BIESSEGROUP

technology for shaping everyday life materials

Company presentation, Autumn 2014

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Company view

1.1

1.1 Company vieww

BIESSEGROUP

BIESSE / INTERMAC / DIAMUT / MECHATRONICS

In / 1 industrial group, 4 business areas and 8 production sites

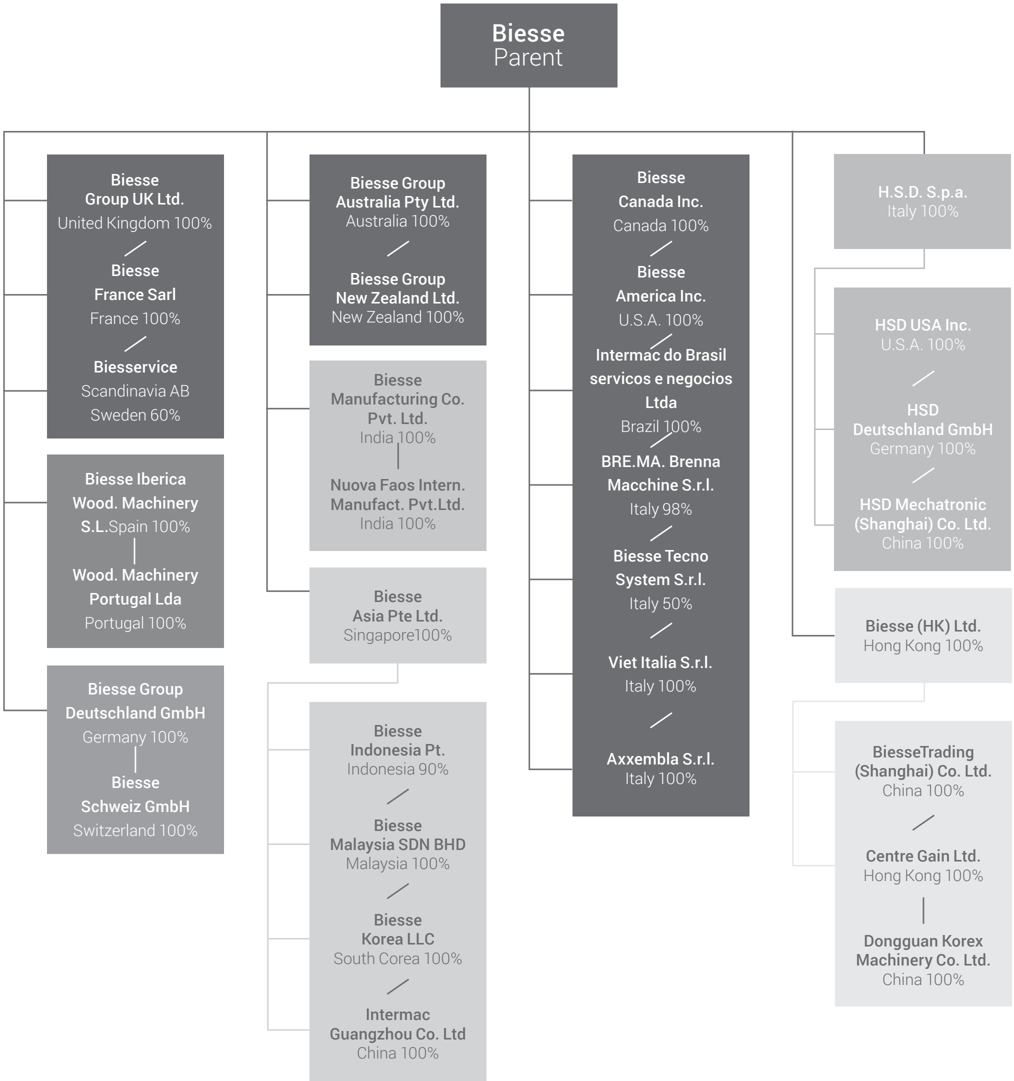
How / around € 14 million p/y (real) in R&D and more than 200 patents registered

Where / 30 branches and 300 agents/selected dealers

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

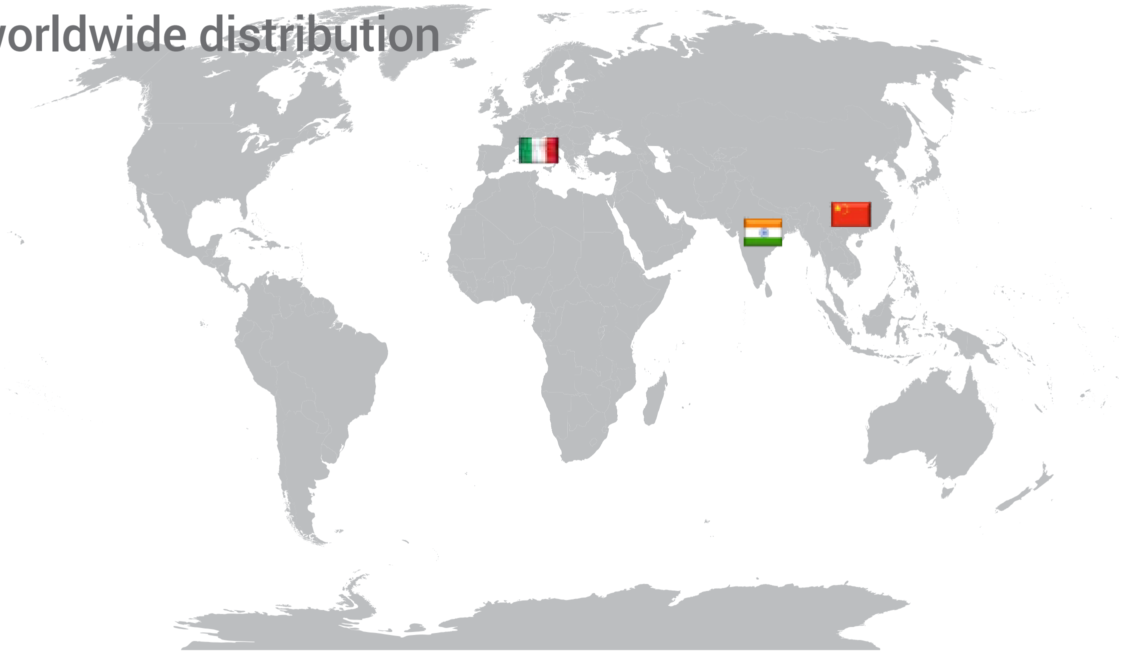
We / more than 2800 employees all over the world

Biesse Group structure



Made In Biesse

for worldwide distribution



Italy: production
(wood - glass - stone - tools - mechatronic)

India: production & sourcing (wood)

China: production & sourcing
(wood - glass - stone)

Worldwide distribution

Subsidiaries & representative offices

Italy
Brianza
Triveneto

U.K.
Daventry

Switzerland
Luzern

Sweden
Jönköping

Russia
Moscow

Germany
Elchingen
Löhne
Gingen

France
Lyon

Spain
Barcellona

Portugal
Lisbona

U.A.E.
Dubai

North America
Charlotte
Montreal
Toronto
Los Angeles
Forth Lauderdale

Brazil
San Paolo

India
Bangalore
Mumbai
Noida

China
Shanghai
Dongguan
Guangzhou

Asia
Singapore
Kuala Lumpur
Jakarta
Seoul

Oceania
Sydney
Brisbane
Melbourne
Perth
Auckland

User-friendly technology

The 5-axis operating section, equipped with 13 kW HSD spindle and with 360° continuous rotation on the vertical and horizontal axes, enables the machining of complex-shaped pieces ensuring quality, precision and absolute reliability over time.

The high technological content of the machining centres most widely sold in the world meets the requirements of wood industry professionals. It is the perfect combination of Italian genius and innovation.

Biesse global leadership

- **1st** world largest manufacturer CNC centre for wood - glass - stone working
- **1st** largest italian producer of automated woodworking machinery
- **2nd** largest worldwide provider of turn-key systems for major companies
- **2nd** largest manufacturer woodworking machinery worldwide

Key success factor

- Worldwide extensive direct sales network & support capabilities
- Strong commitment and investment in R&D
- Flexible and slim business model – the lean company
- One stop shop for superior quality products
- Integrated supply network

Cnc solutions for wood


BIESSE
Rover B

Cnc solutions for glass & stone


INTERMAC
MASTER

Made **With** Biesse

The maestro meets advanced technology

The Sagrada Família site bets on Biesse.
The carpentry workshop buys a Biesse machining centre (KLEVER 1224 G FT) which will principally be used for making templates for stone, marble and concrete elements of the basilica as well as moulds for shuttering.
The processing centre at a height of 30 metres for access to the carpentry of the majestic Cathedral designed by Antoni Gaudì.

Made **With** Biesse

Glass art and cutting-edge technology

“In Fiam’s workshops, we have always tried to respond to designer ideas, even when they were apparently impossible to implement. Designers, like artists, have a creativity that stimulates cutting-edge innovation. So, over time, we have been able to develop new technologies that have allowed us to create unique objects on an industrial scale”.

“Everything started with a stool. A glass stool, of course. A photographer friend came to see me in my glass workshop, saw me standing on the stool and took a picture that was published in some newspapers. That’s when I thought: why not try to make furniture with this material? From the frst, self-built oven to bend glass sheets through to the frst collaborations with artists and design-ers, it’s been an ongoing learning curve.

Our company has always worked in partnership with internationally-re-nowned Italian and foreign designers. People like Massimo Morozzi, Rodolfo Dordoni, Giorgetto Giugiaro, Enzo Mari, Cini Boeri through to Vico Magistretti, Ron Arad, Makio Hasuike. And, again, Philippe Starck, Daniel Libeskind and Massimiliano Fuksas”.

Vittorio Livi
FIAM founder and sole administrator

Made **With** Biesse
Design and Innovation

One of Brazil's most famous furniture brands, SCA's core business is the manufacturing of furniture for corporates, large offces and the hospitality and maritime contract segments. Approximately 70 shops in Brazil and 6 abroad.

“Italy leads the way in design and innova-tion. For us, it is also a refe-rence point as far as technology is concerned. Before making an in-vestment, we evaluate potential suppliers very carefully, analysing their technical service, response times and accessibility in our country of origin.

I am not going to deny that we looked at other company's offers, but we chose an Italian supplier because Biesse has always provided us with a level of service and consultancy that is fully aligned with our ne-eds”.

Claudio Manfroi
President of Sca Indústria de Móveis

Major customers wood

IKEA

CUCINE LUBE

LAGO

Knoll

GRUPPO DOIMO

HOWDENS JOINERY CO.

ARAN GROUP

Veneta Cucine

HOLiKE®
好莱客衣柜
世 界 之 作

nobilia

MADERAS SANTAELLA

HERMANOS VAQUER, S.A.

Symphony

Todeschini

THE HOME DEPOT

SAUDER

Lemet

RSI

Haier | Global

RONG

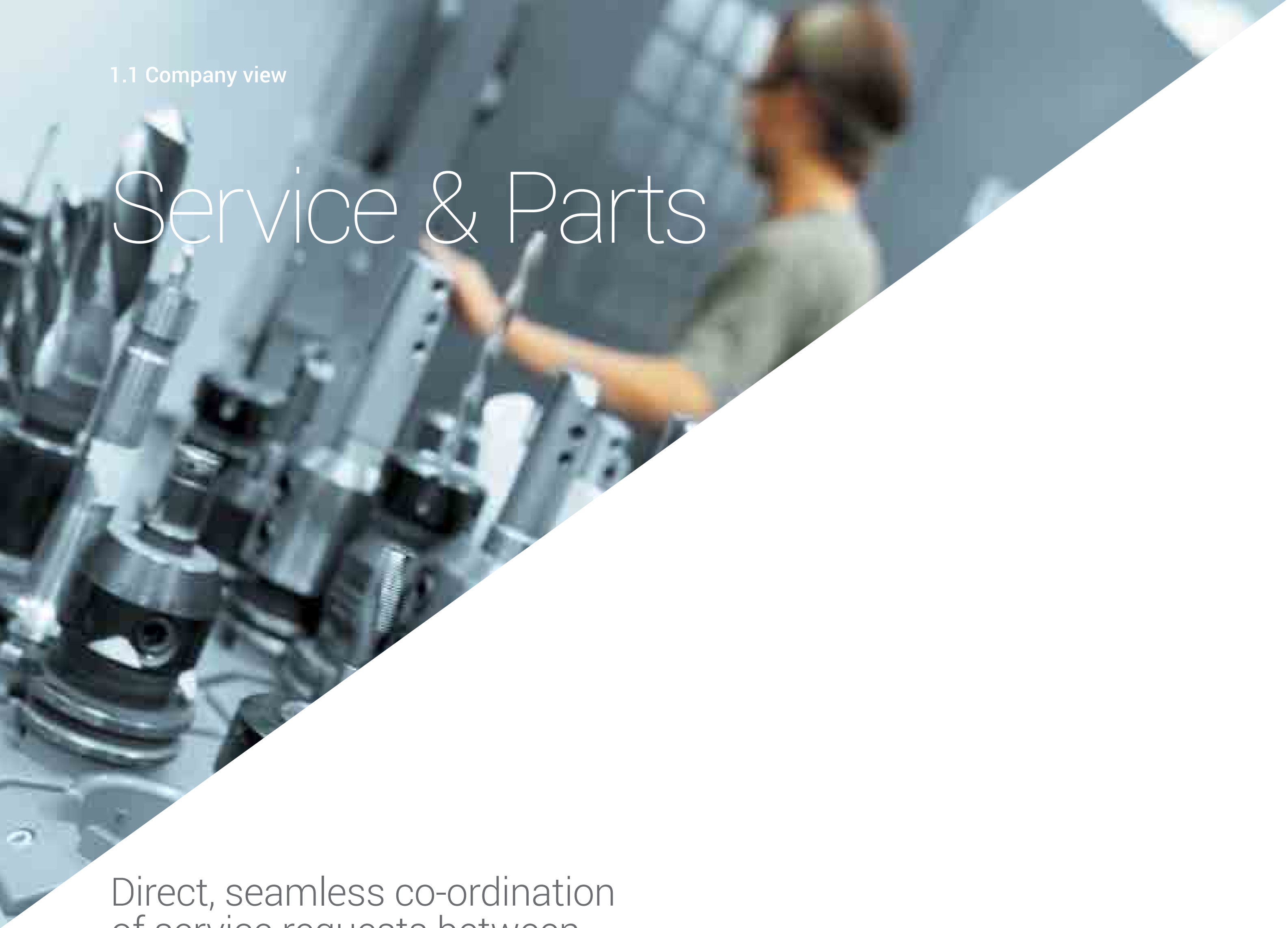
Havelock | Europa PLC

Elt

Major customers glass & stone

Major customers mechatronic

Service & Parts



Direct, seamless co-ordination of service requests between Service and Parts.

