/CLT wood/house)
- ✓ 3.4.5 axis CNC centers for the processing of plastics. composites. aluminum and special alloys (automotive. bio-medical. aerospace and nautical sector)

## Orders backlog

- ✓ Order (already signed) for a line in England (estimated value 10.1 Euro mln) dedicated for structural wood/houses





# “Old” Three Years Business Plan

approved the last February 2016

# Our strategy



+ Products

# Wood

Market



## Outlook

Looking forward, we expect the market to continue grow at about 3,7 times the reference sector average growth rate.

## Competitors

The competition in the current market is consolidated. We are the second leading company in the sector. Main competitors are located in Germany and in Italy. The most important of these are **HOMAG** (29% estimated market share) and **SCM** (7% estimated market share).

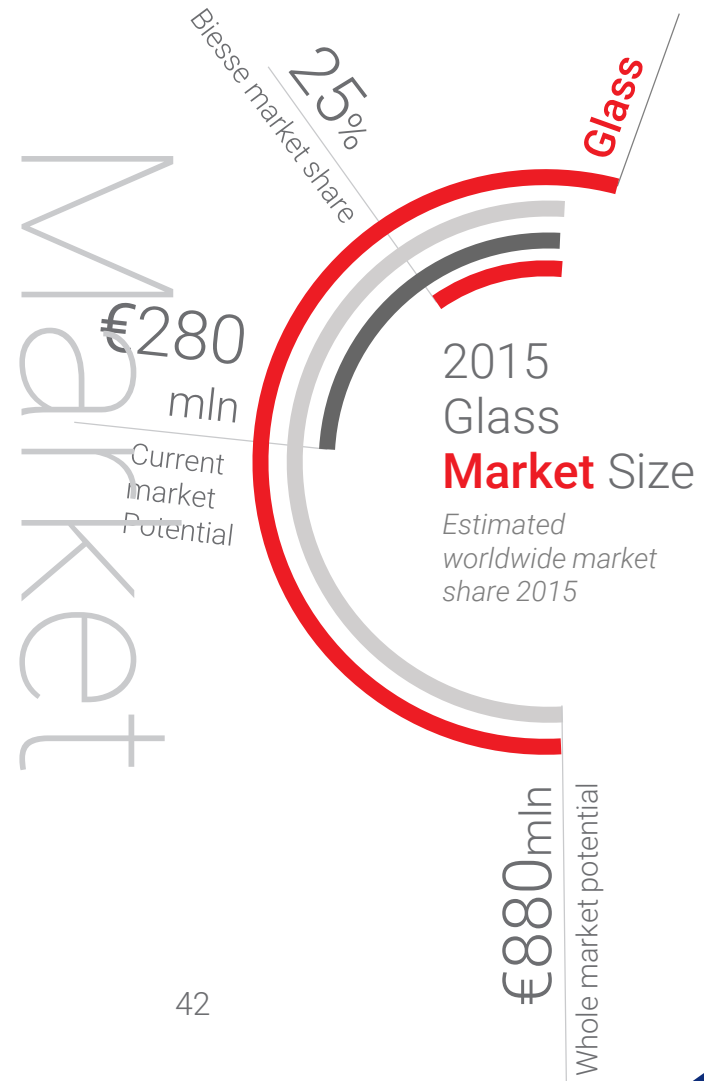
## CUSTOMERS





+ Products

# Glass



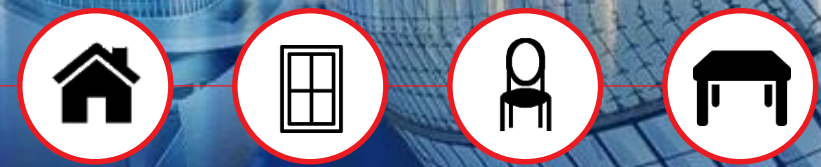
## Outlook

In the near future, we anticipate that the glass processing market will grow at about 3,7 times the reference sector average growth rate.

## Competitors

We are currently the industry leader in the glass processing market in which we operate. Main competitors are located in Italy and they are **CMS**, **Bottero** and **Hegla**.

## CUSTOMERS



Ciudad de las Artes y las Ciencias (Valencia)

# Stone



## Outlook

Looking to the future, as the in the wood sector, we expect the market to continue to grow at about 3,7 times the reference sector average growth rate.

## Competitors

The competition in the current market is consolidated. We are among the leading companies in the sector and we intend to reinforce our positioning. Main competitors are located in France and in Italy and they are **CMS, Breton** and **Thibaut**.

## CUSTOMERS



"Bicefalo" marble sculpture  
**Marmi Fontanelli**

+ Products

# Mechatronics

Markets



## Outlook

In the near future, we anticipate that the spindles market will grow in line with the reference markets of WAP and metal working machines.

