

Forward-thinking Solutions to leverage **the fourth industrial revolution**

phone conference call
Pesaro, 4 p.m. – Nov 10th

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Biesse highlights IIIQ 2017

orders intake: +16.8%

backlog: +26.1%

group: nr. 3,991
(including temporary people)

net sales: € 498.3 (+14.2%)

net financial position.: positive € 9.2

ebitda: € 65.5 (incidence on sales 13.2%)

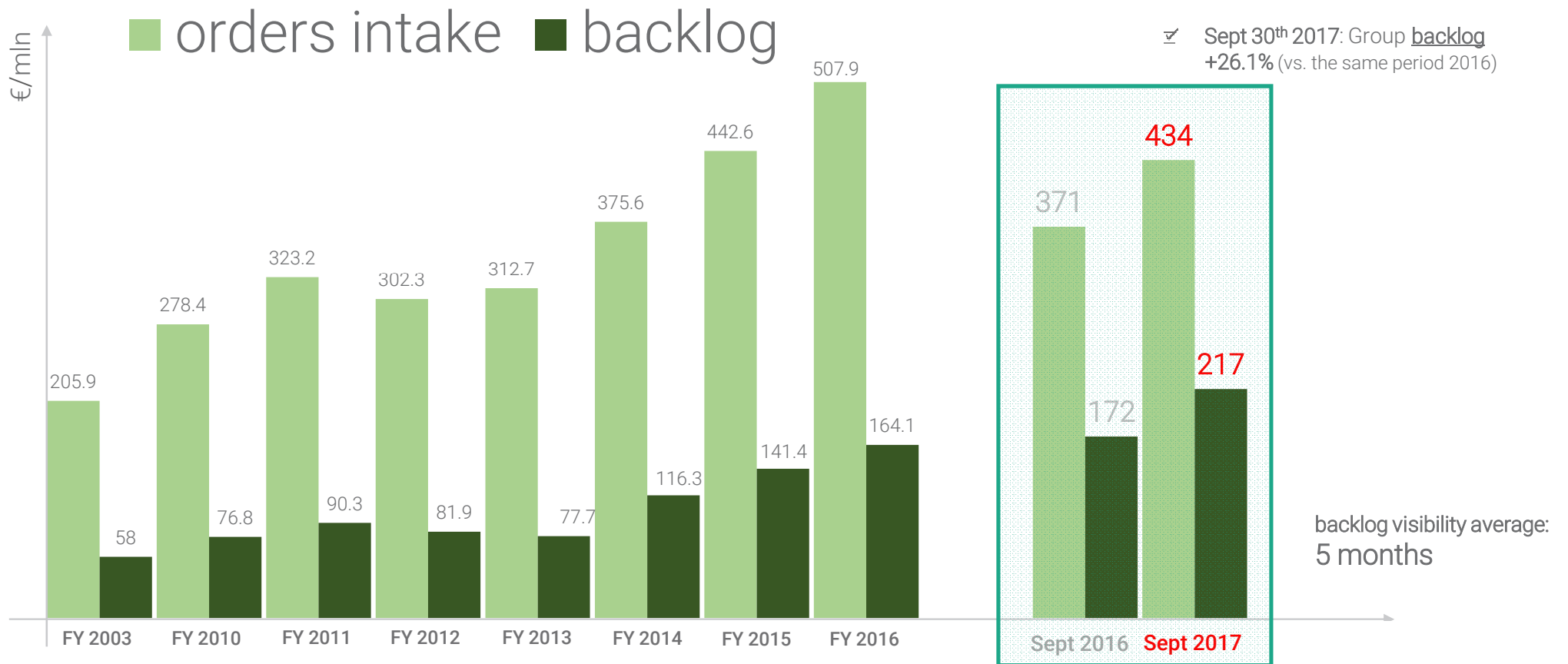
ebit: € 48.1 (incidence on sales 9.6%) before non recurring items

net result: € 28.2 (incidence on sales 5.7%)