Support for Key Customers by dedicated Biesse personnel, either in-house and/or at the customer’s site.

The Biesse Group promotes, nurtures and develops close and constructive relationships with customers in order to better understand their needs and improve its products and after-sales service through two dedicated areas: Biesse Service and Biesse Parts.

With its global network and highly specialised team, it offers technical service and machine/component spares everywhere in the world on-site and 24/7 on-line.

Biesse Service

- Machine and system installation and commissioning
- Training centre dedicated to Biesse Field engineers, subsidiary and dealer personnel; client training directly at client's site.
- Overhaul, upgrade, repair and maintenance.
- Remote troubleshooting and diagnostics.
- Software upgrade.

500 / **Biesse engineers in Italy and worldwide**

50 / **Biesse engineers manning a Teleservice Centre**

550 / **certified Dealer engineers**

120 / **training courses in a variety of languages every year**

Biesse Parts

- Original Biesse spares and spare kits customised for different machine models.
- Spare part identification support.
- Offices of DHL, UPS and GLS logistics partners located within the Biesse spare part warehouse, with multiple daily pick-ups.
- Order fulfilment time optimised thanks to a global capillary distribution network with de-localised, automated warehouses.

87% / **of downtime machine orders fulfilled within 24 hours**

95% / **of orders delivered in full on time**

100 / **spare part staff in Italy and worldwide**

500 / **orders processed every day**

BIESSEGROUP

Highlights

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Highlights 9 months 2014

orders intake & backlog

- Group orders intake **> 20%** increase y/y
- Group backlog € 108 ml **+33%** y/y

recent world fairs

- AWISA Brisbane August 6-9: great risults at the Australian Woodworking Industry Suppliers to confirm the Biesse leadership in that area. Orders intake almost **three times more than the 2012 edition**.
- IWF Atlanta August 20-23: orders intake **more than double vs the latest edition (2012)** attesting the North America economy resumption.

In-house event

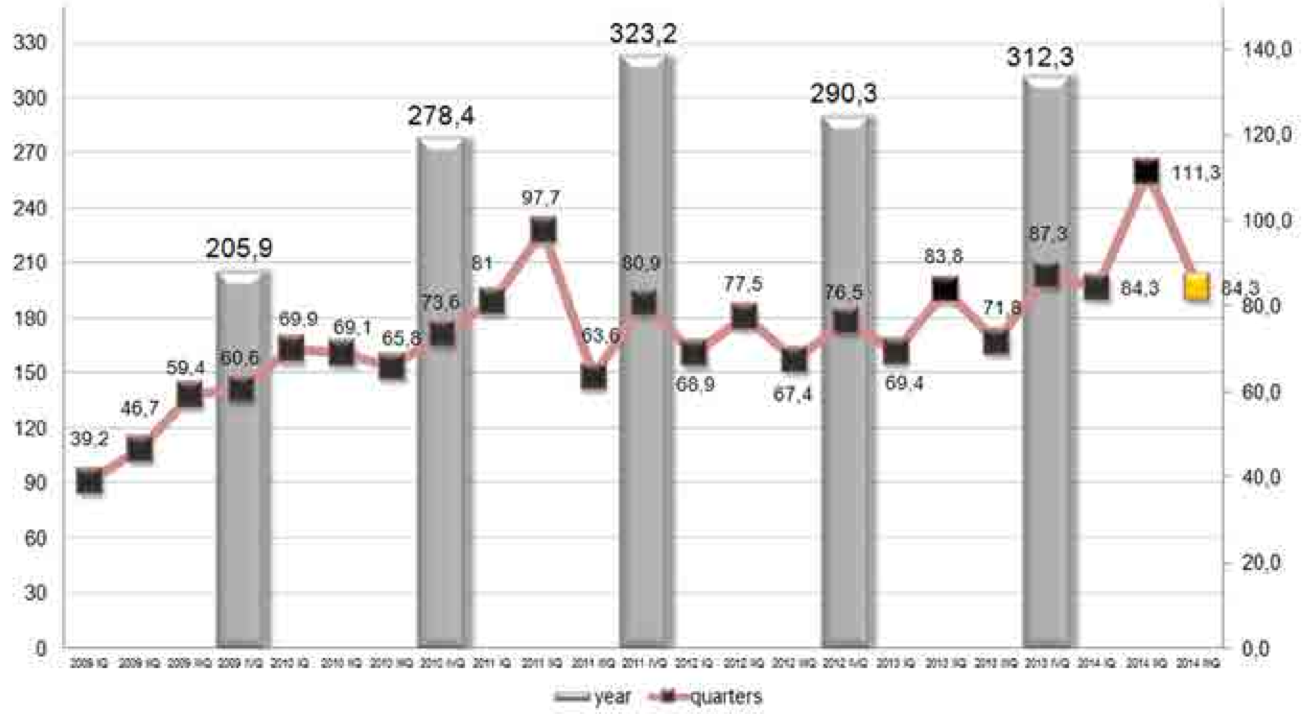
- bInside event (Pesaro, 9-11 October 2014): in-house event (wood) in the new concept space with around 2500 people /customers hosted. Presented new technical solutions and product evolutions.

Cashflow

- **positive cashflow**: rectified excluding dividends (May 2014) and extraordinary items.

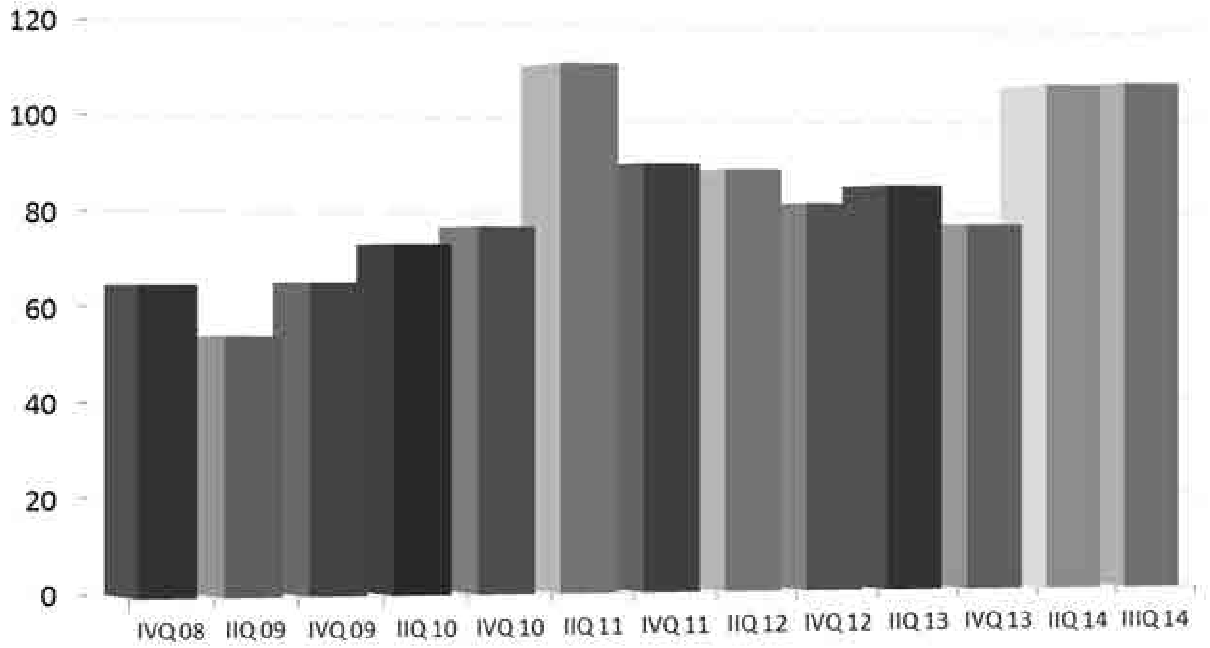
Group orders intake

IIIQ 2014: prog. € 279.9 mln >20%



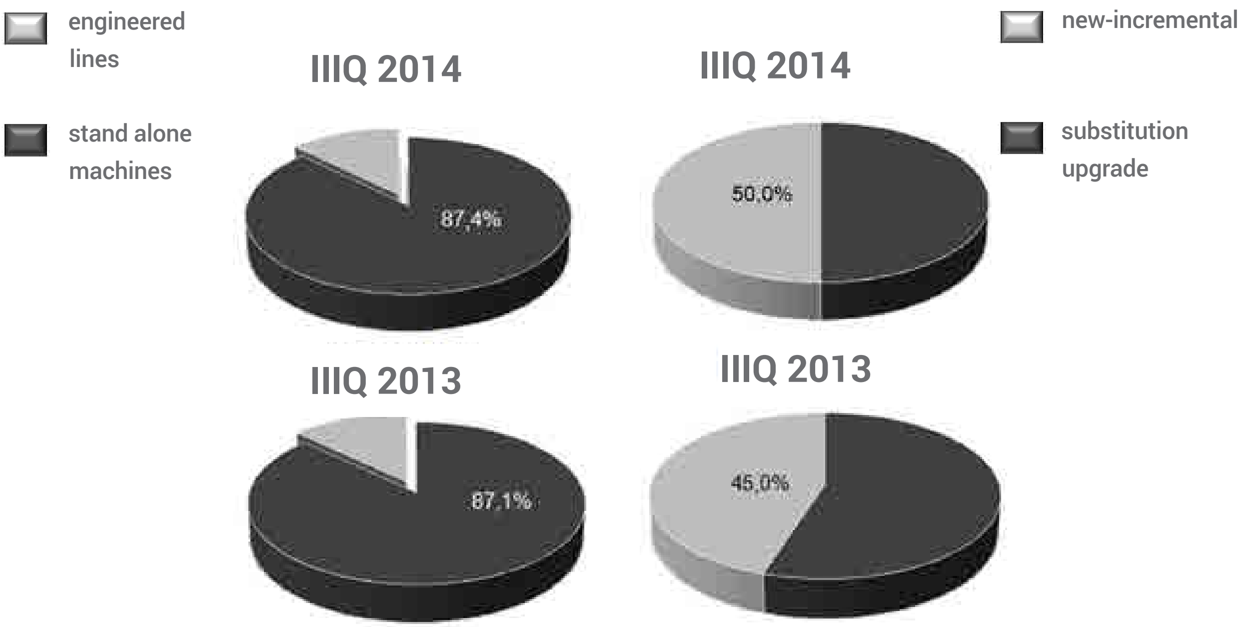
Group backlog

IIIQ 2014: € 108.2* mln + 33.0%



*around € 30 mln to be invoiced in 2015

Orders backlog breakdown per type & destination: **wood**



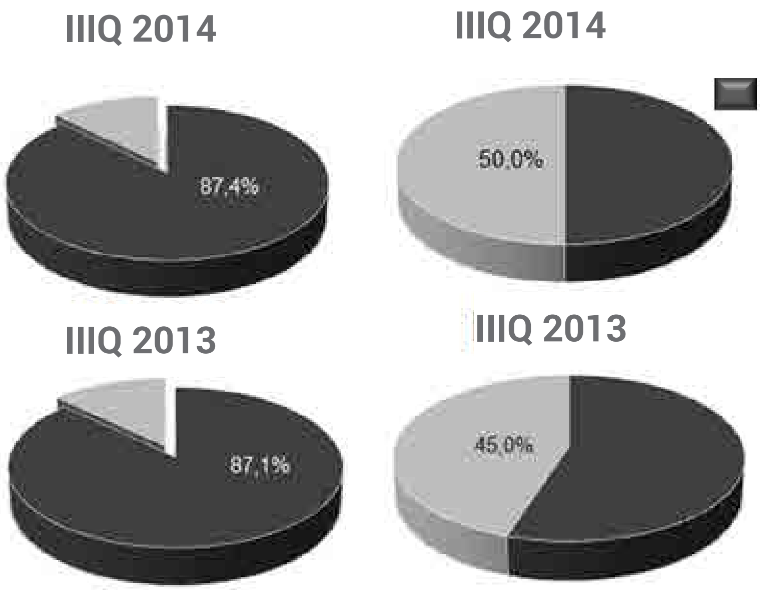
Orders backlog breakdown per type & destination: **glass**

engineered lines

stand alone machines

new-incremental

substitution upgrade



9 months 2014 Financials

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9 months 2014

€/mln

net sales	ebitda	ebit	net result	net debt
302.7	27.5	16.2	6.7	28.3

- double digit increase of **the consolidated revenues**
- strong improvement of profitability **(ebitda & ebit)**
- more than tripled the positive **net result**
- decrease of the **net debt**

P & L 9 months

€/mln	FY 2013	9 months 2013	9 months 2014
Net sales	378.4 -1.2%	268.5	302.7 12.7%
Value added % of net sales	146.9* 38.8%	103.0 38.4%	120.4 39.8%
Labour cost % of net sales	112.6 29.8%	83.8 31.2%	92.8 30.7%
EBITDA % of net sales	34.3* 9.1%	19.2 7.2%	27.5 9.1%
EBIT % of net sales	18.1* 4.8%	8.8 3.3%	16.2 5.3%
Net result % of net sales	6.4 1.7%	1.9 0.7%	6.7 2.2%

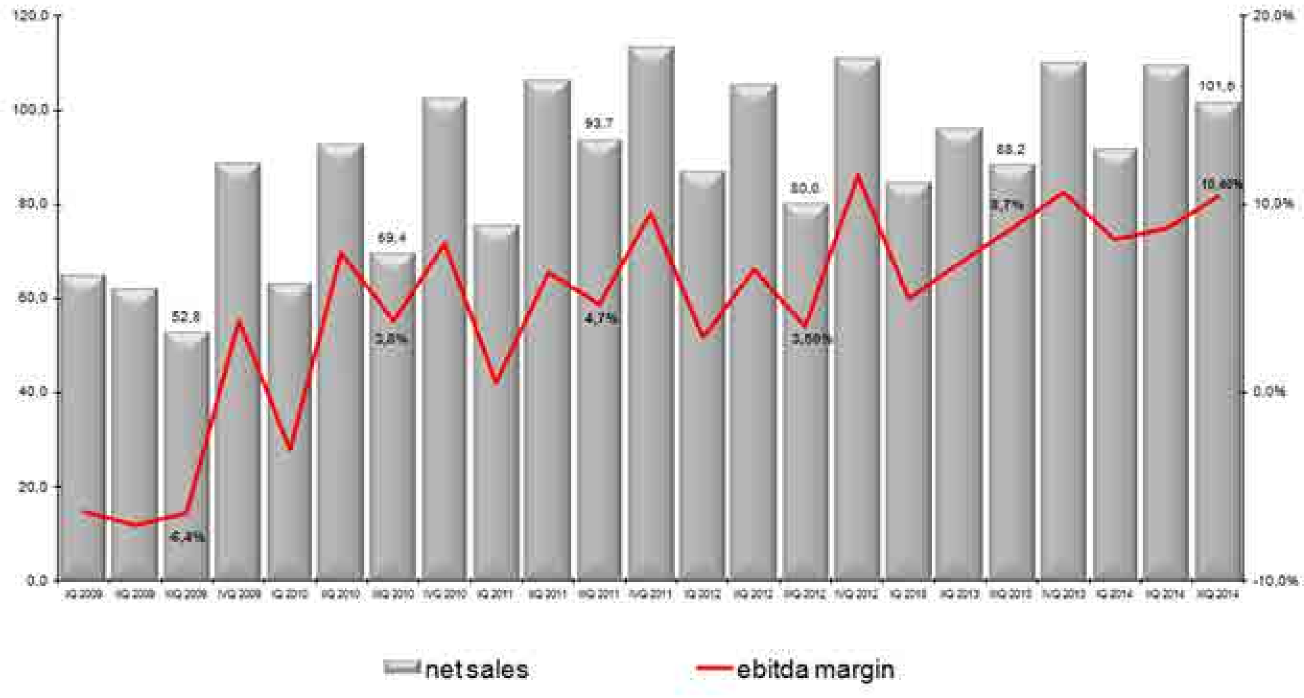
Tax rate 52.1%
IRAP affected
(34.1% without IRAP)