## Competitors

Our mechatronics division is currently the leader in the WAP (Wood Advanced Materials\*, Plastic) spindles sector. We recently entered the metal spindles sector. Our main competitors are from Germany. They are **KESSLER, IBAG, GMN, WEISS** (Siemens), **FISHER PRECISE** and **STEP TEC**.

## CUSTOMERS





# Advanced Materials\*

Markets



**\*Advanced materials**

- ✓ Carbon Fiber
- ✓ Foam
- ✓ Composite
- ✓ Aluminium
- ✓ Titanium

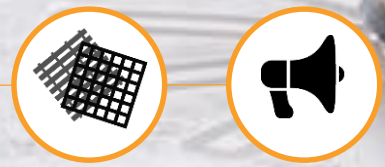
## Outlook

In the near future, we expect that the market of Advanced Materials\* Processing where we insist will double around the GDP grow rate.

## Competitors

The plastic processing machinery market is highly fragmented worldwide and there are not the same number of companies as in the woodworking machines sector (CMS Industrie - Multicam – Flow Corporation).

## CUSTOMERS



+ Products

# Advanced Materials\*

Targets



**\*Advanced materials**

- ✓ Carbon Fiber
- ✓ Foam
- ✓ Composite
- ✓ Aluminium
- ✓ Titanium

3.5 mln/€  
2015 result

Our successful entry into the plastic & advanced materials sector confirms our **capability to diversify** into new sectors through our innovative **Mechatronics Division** and our **consolidated expertise**.

20 mln/€  
2018e target

In the future, we will expand our product offering in order to meet the needs of the entire market.

+ Solutions

# Service

Targets



Our network supports **our customers worldwide**. Through Biesse Service and Biesse Parts, we offer **technical services and machine/component spares to businesses** anywhere in the world on-site. as well as on-line - 24/7.

## Our Service will evolve to **Service 2.0**

- ✓ **Proactivity:** leave "break-and -fix" service logics in the past and move onto **predictive services**
- ✓ **Spare Parts:** encourage a 24/7 assistance / no **down-time approach** with maintenance contracts
- ✓ Maintain **excellence** in terms of service levels





+ Solutions

# Systems

Targets



We want to reinforce our positioning and **increase our market share, becoming a leading company** in the engineering solutions sector.

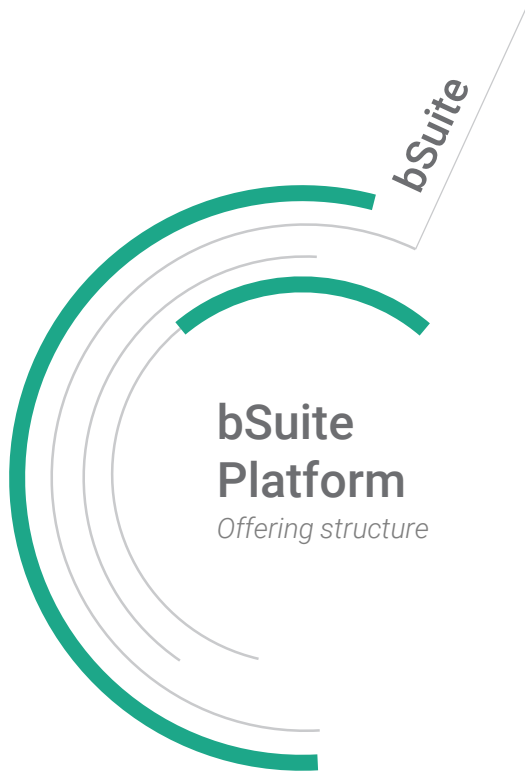
20%

2018 Target  
incidence on  
Machine Sales

+ Solutions

# bSuite

Offering



## bPlatform

Challenging market standards.



**bSolid** is a 3D cad cam software application



**bEdge** is a bSuite plug-in, seamlessly integrated for edgebanding planning.



**bWindows** is a seamlessly integrated plug-in for the planning of windows/door frames.



**bNest** is the bSuite plugin specifically for nesting operations.



**bProcess** is the tool that allows in a simple and intuitive way to organize production for a cell of machines.



**bCabinet** is the bSuite plugin for furniture design.



+ BCX

# Near to customers



The production abroad is constantly growing in **India & China**.

01

We want to continue increase our production in the Chinese and Indian facilities.