€/mln

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orders intake & backlog

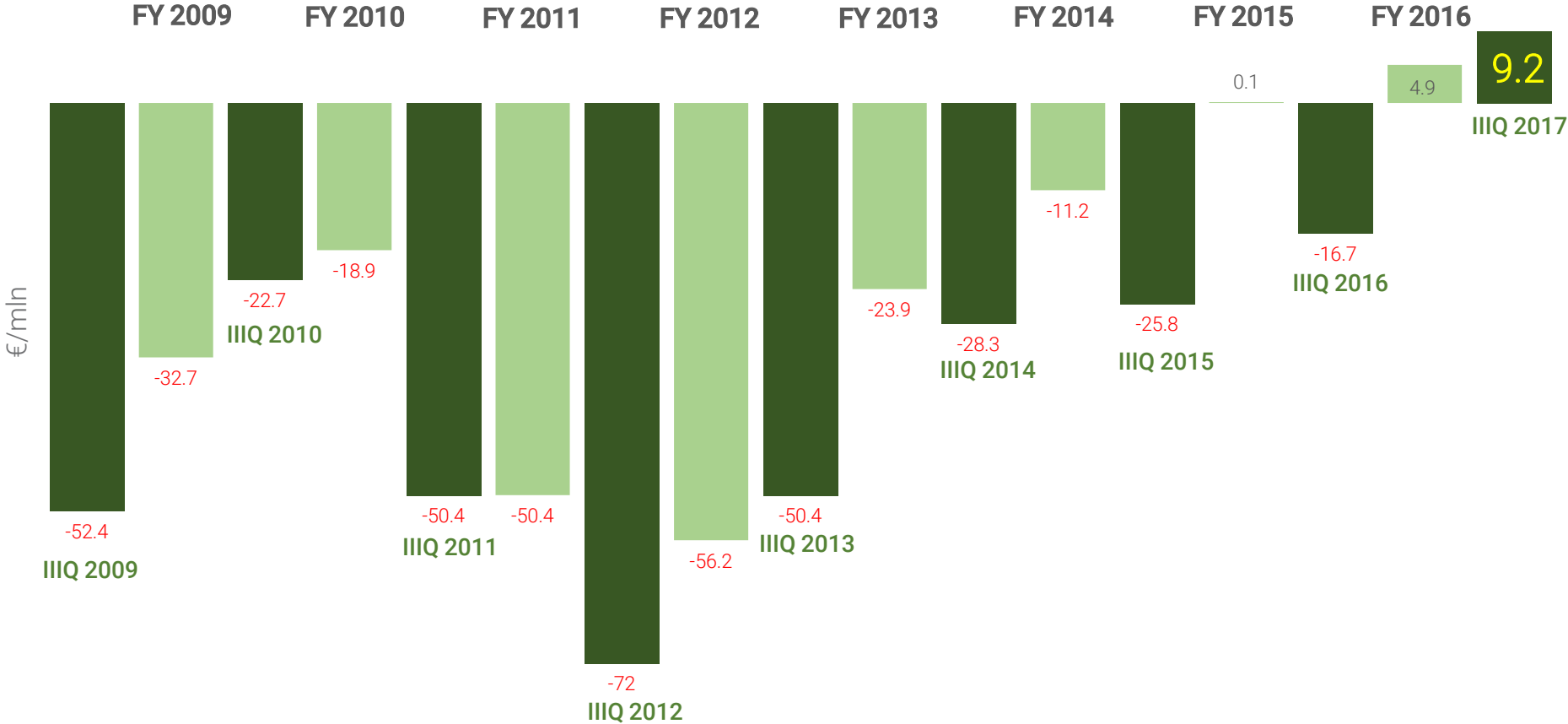


Extract of the P&L – IIIQ 2017

€/mln	FY 2013	FY 2014	FY 2015	FY 2016	9 months 2016	9 months 2017	FY 2017e
Net sales year -1	378.4 -1.2%	427.1 +12.3%	513.1 +21.5%	618.5 +19.1%	436.4 +19.5%	498.3 +14.2%	676.3
Value added %	143.5 37.3%	163.1 33.6%	212.4 40.3%	252.4 40.8%	177.9 40.8%	209.5 42.0%	284.3
Labour cost %	112.7 23.8%	128.2 30.0%	148.2 28.6%	176.6 28.6%	127.1 29.1%	143.9 28.9%	201.0
EBITDA %	30.3 8.2%	40.3 3.6%	64.1 12.4%	75.8 12.3%	50.8 11.6%	65.5 13.2%	83.3
EBIT* %	18.1 4.8%	26.5 6.2%	43.8 8.4%	56.3 8.1%	36.9* 8.5%	48.1* 9.6%	60.6
Net Result %	4.3 1.1%	13.8 3.2%	21.1 4.1%	29.5 4.8%	20.9 4.8%	28.2 5.7%	37.8
					tax rate	41.5%	36.2%