3.0
non recurring items *

*real estate appreciation - provisions and depreciation

Group Consolidates Sales: Quarterly Trend

€/mln



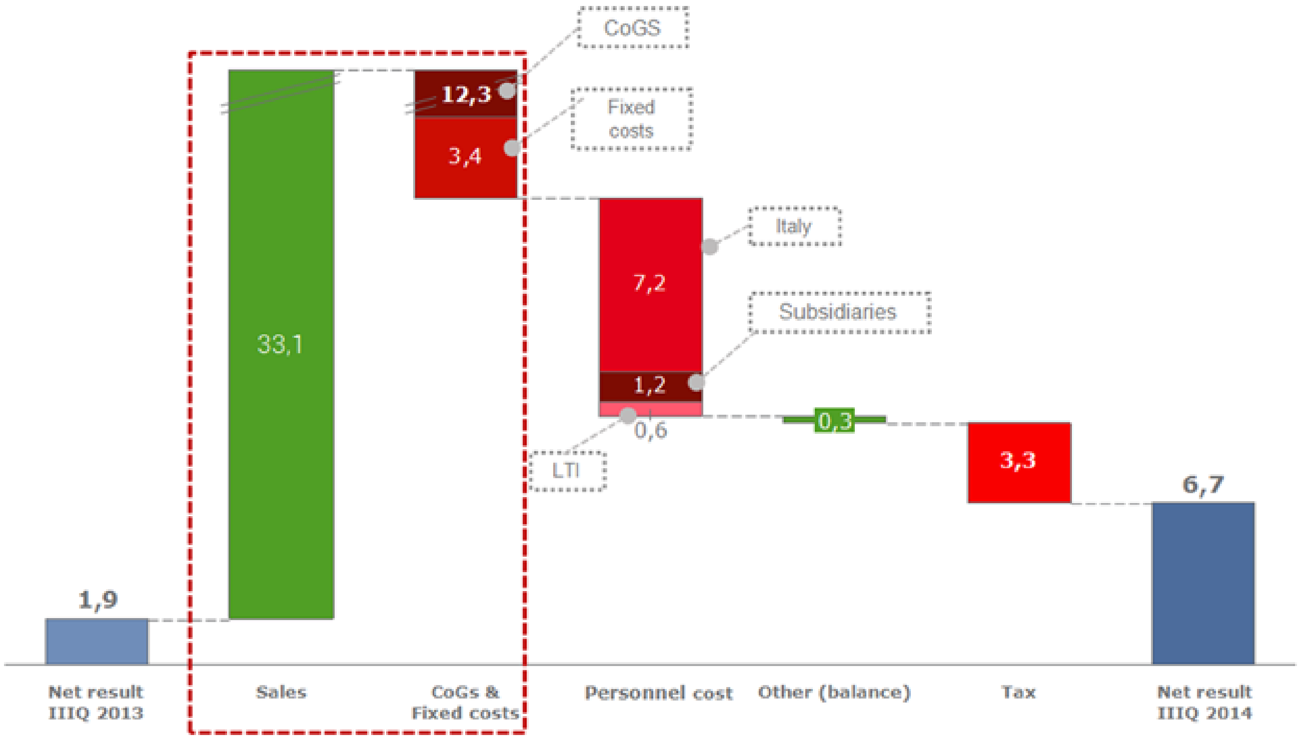
IIIQ 2014: taxes breakdown

Group tax rate 52.1% (without IRAP 34.1%)

	30/09/2014		30/09/2013		note
Risultato ante imposte	**13.911.628**		**5.958.728**		
imposte con aliquota nazionale 27,5%	**-3.825.698**	**-27,50%**	**-1.638.650**	**-27,50%**	**Effetto fiscale applicando l'aliquota nazionale sul risultato ante imposte**
Effetto fiscale differenze permanenti	-232.700		-193.027		riferite a Biesse spa ed hsd spa
Effetto fiscale dell'utilizzo di perdite non precedentemente riconosciute	532.381		910.482		L'importo del 2014 è riferito a mancata iscrizione di imposte per effetto di perdite pregresse delle società: bs america, bs china, australia e new zeland. Il 2013 era riferito a bs america, india, new zealand
Effetto fiscale su perdite d'esercizio di alcune controllate non iscritte nello stato patrimoniale	-731.041		-610.087		Il valore del 2014 è riferito alla mancata iscrizione di perdite delle società: Korez, intermac do brasil, iberica centre gain e bs hk. Il 2013 è riferito a: bs iberica, bs hk, korex, bs china, bs schweiz, malaysia + altre minori
Effetto delle imposte differite attive non stanziate in esercizi precedenti ed	67.692		166.760		L'importo relativo al 2014 è riconducibile alla ripresa di valore del residuo DTA svalutate di Bs usa. Il 2013 era riferito a bs india
Effetto delle differenti aliquote d'imposta relative a controllate operanti in altre	-47.455		19.390		
Altre differenze	-91.117		550.564		Sono effetti generati dalle scritture di consolidamento.
Imposte sul reddito dell'esercizio e aliquota fiscale effettiva	**-4.327.938**	**-31,11%**	**-794.568**	**-13,33%**	**Tax rate di periodo**
IRAP (corrente e differita)	-2.489.937		-2.078.189		
Imposte relative ad esercizi precedenti	-428.325		-1.113.049		L'importo 2014 è riferito a Biesse Spa e riguarda la stima del rischio a seguito PVC per gli anni 2010 e 2011. L'importo del 2013 è riferito all'accantonamento a fondo imposte e tasse su Biesse spa per l'errato calcolo Irap per il periodo 2008-2011.
totale imposte	**-7.246.200**	**-52,09%**	**-3.985.806**	**-66,89%**	

Net result bridge: IIIQ 2014 vs IIIQ 2013

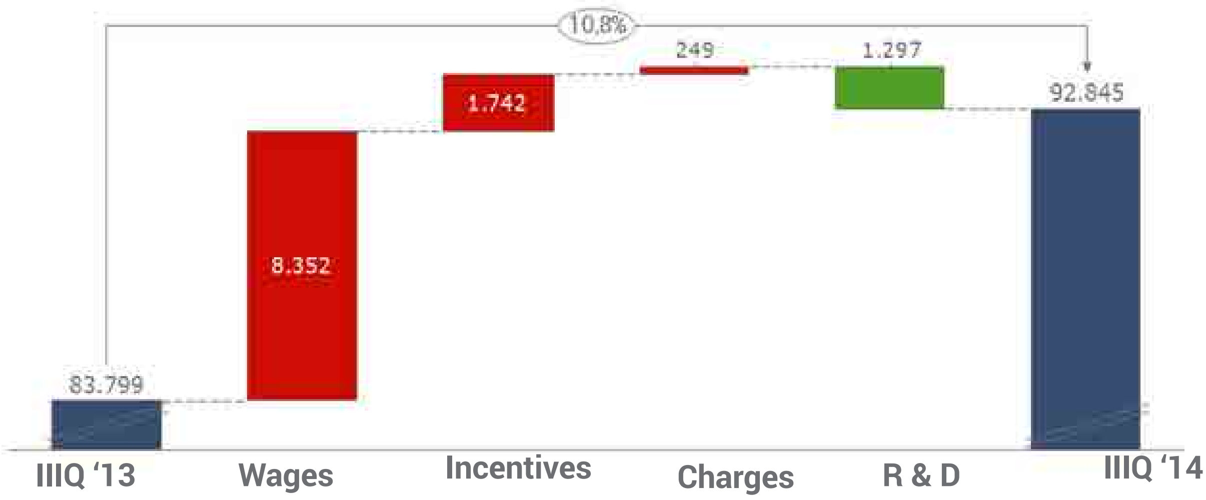
€/mln



IIIQ 2014: personnel cost

Personnel increase
+ 67 people vs June 2014
total nr. 2,869 (interinal excluded)

- Italy based 1592 (55,5%)
- foreign based 1277 (44,5%)

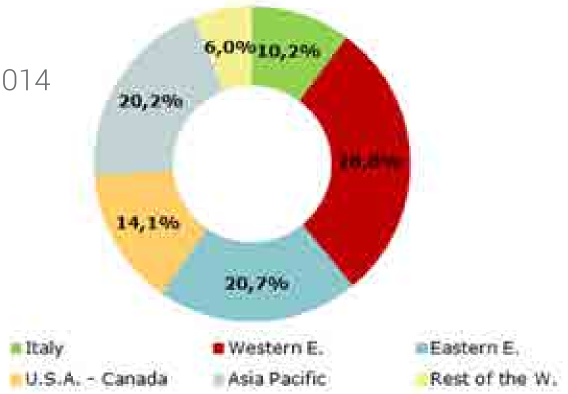


Group people breakdown: 30.09.2014

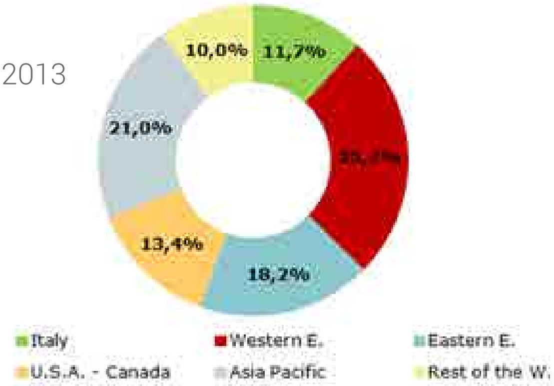
Total	IIIQ 2014 2,869		IH 2014 2,822		2013 2,695		2012 2,782		2011 2,737	
Production	1,209	42%	1,190	42%	1,175	44%	1,265	45%	1,250	41%
Service & after sales	638	22%	623	22%	613	23%	574	21%	577	24%
R & D	349	12%	342	12%	321	12%	338	12%	316	12%
Sales & marketing	418	15%	419	15%	351	13%	364	13%	361	14%
Administration	255	9%	248	9%	235	9%	242	9%	233	9%
Domestic	1,592	55%	1,580	56%	1,547	57%	1,646	59%	1,656	70%
Foreign	1,277	45%	1,242	44%	1,148	43%	1,136	41%	1,081	30%