02

**Local4Global:** we want to increase the percentage of production exported worldwide from Asian production sites.

20%

**2018 Target**  
production abroad quote



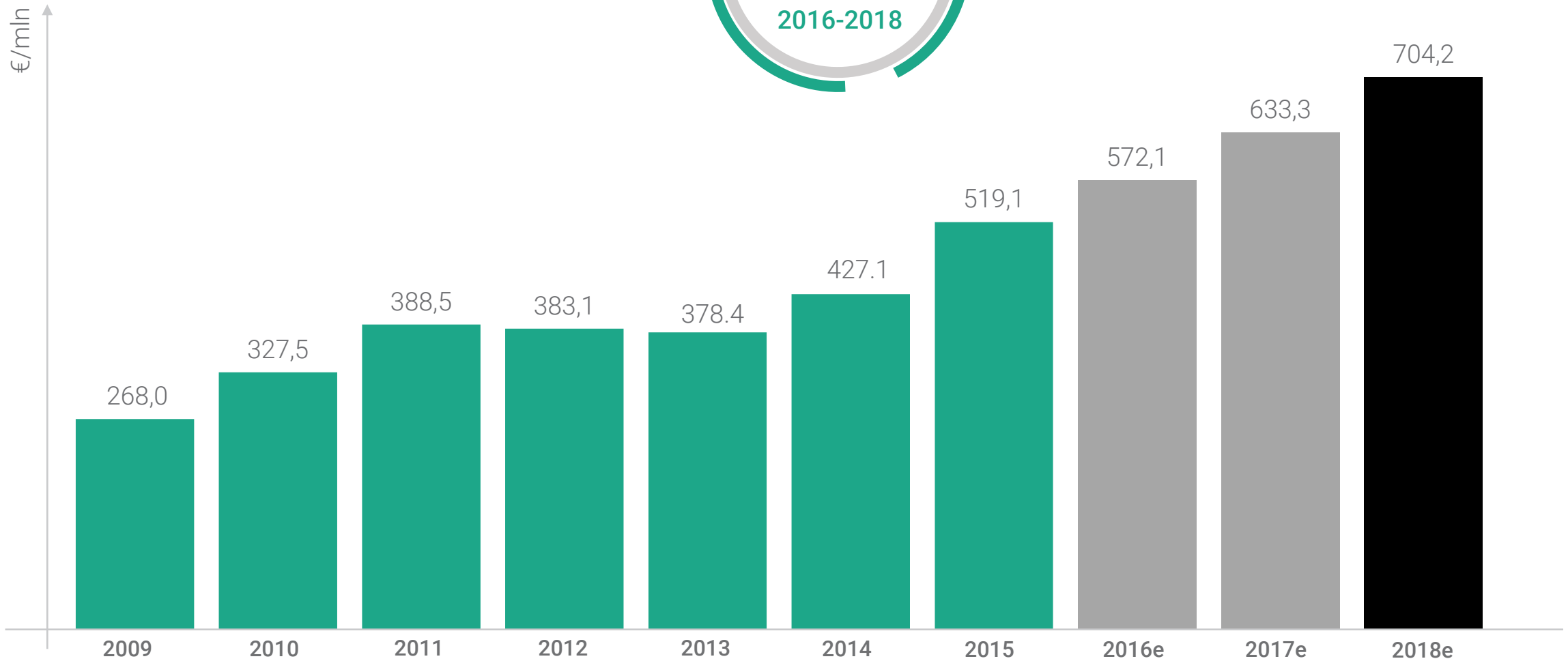


# “Old” Three Years Business Plan

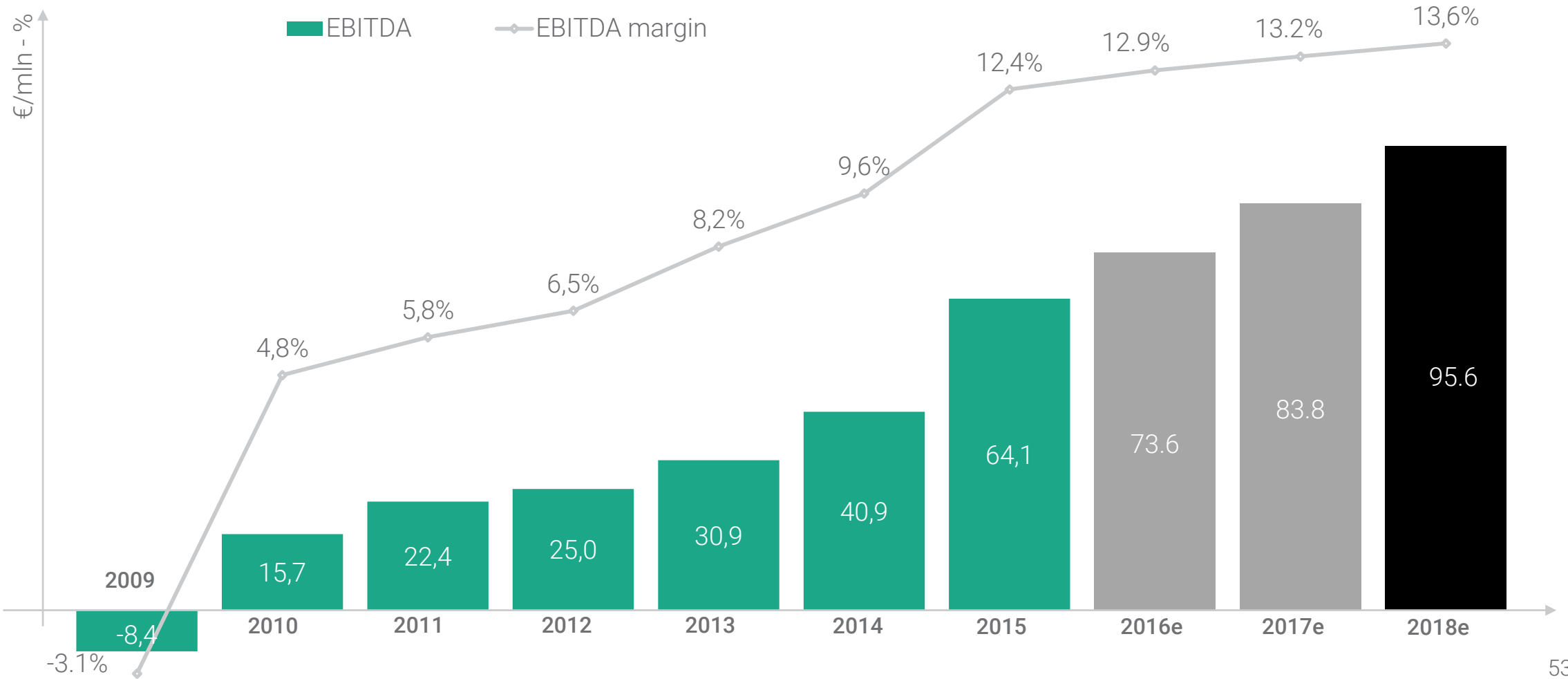
Figures remind