*before non recurring items

Net Financial Position trend – September 30th



Cashflow IIIQ 2017

€/mln	FY 2013	FY 2014	FY 2015	FY 2016	9 months 2016	9 months 2017	FY 2017e
Gross Cashflow % net sales	52.1 13.8%	38.3 3.0%	46.3 8.3%	46.6 7.5%	17.5	47,9	
Investments % net sales	-13.3 5.2%	-20.8 4.3%	-25.2 4.3%	-32.0 5.2%	-20.8	-27.8 (44.6% intangibles)	
Net Cashflow %	32.3 8.5%	17.5 4.1%	21.1 4.0%	14.6 2.4%	-3.3	20.1	
not ordinary items (dividends/treasury shares activity balance /acquisitions payment)	--	-4.8 div. paid € 0.18 per share	-3.8 div. paid € 0.36 per share	-9.8 div. paid € 0.36 per share	-13.5	-15.8	
delta net debt	+32.3	+12.7	+11.3	4.8	-16.8	4.3	-5.4
NET FINANCIAL POSITION	-23.3	-11.2	0.1	4.9	-16.7	9.2	-0.5

Operating Net Working Capital Sept 30th 2017

€/mln	FY 2013	FY 2014	FY 2015	FY 2016	IIIQ 2016	IIIQ 2017	
Inventories % net sales	22.8%	23.0%	21.5%	21.1%	30.7%	29.0%	DSI 171 days
Receivables % net sales	20.1%	18.3%	20.3%	20.8%	28.3%	23.4%	DSO 53 days
Payables % net sales	23.4%	28.8%	23.5%	31.1%	42.5%	40.7%	DPO 124 days
Operating Net Working Capital % net sales	51.4 13.6%	55.6 13.0%	63.4 12.2%	66.9 10.8%	72.0 16.5%	58.3 11.7%	target incidence <12%
					9 months		

Biesse highlights IIIQ 2017

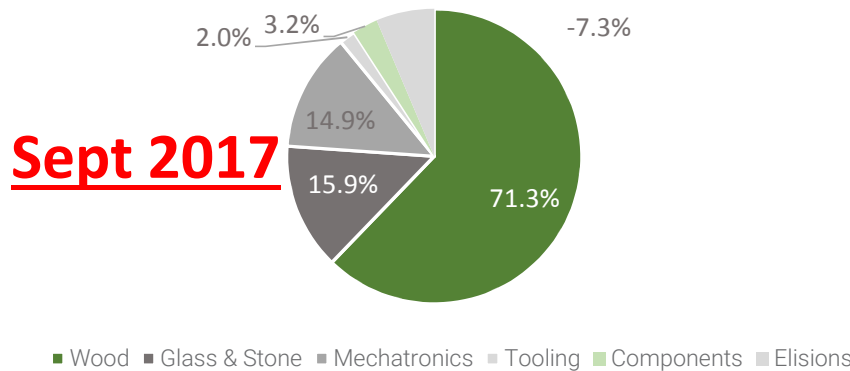
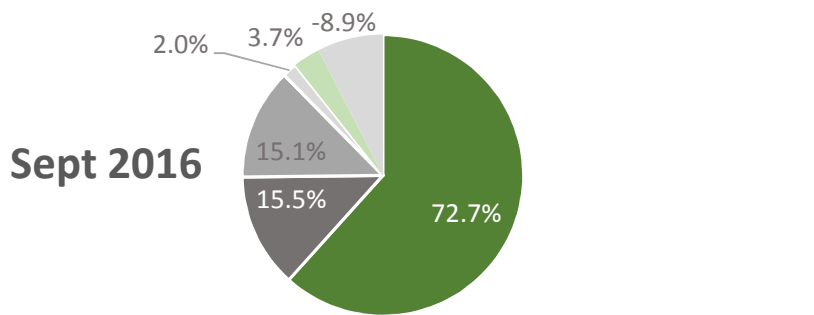
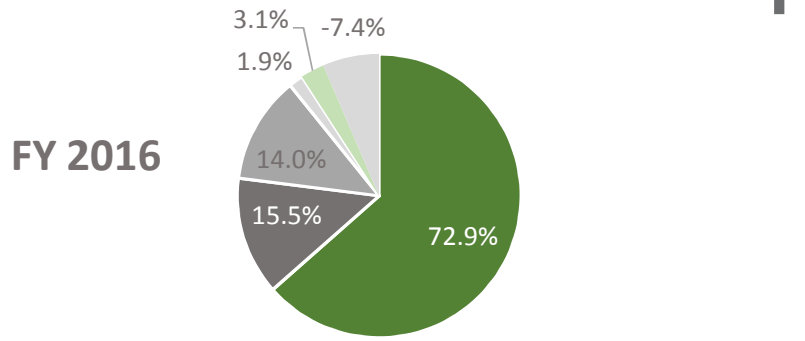
Orders & Sales breakdown