Biesse: geo-breakdown consolidated sales

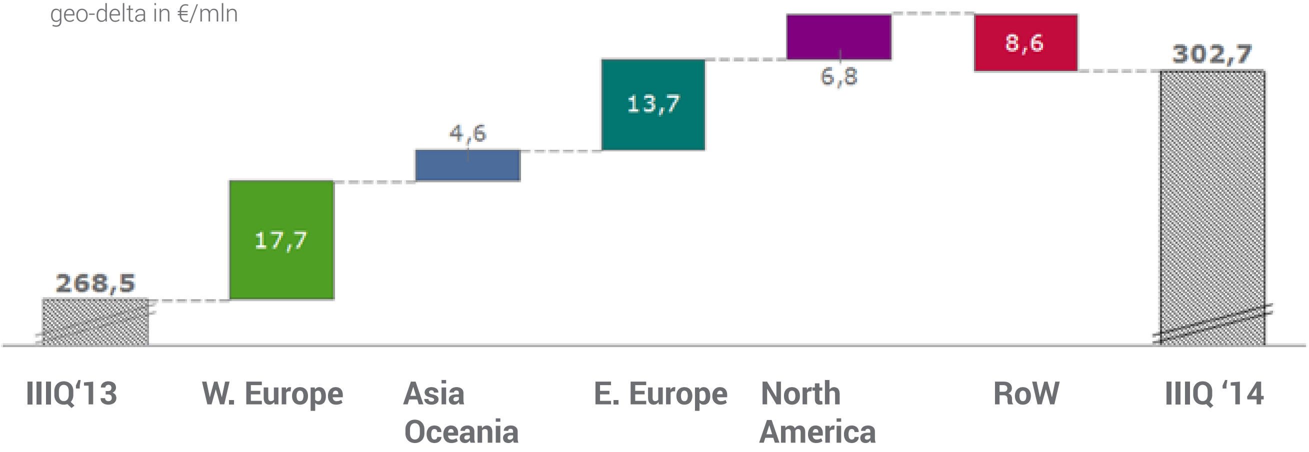
IIIQ 2014



IIIQ 2013

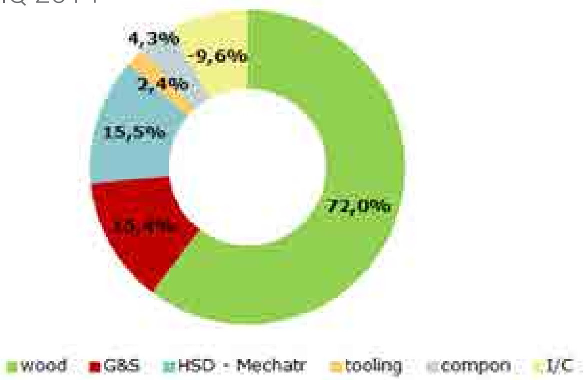


geo-delta in €/mln

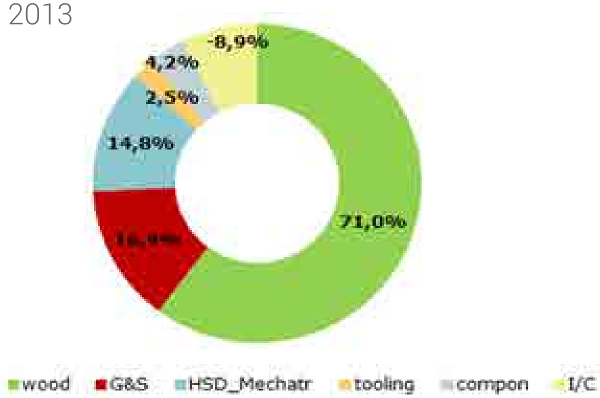


Biesse: divisions breakdown consolidated sales

IIIQ 2014

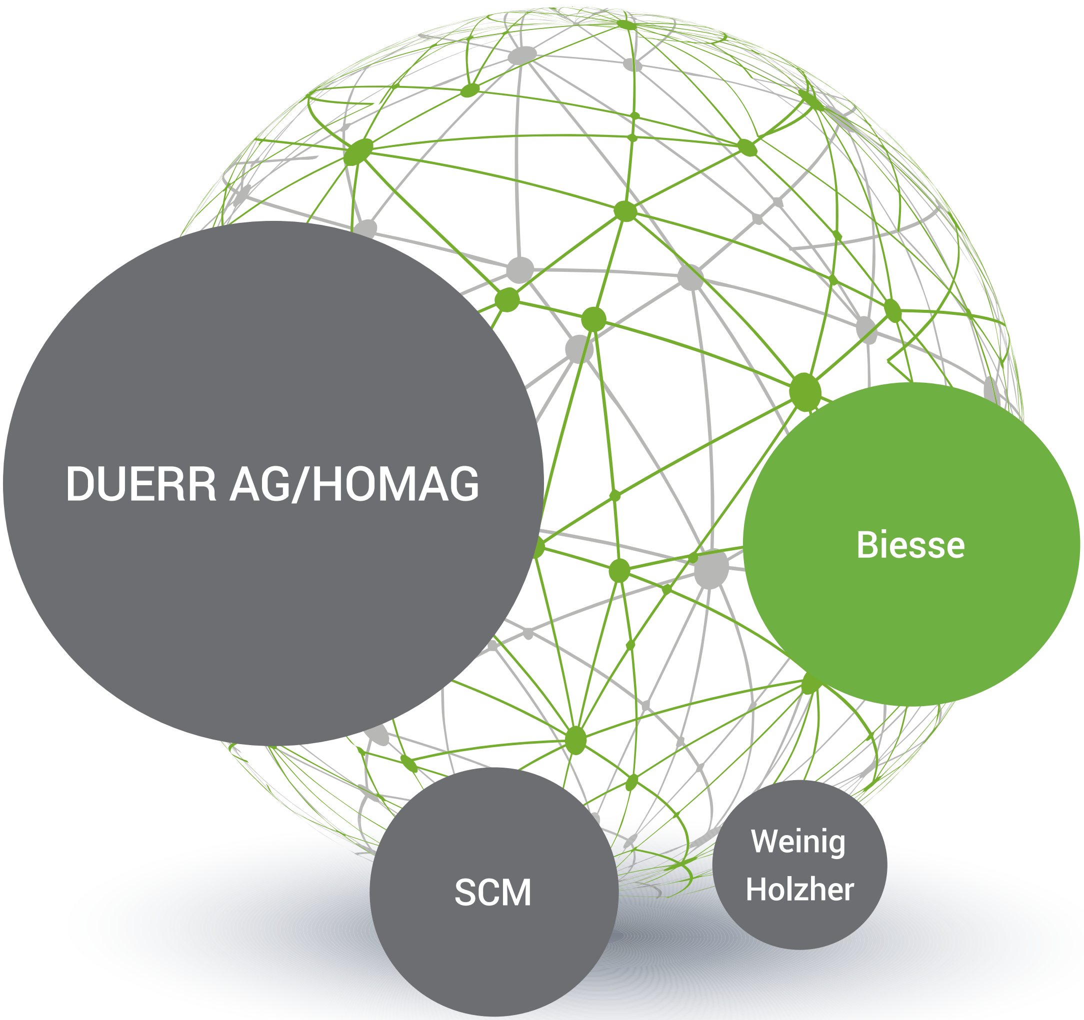


IIIQ 2013

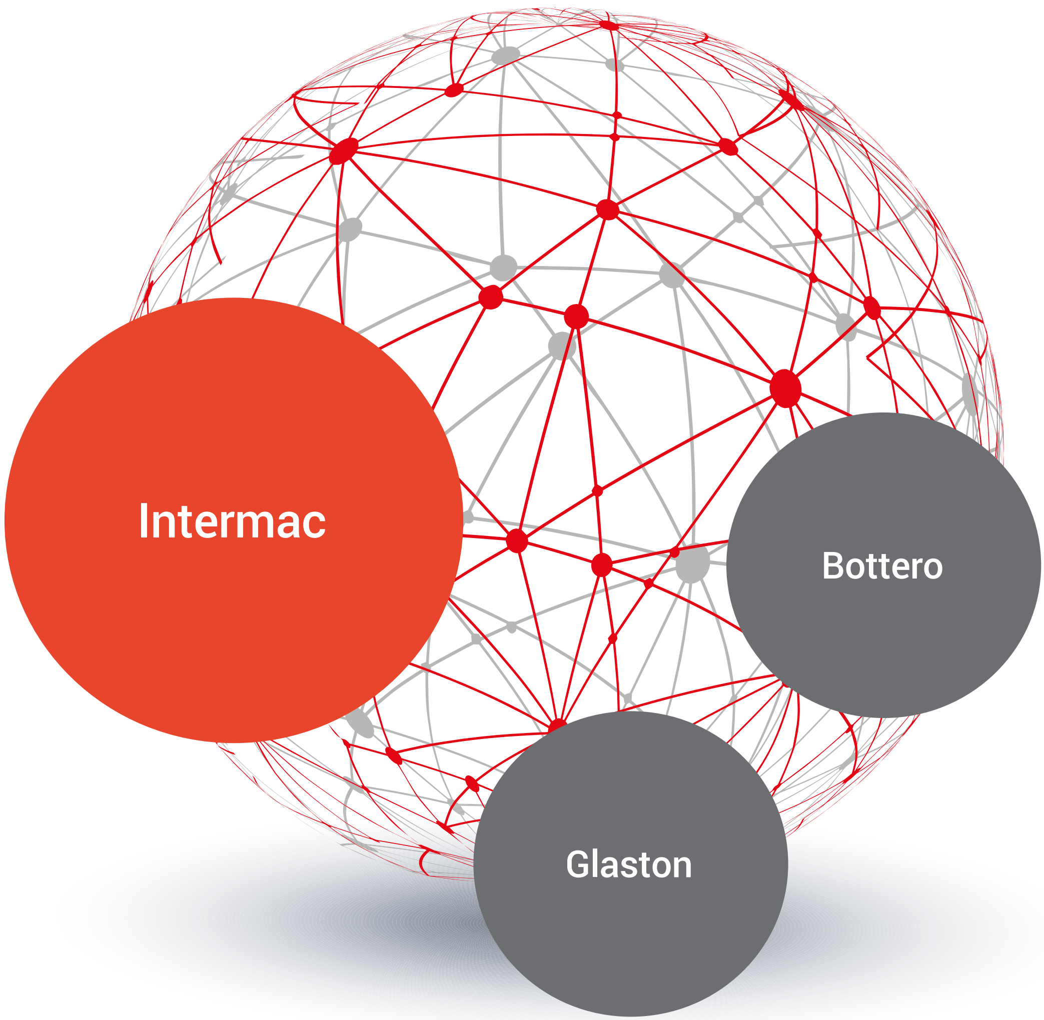


divisions-delta in €/mln

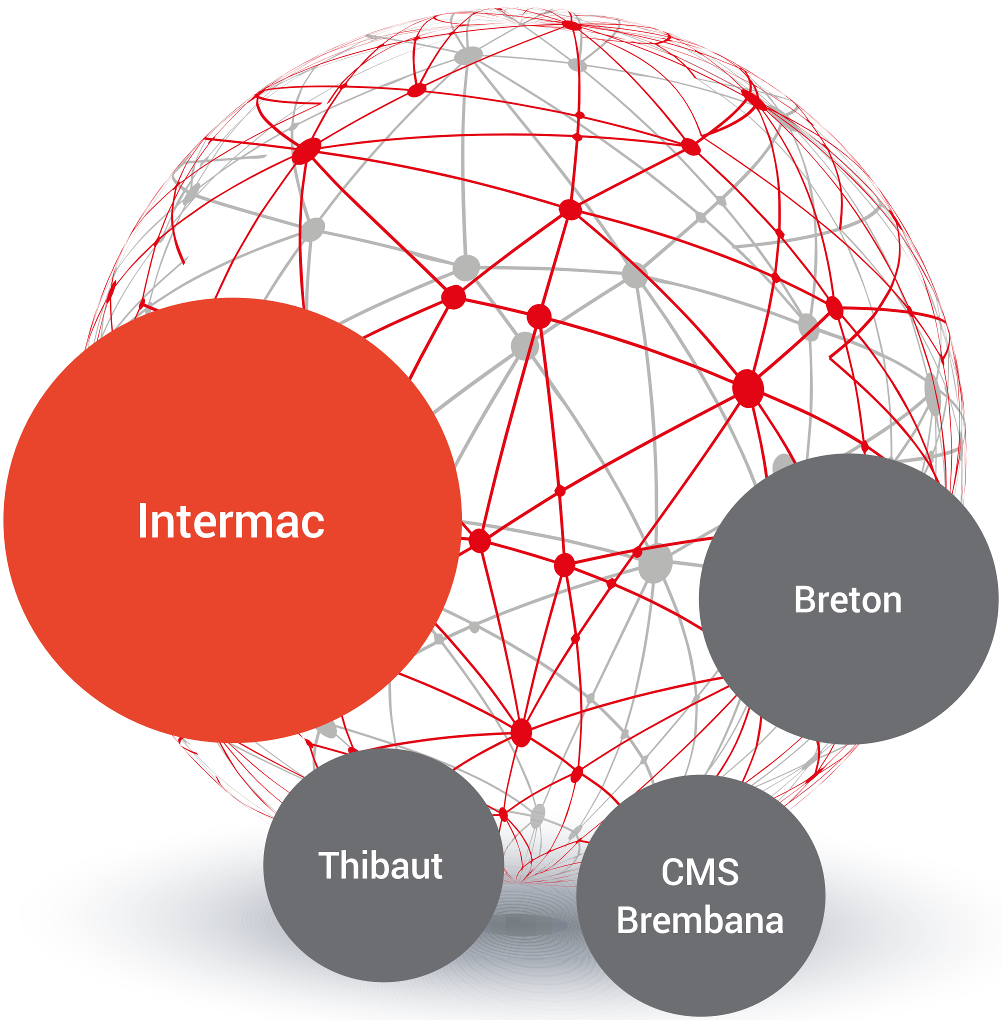
Main world competitors: **wood**



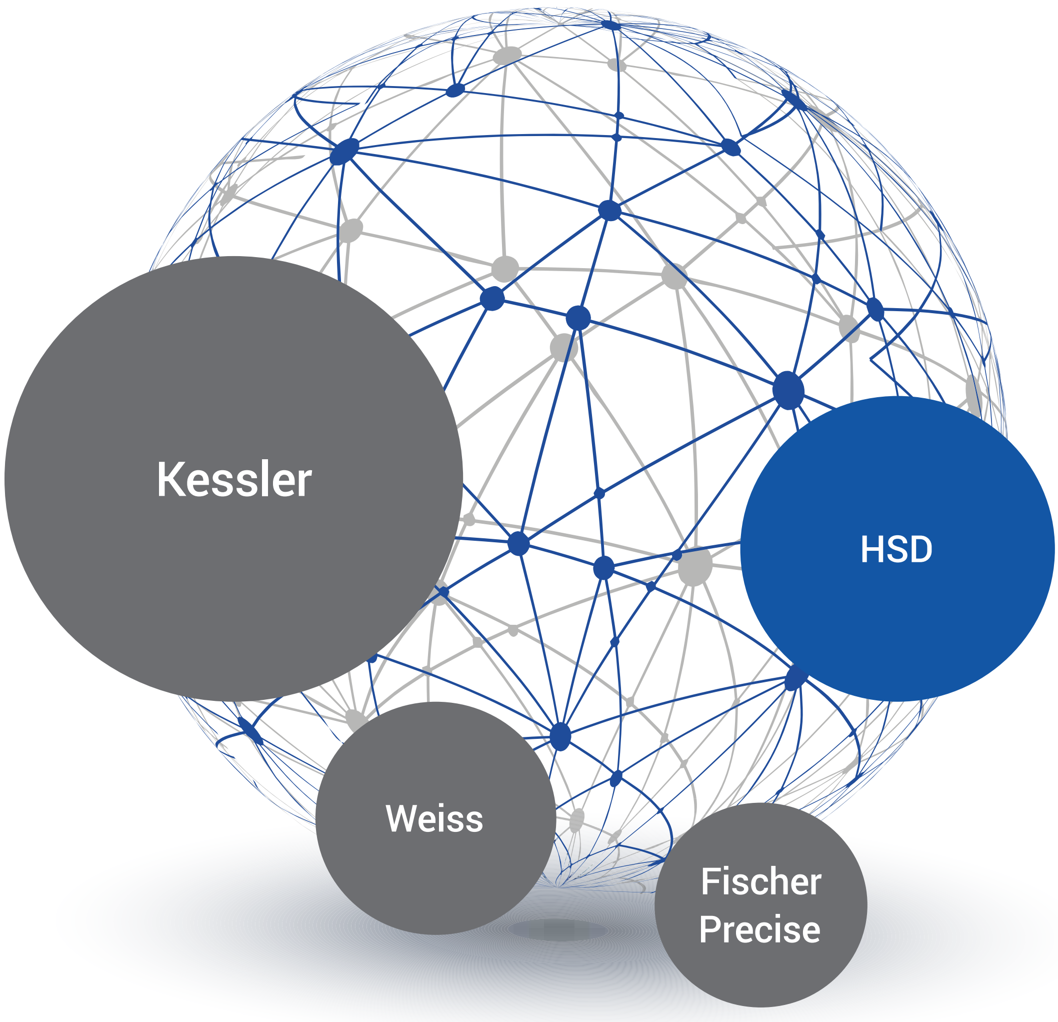
Main world competitors
glass



Main world competitors
stone



Main world competitors **mechatronics**



Financial statement IIIQ 2014

€/mln

operating working capital € 63.4
(76.3 year -1)
incidence against net sales
23.6% (25.2% year -1)*

trade payables DPO 111 days
€ 117.1
(101.1 year -1)

inventories DSI 193 days
€ 103.7
(93.5 year -1)