Figures Remind

# Net Sales



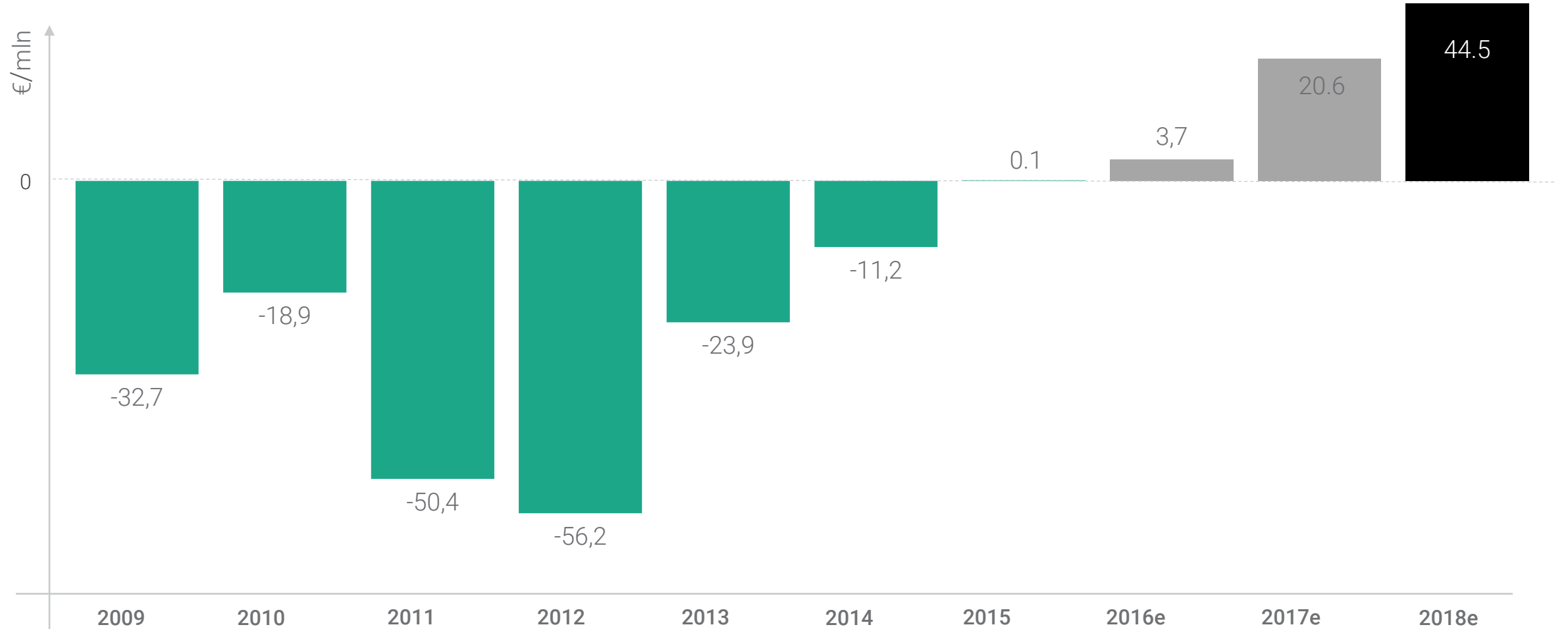
# Ebitda



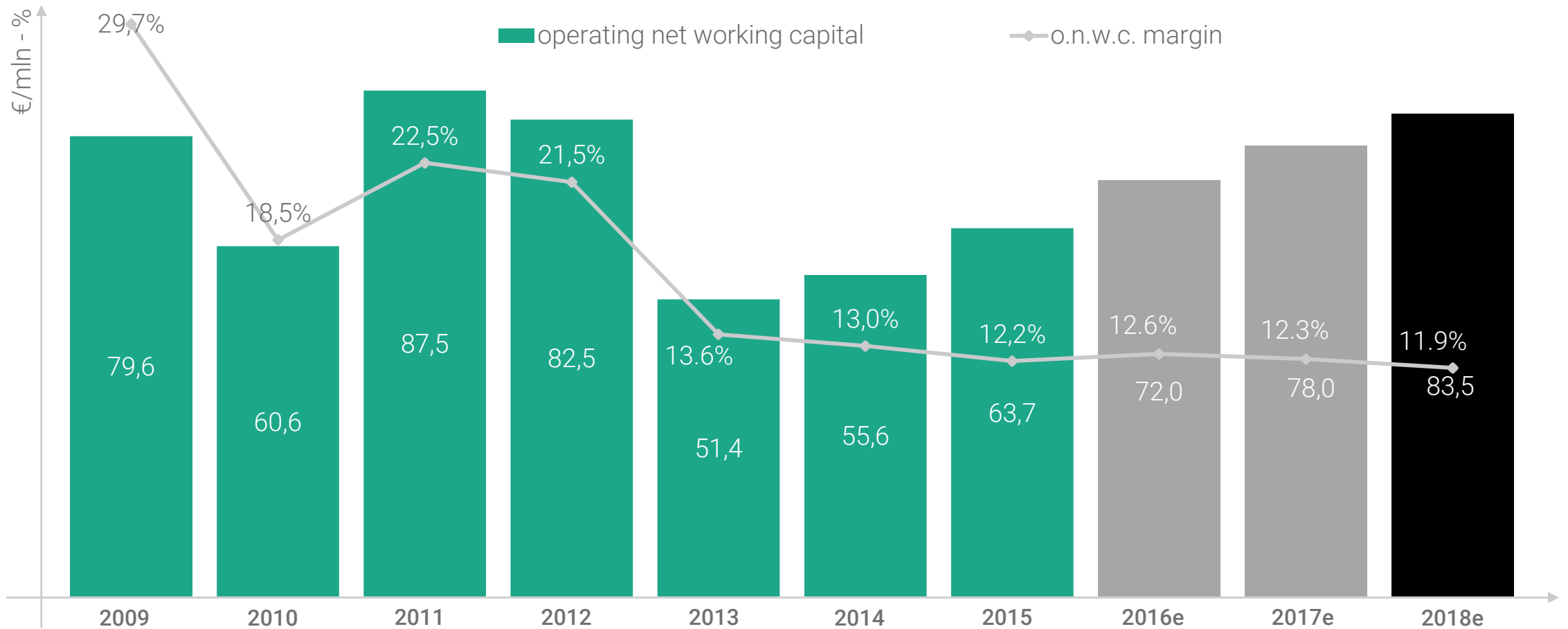


Figures Remind