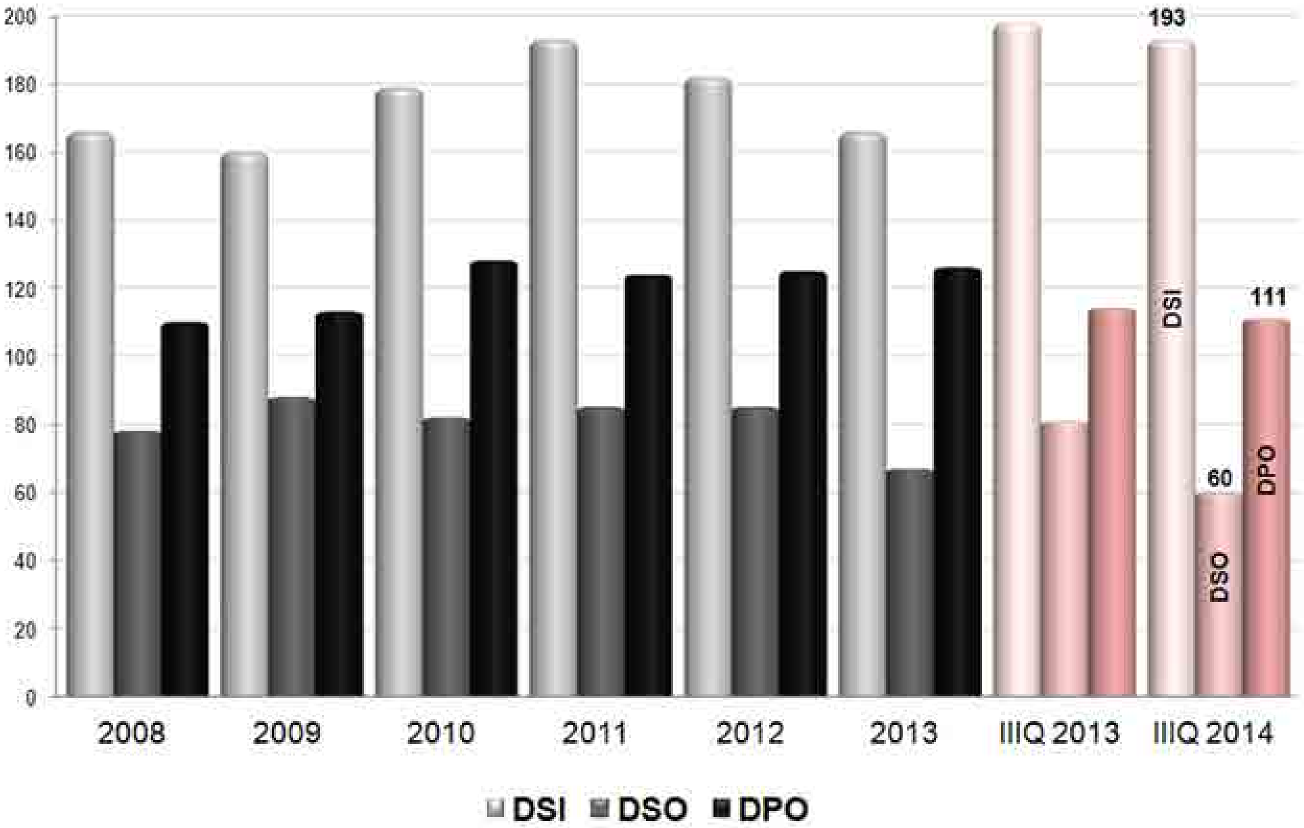
trade receivables DSO 60 days
€ 76.7
(83.8 year -1)

IIIQ 2014
- Invested Capital € 145.5
- Equity € 117.1

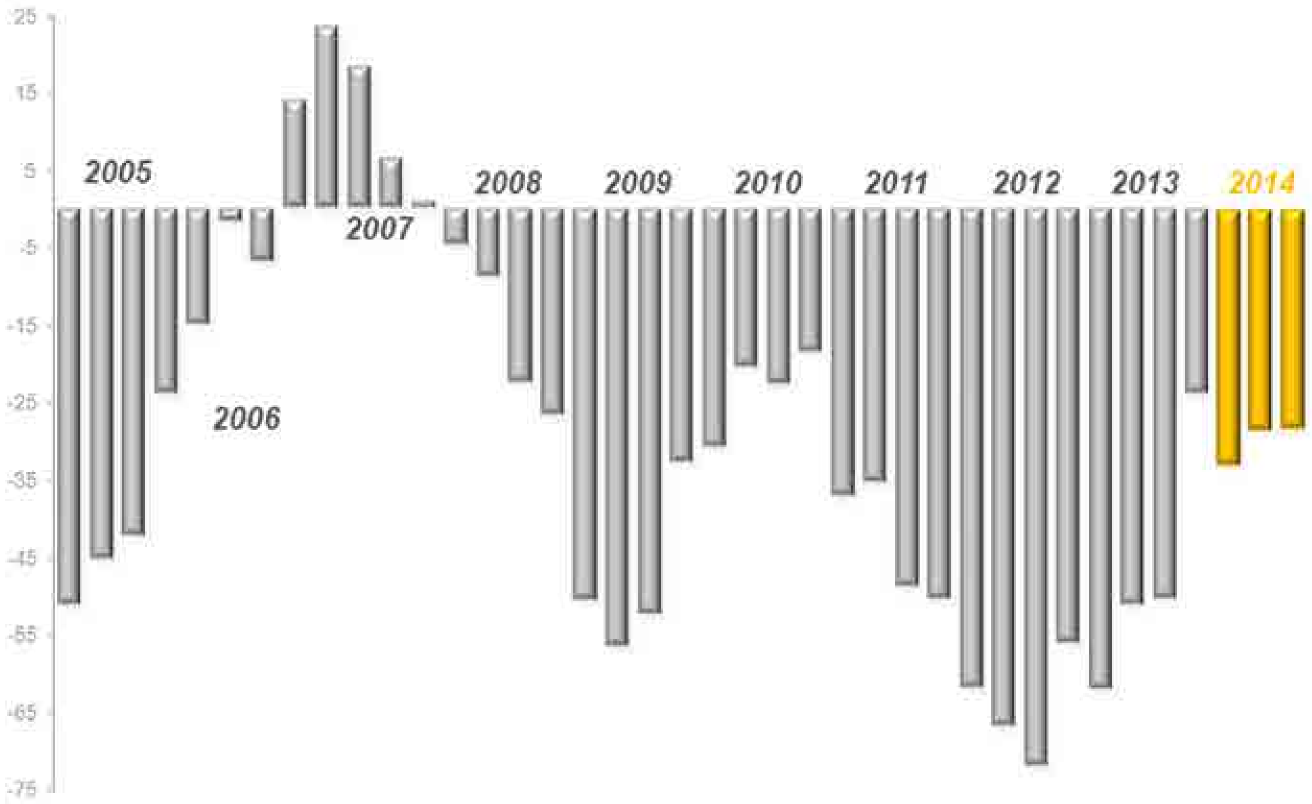
IIIQ 2013
- Invested Capital € 159.7
- Equity € 119.3

* incidence calculated on 9 months bases

Operating net working capital: DSI-DSO-DPO



Net debt IIIQ 2014

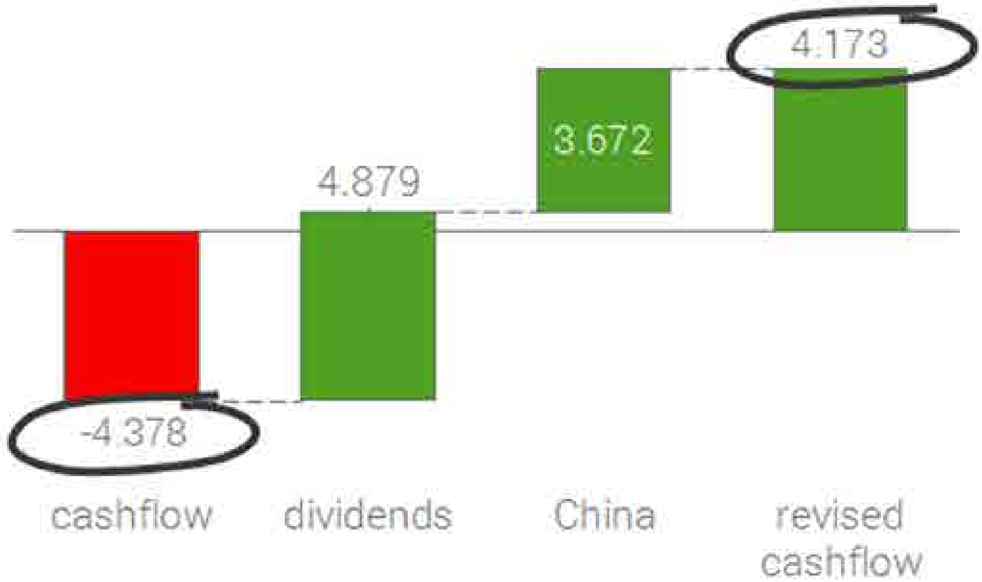


	IIIQ 2014	IIIQ 2013	
Net debt	28.3	50.3	-22 € vs Sept 2013 -4.1 € vs Dec 2013*

* excluding dividends and extraordinary items

Cashflow IIIQ 2014: revised effects

	30 September 2014	30 September 2013
Euro 000's		
EBITDA (Gross operating profit)	27,540	19,225
Change in net working capital	(11,765)	4,679
Change in other operating assets/liabilities	1,572	(9,476)
Operating cash flow	**17,347**	**14,428**
Cash flow used in investment activity	(16,657)	(8,665)
Cash flow	**690**	**5,763**
Dividends paid	(4,879)	-
Treasury shares sold	479	-
Exchange rate gains (losses)	(668)	54
Change in net financial indebtedness	**(4,378)**	**5,818**



Three years plan figures remind (Feb 2014 to be revised)

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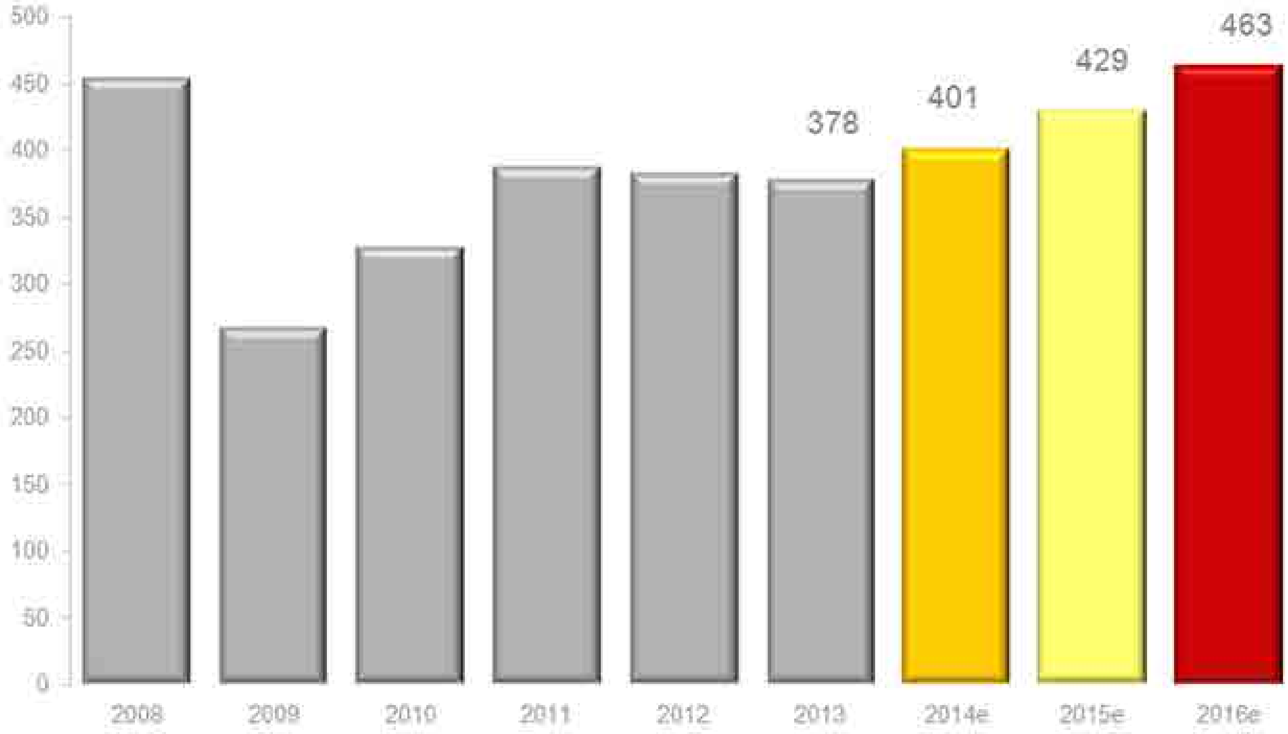
Consolidated net sales

€/mln

CAGR 2014-2016: 7.0%



P & L

€/mln	FY 2012	FY 2013	FY 2013 reclassified	FY 2014e	FY 2015e	FY 2016e	△ 2013 vs 2016
Net sales	383.1 *-1.4%*		378.4 *-1.2%*	401.0 *6.0%*	429.1 *7.0%*	463.4 *8.0%*	+85 €
Value added % of net sales	141.0 *36.8%*	143.6 *37.9%*	146.9* *38.8%*	156.2 *39.0%*	172.4 *40.2%*	192.4 *41.5%*	+57.5 €
Labour cost % of net sales	118.4 *30.9%*		112.6 *29.8%*	120.0 *29.9%*	124.0 *28.9%*	128.6 *27.8%*	+16.0€
EBITDA % of net sales	22.6 *5.9%*	31.0 *8.2%*	34.3* *9.1%*	36.2 *9.0%*	48.4 *11.3%*	63.8 *13.8%*	+29.5€
EBIT % of net sales	0.3 *0.1%*	15.1 *4.0%*	18.1* *4.8%*	20.3 *5.1%*	32.0 *7.5%*	46.8 *10.1%*	+28.7€

3.0
non recurring items *

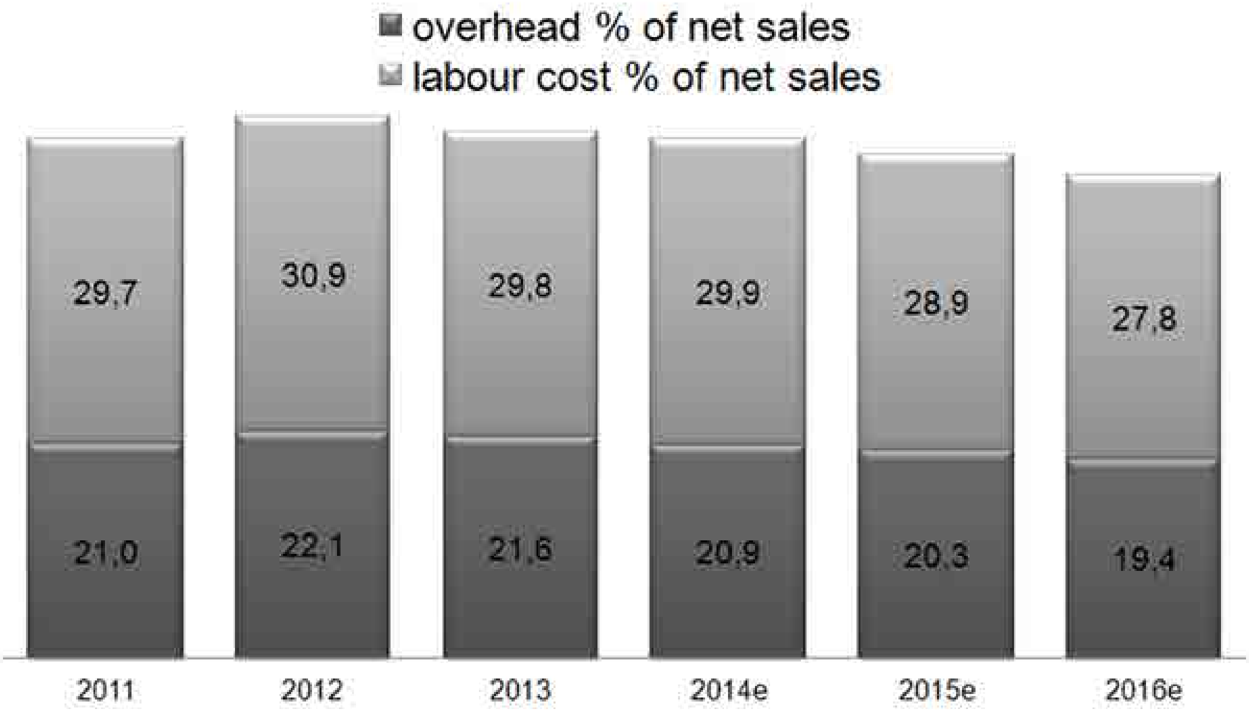
*real estate appreciation - provisions and depreciation

Costs

- overhead*
- labour cost**

* during the 2014- 2016 period the overhead expenses incidence will move from 21,6% to 19,4%

**during the 2014-2014 the labour cost incidence will move from 29,8% to 27,8%



Cashflow - net debt

€/mln	2012	2013	2014e	2015e	2016e	2014 2015 2016
	delta o.n.w.c.	**€ 31.1**				
Gross Cashflow	13.6	45.8	14.6	24.3	33.3	+72.2 €
Investments % of net sales	-19.4 *5.0%*	-13.5 *3.6%*	-21.8 *5.4%*	-17.8 *4.1%*	-12.8 *2.8%*	- 52.4€
net cashflow	-5.8	32.3	-7.2	6.5	20.5	+19.8€
dividends			-5	-5	-5	
Net debt	-56.2	-23.9	-36.1	-34.6	-19.1	

Operativing net working capital

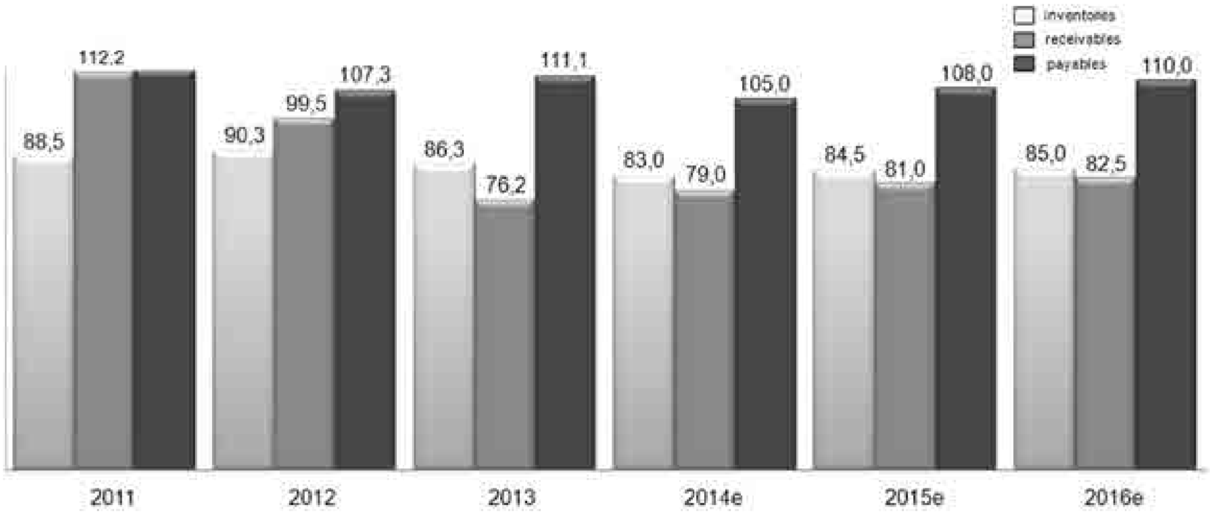
€/mln	2012	2013	2014e	2015e	2016e
inventories	90.3	86.3	83.0	84.5	85.0
% of net sales	23.6%	22.8%	20.7%	19.7%	18.3%
	DSI 182	DSI 165			
trade receivables	99.5	76.2	79.0	81.0	82.5
% of net sales	26.0%	20.1%	19.7%	18.9%	17.8%
	DSO 85	DSO 67			
trade payables	107.3	111.1	105.0	108.0	110.0
% of net sales	28.0%	29.4%	26.2%	25.2%	23.7%
	DPO 125	DPO 127			
O.N.W.C.	82.5	51.4	57.0	57.5	57.5
% of net sales	21.5%	13.6%	14.2%	13.4%	12.4%
		historical record: **the lowest amount**			

Operativing net working capital

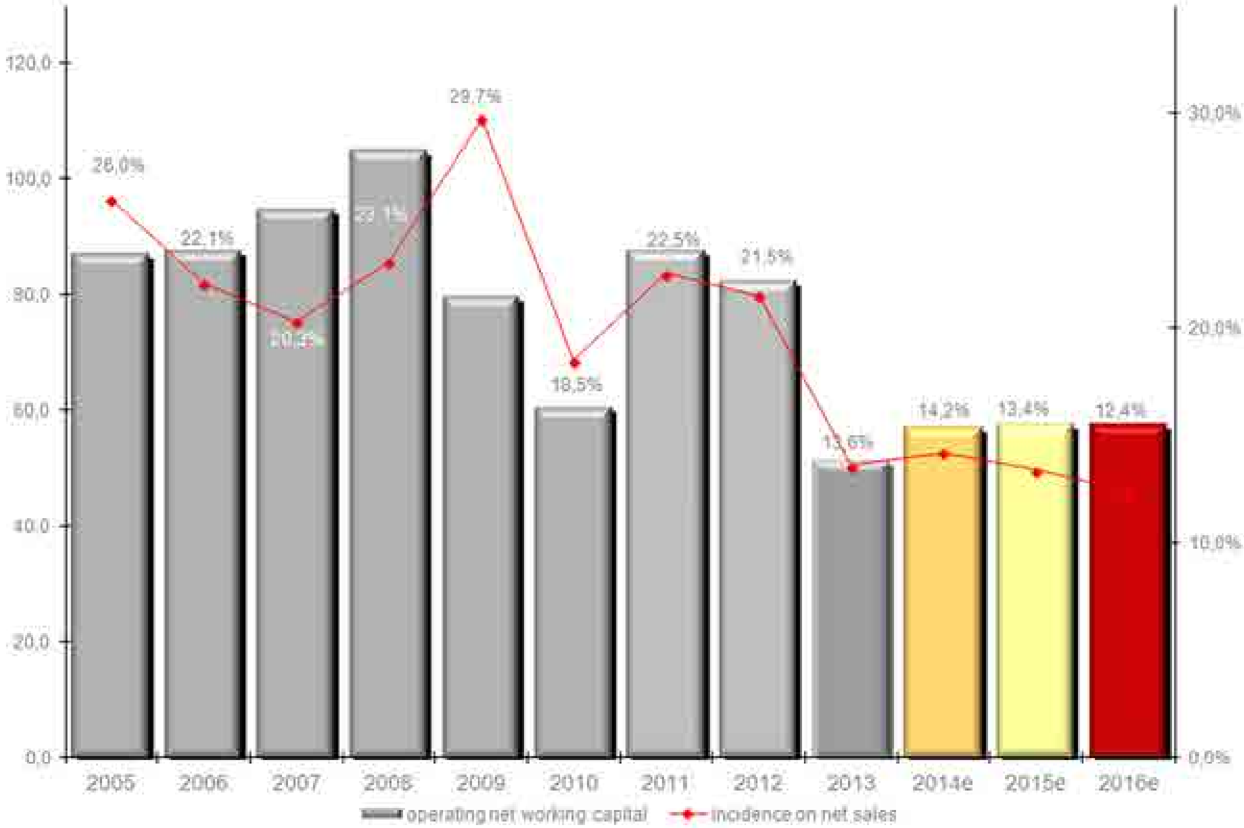
€ mln

- **Inventories :** during the 2014-2016 period the incidence on the net sales will move from 22,8% to 18,3% DSI (-10gg)
- **Trade receivables:** during the 2014-2016 period the incidence on the net sales will move from 20,1% to 17,8% DSO (-5gg)
- **Trade payables:** during the 2014-2016 period the incidence on the net sales will move from 29,4% to 23,7% DPO (-15gg)

during the 2014-2016 period the incidence of the O.N.W.C. will move from 13,6% to 12,4%