# Net Debt

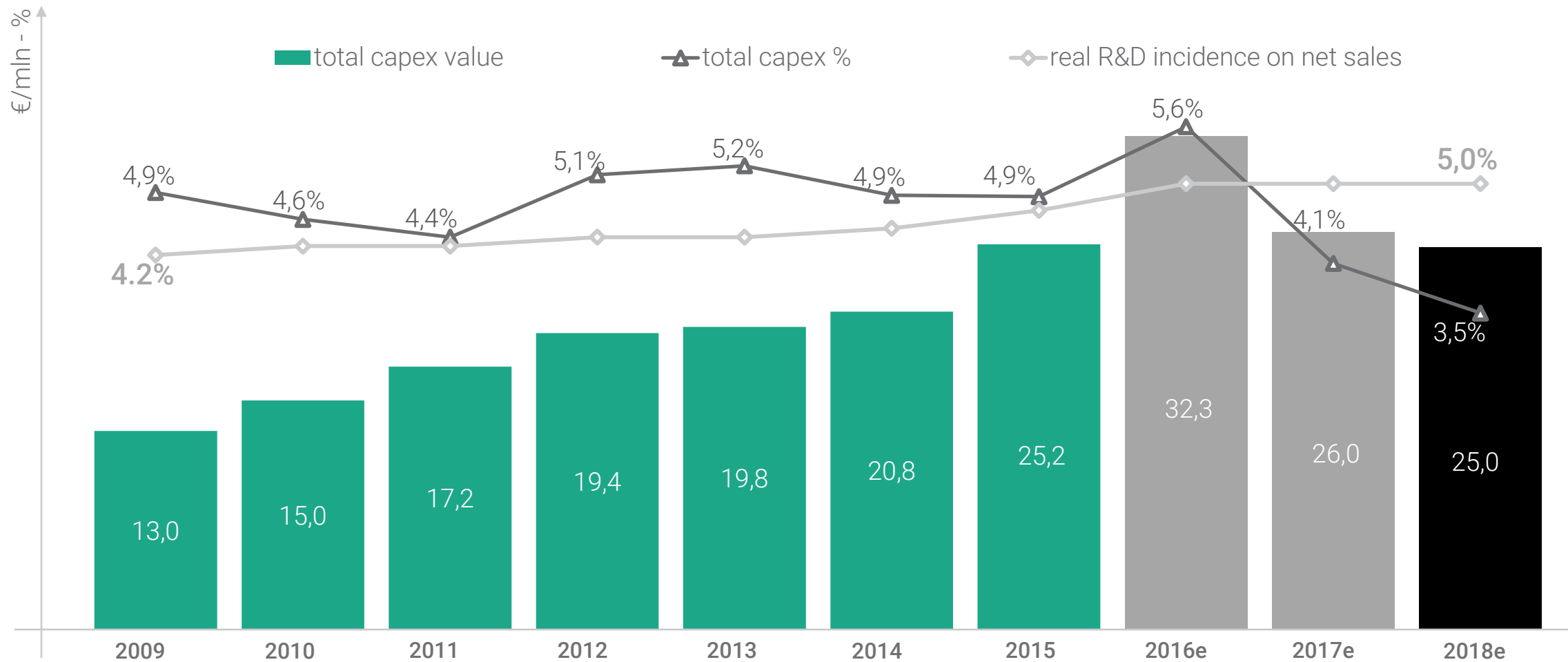


# Operating Net Working Capital



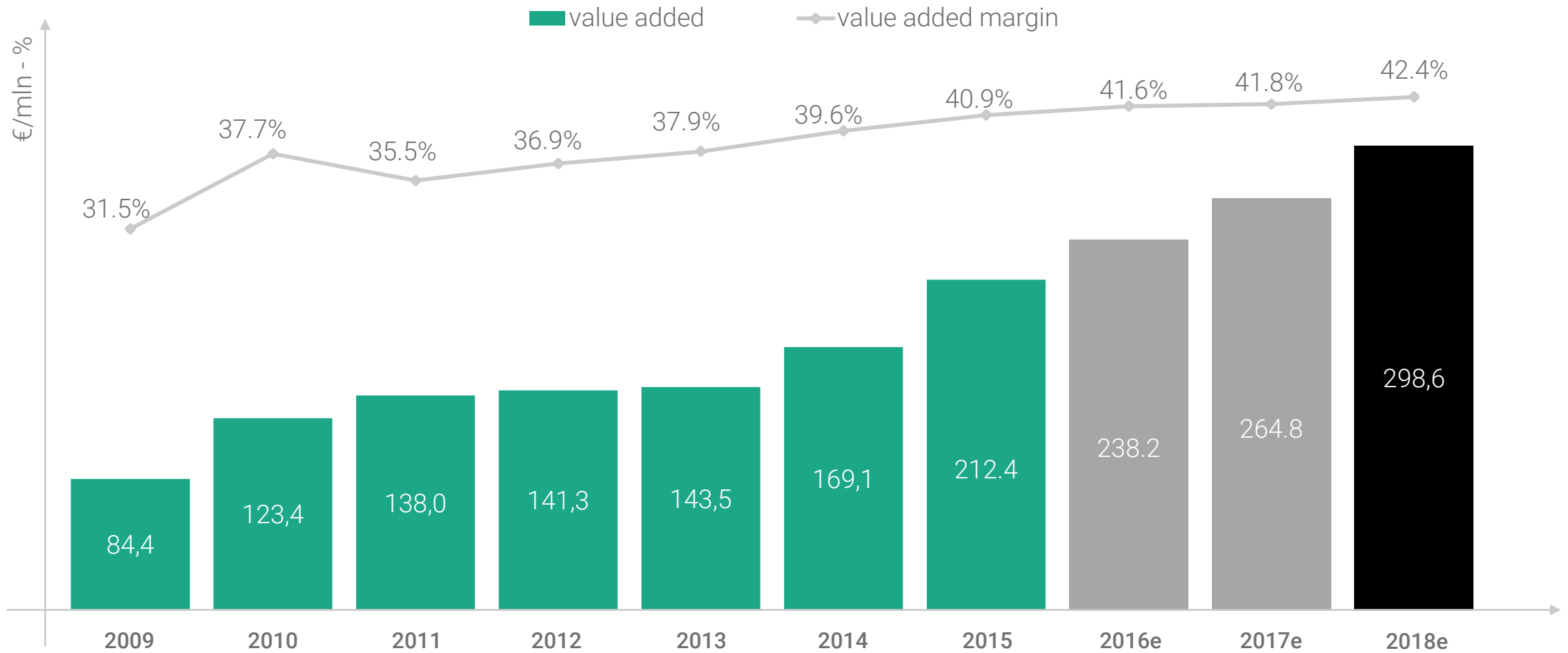
Figures Remind