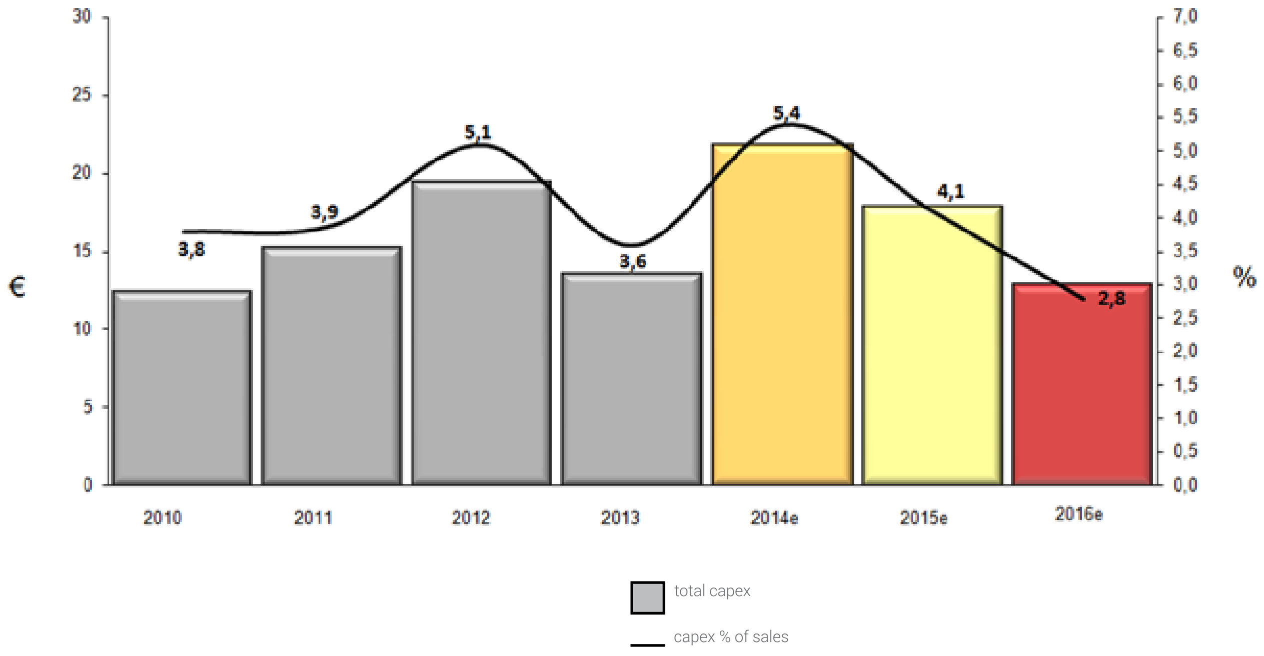


Operativing net working capital

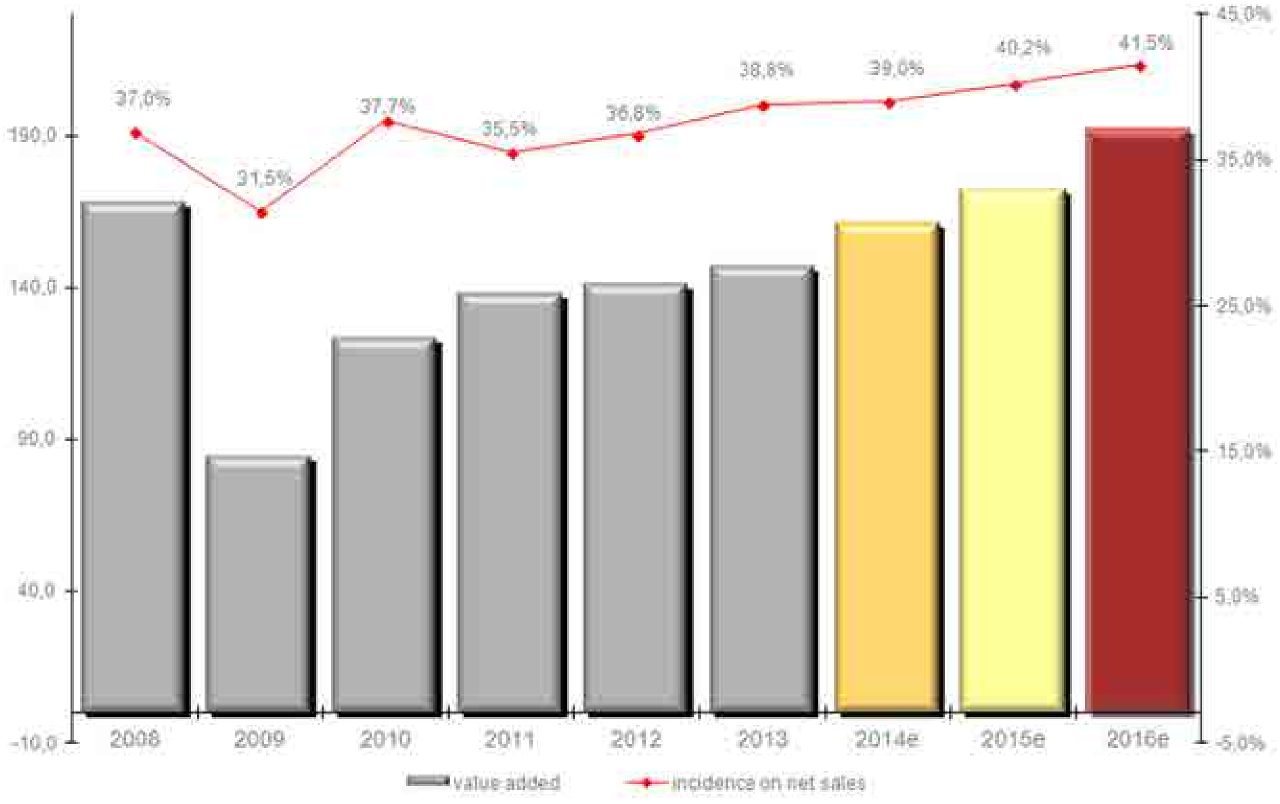


Capex

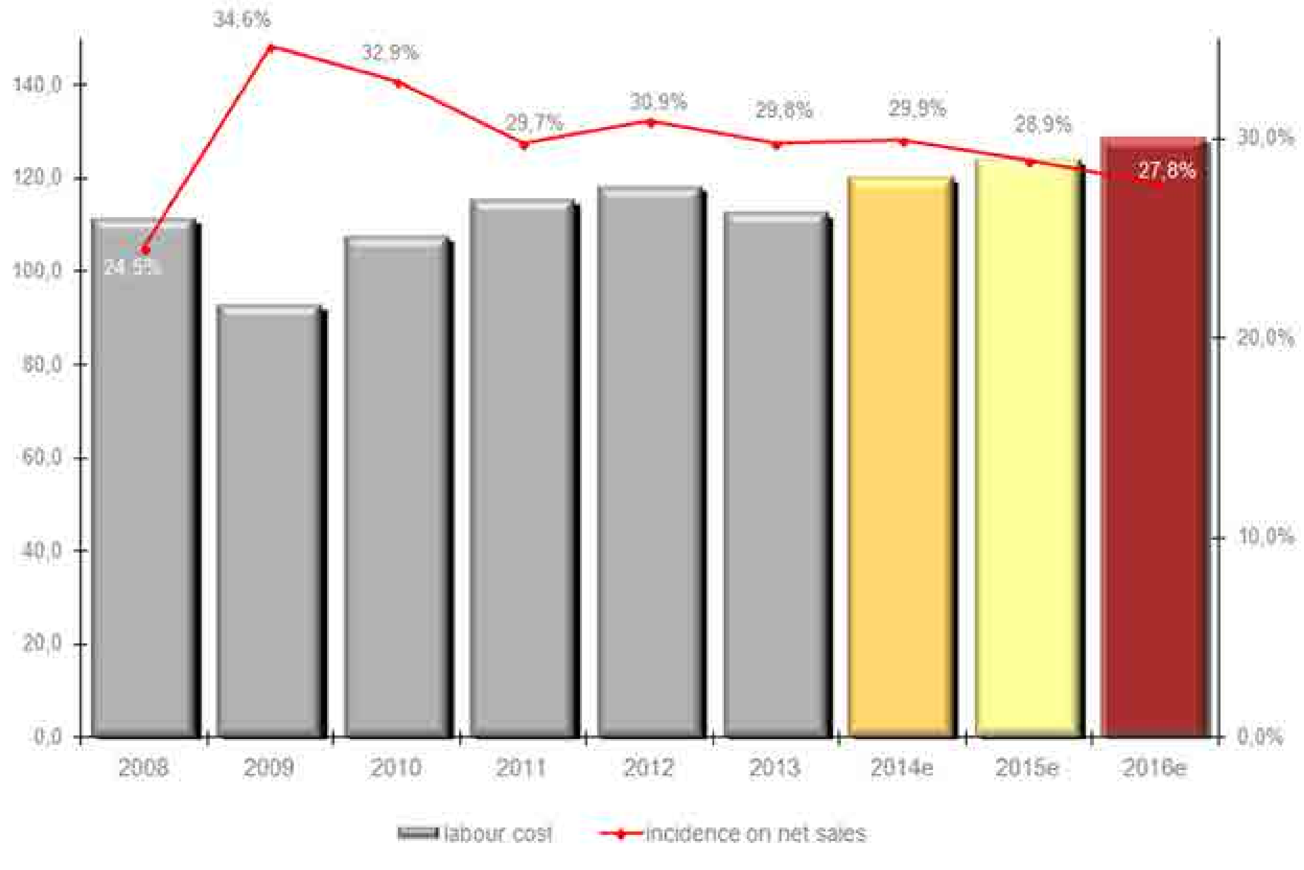
Maintanance capex & the R&D capex.
During the 2014 & 2015 years special investments (i.e. Cosmec/India) have been considered.



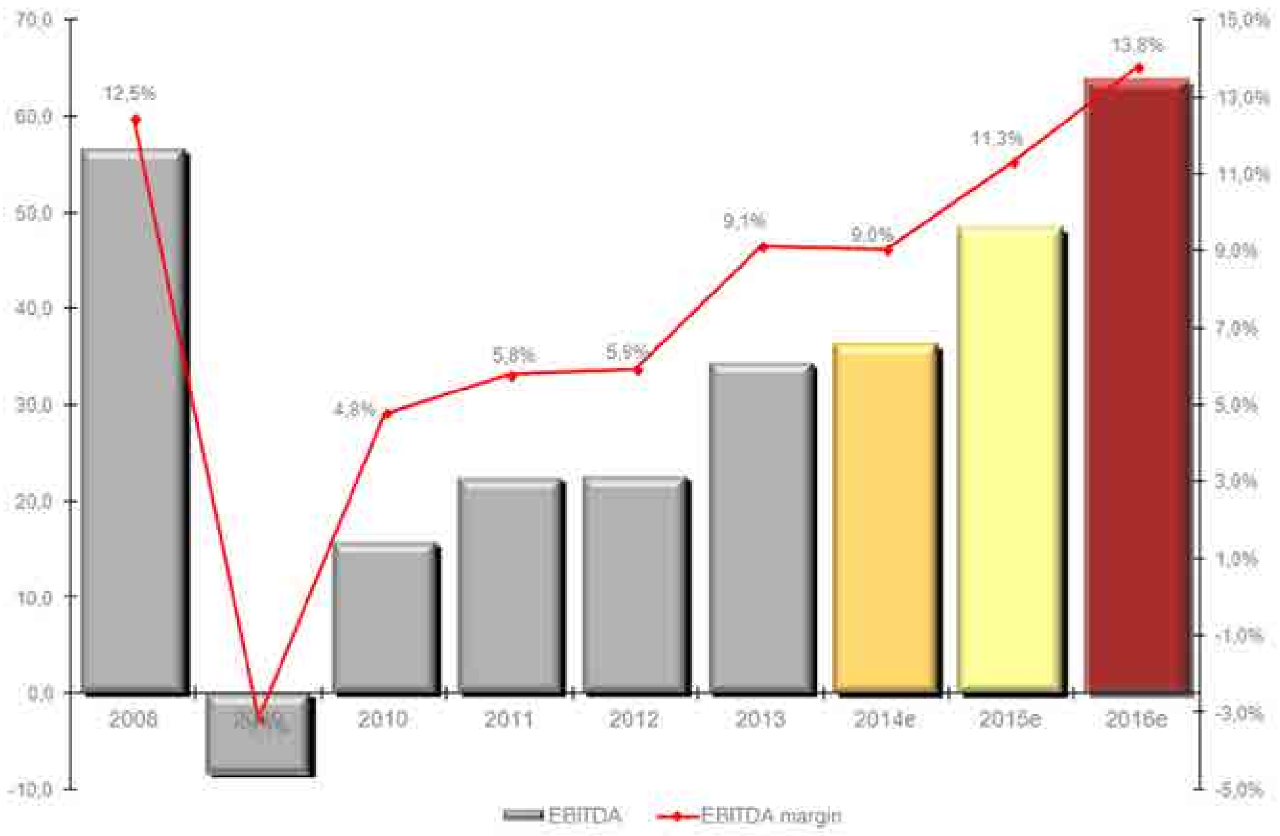
Value added


37,0%
31,5%
37,7%
35,5%
36,8%
38,8%
39,0%
40,2%
41,5%
190,0
140,0
90,0
40,0
-10,0
45,0%
35,0%
25,0%
15,0%
5,0%
-5,0%
2008
2009
2010
2011
2012
2013
2014e
2015e
2016e
value added
incidence on net sales

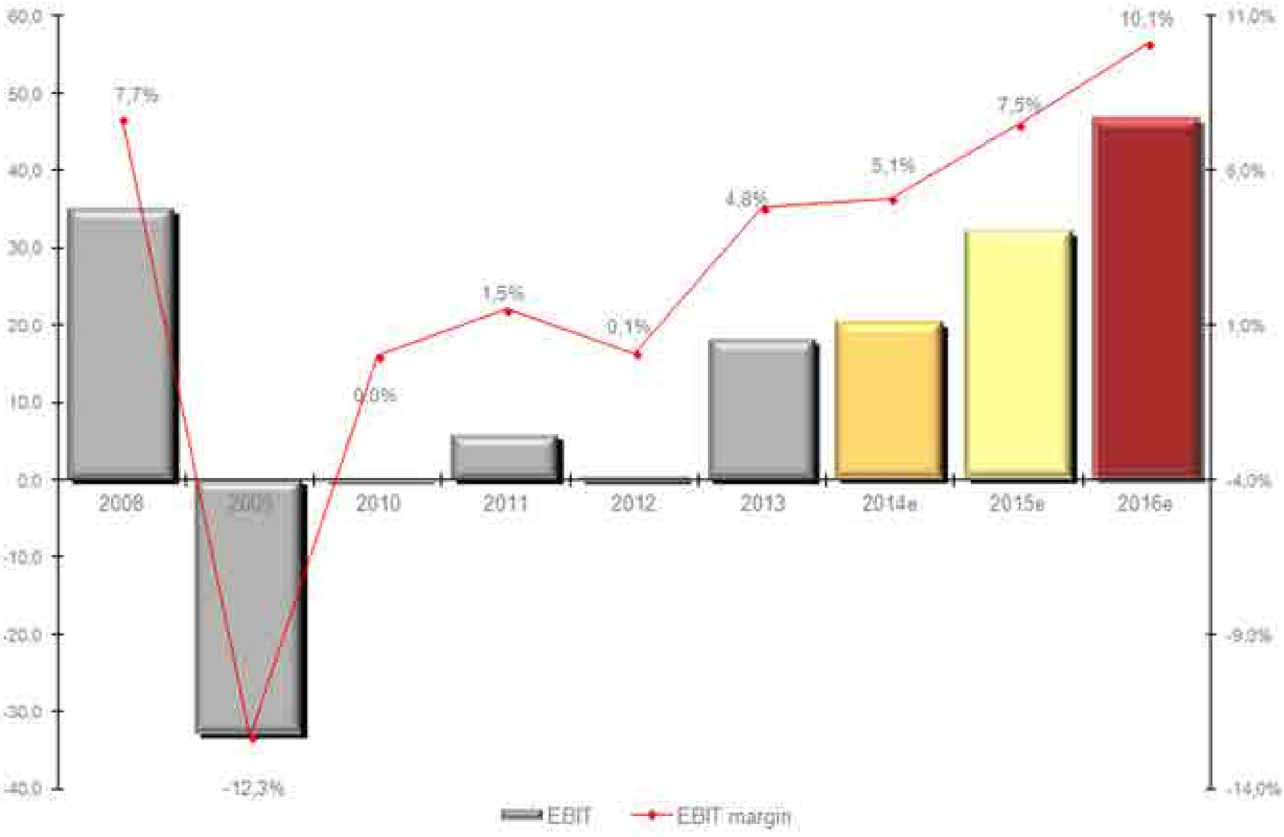
Labour cost


34,6%
32,9%
29,7%
30,9%
29,8%
29,9%
28,9%
27,8%
24,5%
140,0
120,0
100,0
80,0
60,0
40,0
20,0
0,0
30,0%
20,0%
10,0%
0,0%
2008
2009
2010
2011
2012
2013
2014e
2015e
2016e
labour cost
incidence on net sales

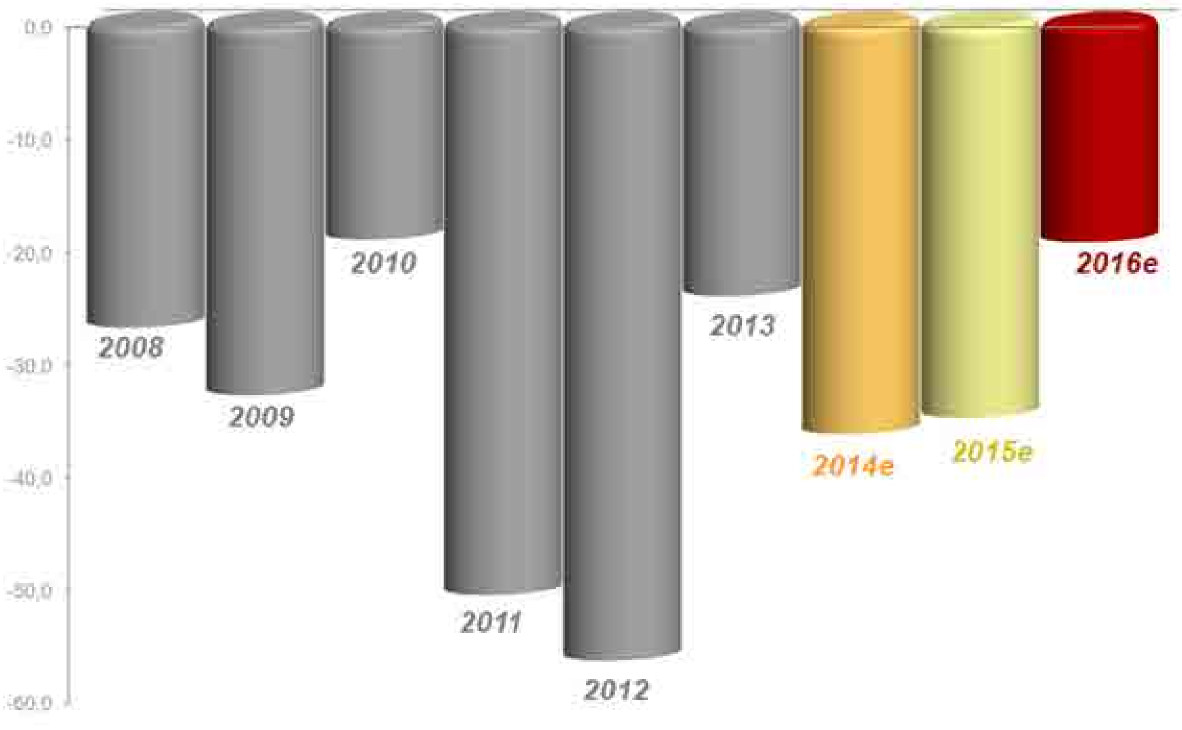
EBITDA


70,0
60,0
50,0
40,0
30,0
20,0
10,0
0,0
-10,0
15,0%
13,0%
11,0%
9,0%
7,0%
5,0%
3,0%
1,0%
-1,0%
-3,0%
-5,0%
12,5%
4,8%
5,8%
5,9%
9,1%
9,0%
11,3%
13,8%
2008
2010
2011
2012
2013
2014e
2015e
2016e
EBITDA
EBITDA margin

EBIT


60,0
50,0
40,0
30,0
20,0
10,0
0,0
-10,0
-20,0
-30,0
-40,0
11,0%
6,0%
1,0%
-4,0%
-9,0%
-14,0%
7,7%
-12,3%
0,0%
1,5%
0,1%
4,8%
5,1%
7,5%
10,1%
2008
2009
2010
2011
2012
2013
2014e
2015e
2016e
EBIT
EBIT margin

Net debt

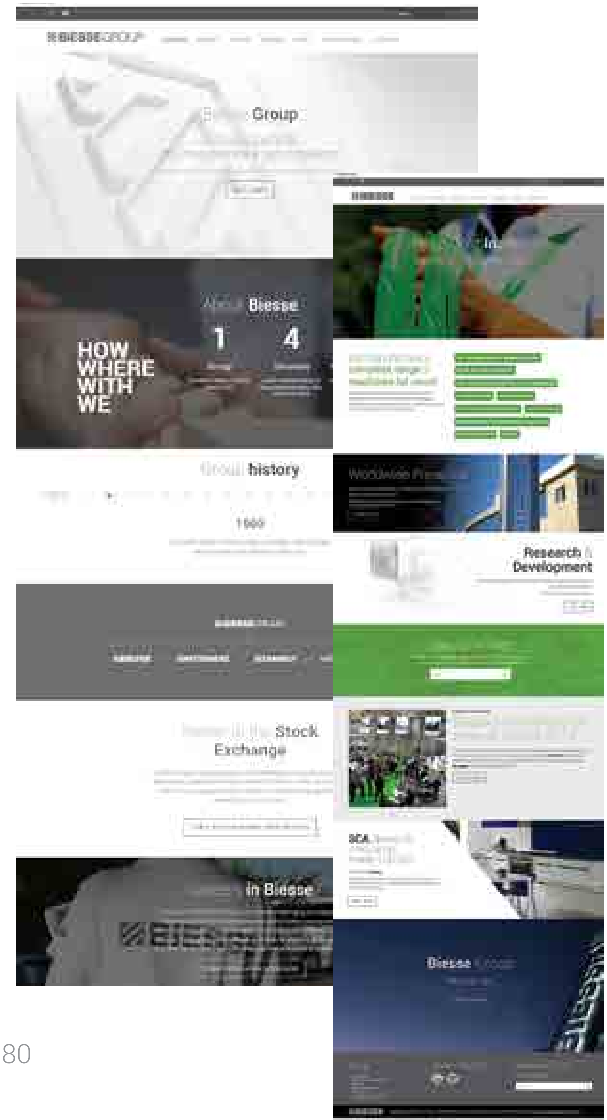

0,0
-10,0
-20,0
-30,0
-40,0
-50,0
-60,0
2008
2009
2010
2011
2012
2013
2014e
2015e
2016e

Marketing actions

5.1

The new Biesse websites

Our mission



We started to rething our website from the most important items: our products.

We want to communicate technology, innovation and quality using a simple and clean style. It is our mission.

We follow this route in every thing we do and promote, from brochures to invitations, from advertising to the web. Ensuring consistency at all levels.

Product sheet

An introduction

A new way to show our products: stop with boring and cold images.
Lets talk about our machines!

Case histories

Spotlight on customers

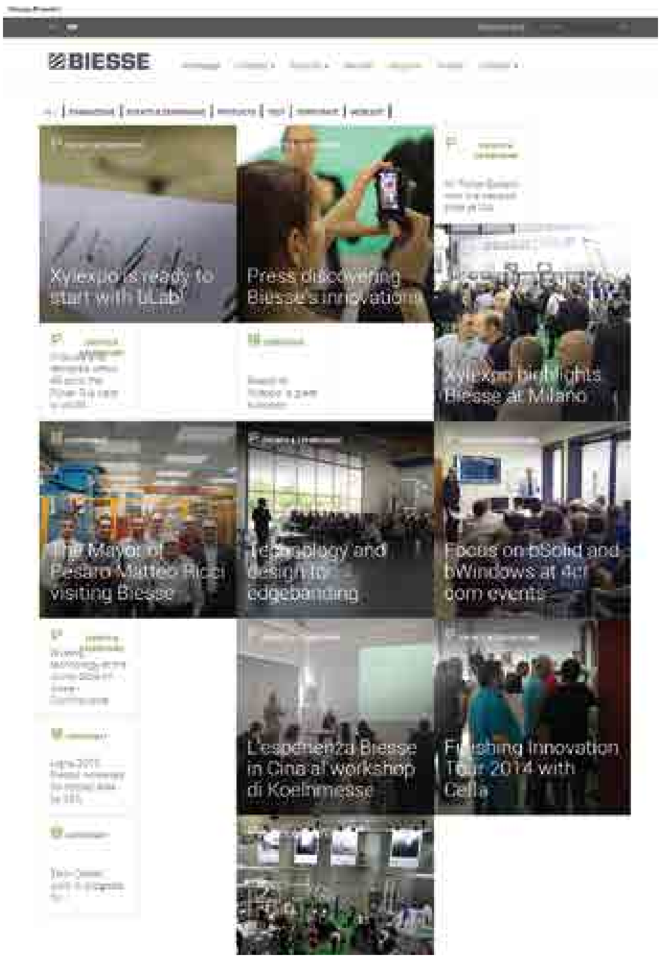
In the Case History section, we have collected the stories about our customers.

Each of them has a single page with his data (country, website…) and machines quoted in the article, so users can know more clicking on the thumbnails.

In addiction users can find also **video and photogallery** in order to know more about **customer and his Biesse’s experience**.

Magazine

Discover Biesse's world



The Magazine section is the place where to know what happens everyday in Biesse's world: news, product launches, events & exhibitions.

We used a different layout, able to mix nicely text and images in order to make user navigation more immersive and attractive.

Trade shows

BIESSE

17

direct exhibitions
Biesse Pesaro &
subsidiaries

INTERMAC

12

exhibitions
& open houses
dealer

HSD MECHATRONICS

13

exhibitions

Events

BIESSE

15
exhibitions
& open houses
dealer

9
open houses &
internal events in
Pesaro &
subsidiaries

INTERMAC

6
exhibitions
& open houses
dealer

R & D

6.1

R & D

14 milion yearly “real” investments

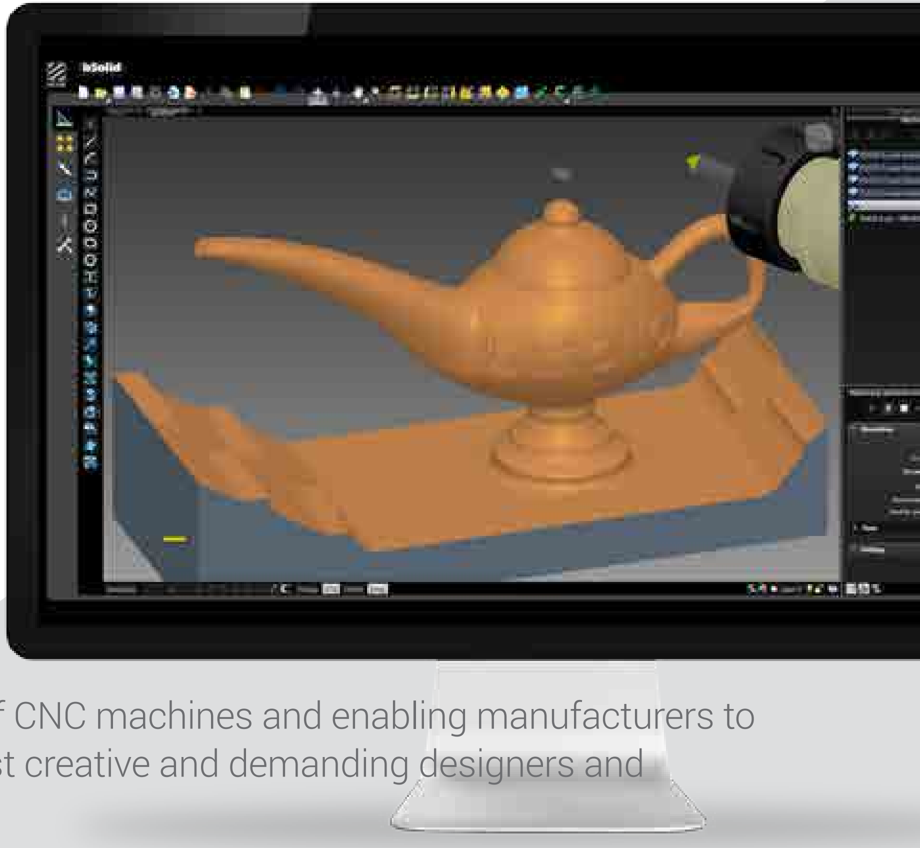
Biesse Group’s growth and positive expectations go along with its year-by-year commitment in R&D to support customers’ ability to compete on the market. Real investments, amounting to 14 million€ p/y, are primarily focused on:

- **machines software**
  making high-tech solutions accessible and intuitive
- **cutting-edge mechatronics**
  to achieve optimal machine performance level
- **integrated production line development**
  tailored to match specific manufacturing needs.

Product innovation for Biesse Group means granting its worldwide customers the possibility to secure and fulfill every order, assuring the highest manufacturing quality with rapid and certain delivery time.

R & D 2014

Product innovation for customers' competiveness



bSolid 2.0 and bSuite

a further step in easing the use of CNC machines and enabling manufacturers to meet any requirement of the most creative and demanding designers and architects.

R & D 2014

Product innovation for customers’ competiveness

AirForce System
a forefront solution to obtain high quality panels by applying co-extruded edge-bands on board sides with no glue line, ensuring water and heat-resistance over time.

R & D 2014

Product innovation for customers’ competiveness

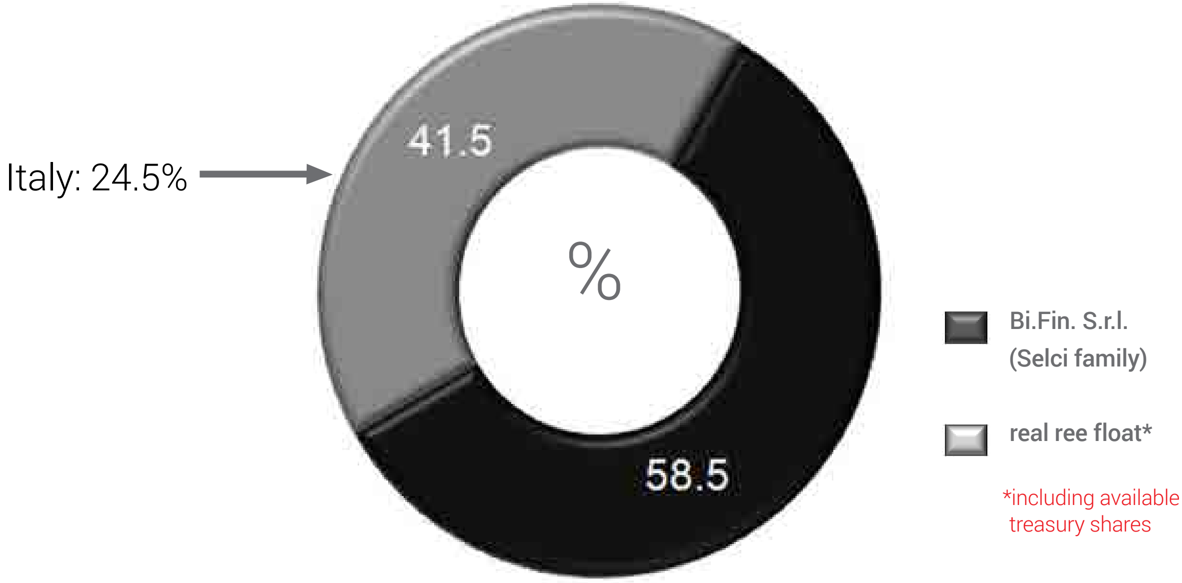
Integrated manufacturing lines
for mass production, all the same allowing a high level of final product customization

Other

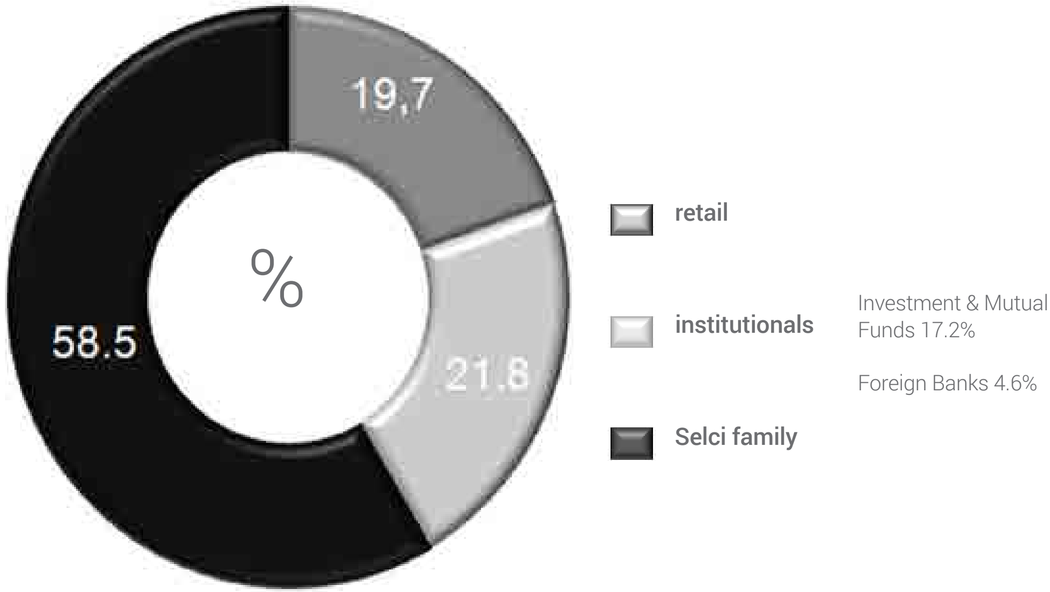
7.1

Shareholders breakdown

available treasury shares: 1.16%



Shareholders breakdown



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