# Capex



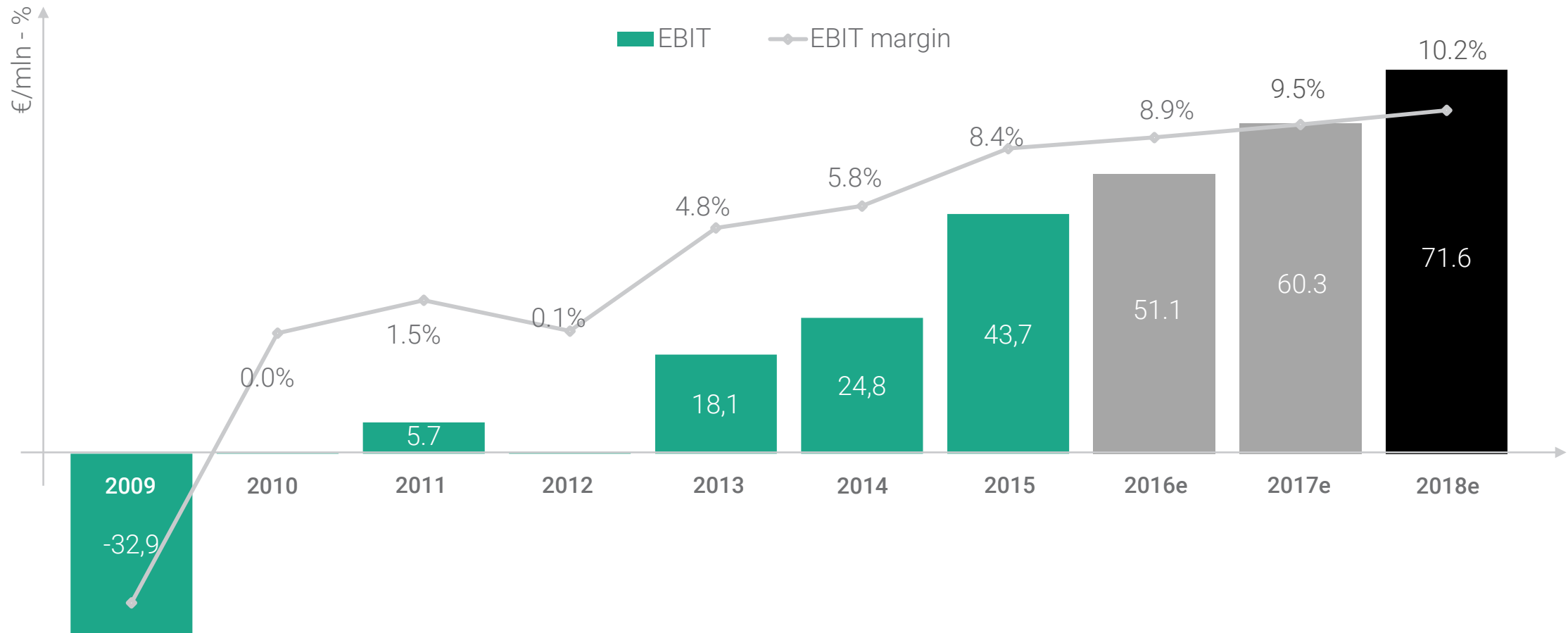


# Value added

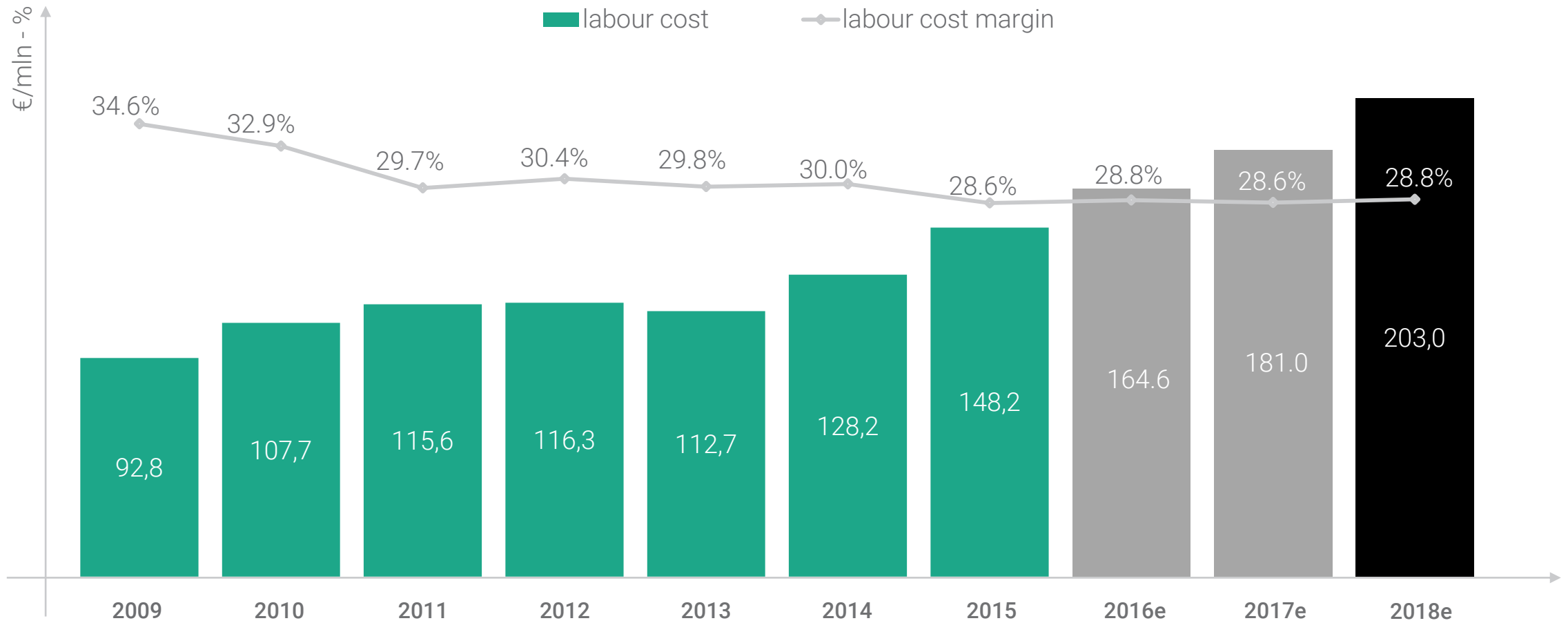


Figures Remind

# Ebit

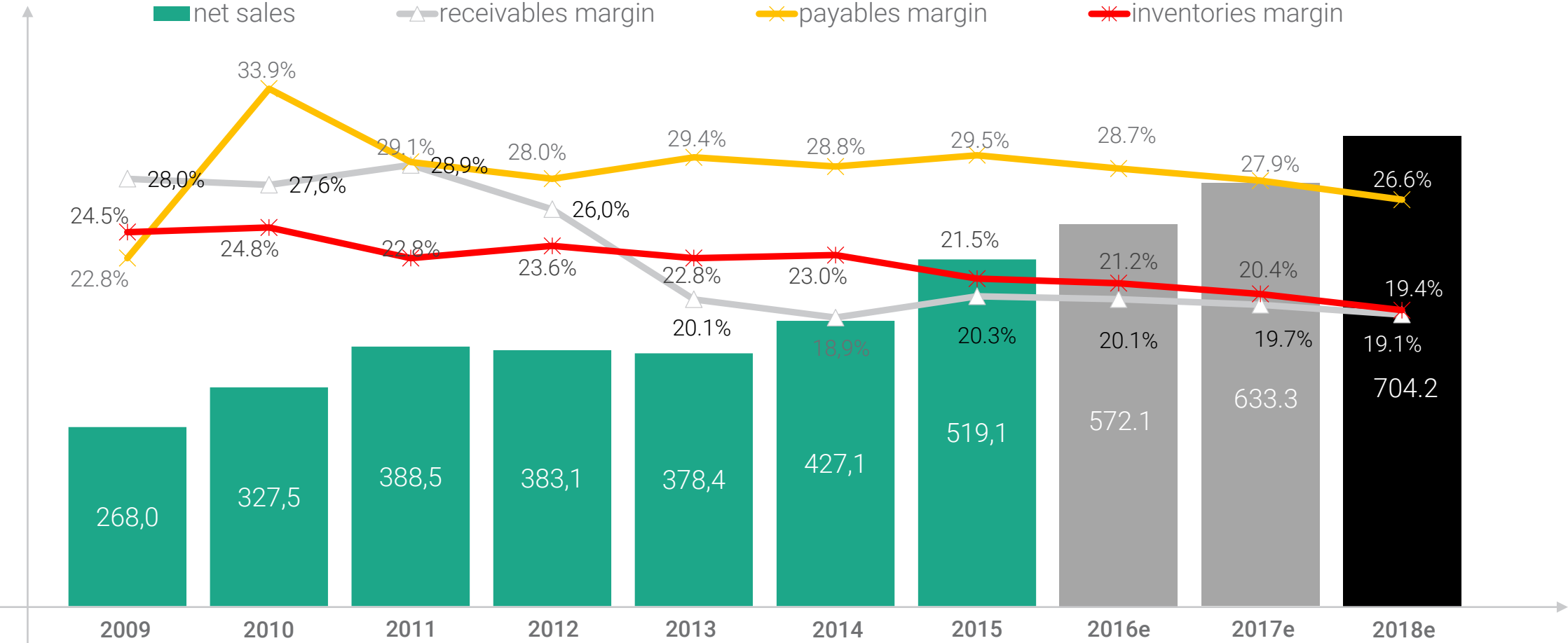


# Labour cost



Figures Remind

# Receivables - Payables - Inventories







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