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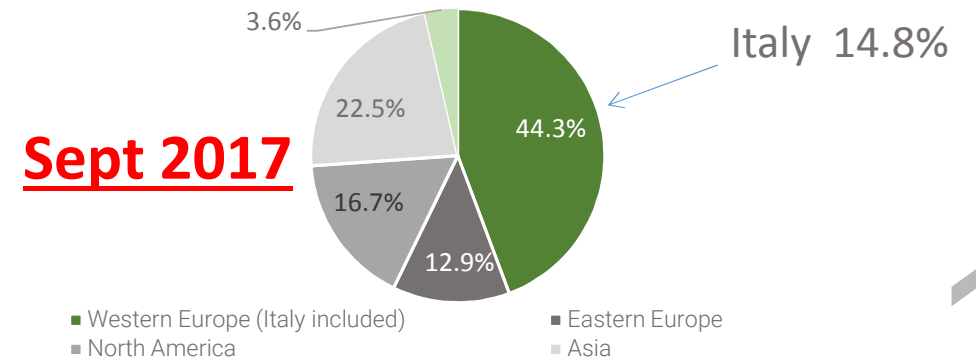
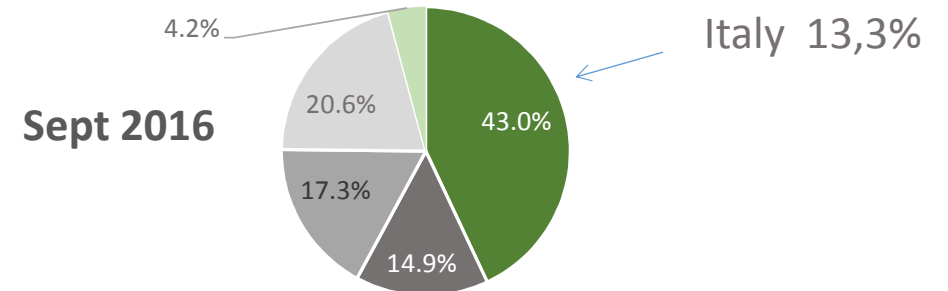
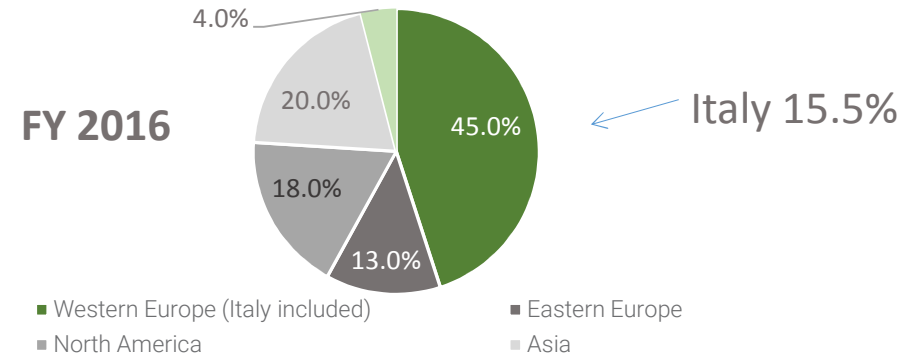
Sales breakdown- September 2017

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by business divisions



by main geo-areas

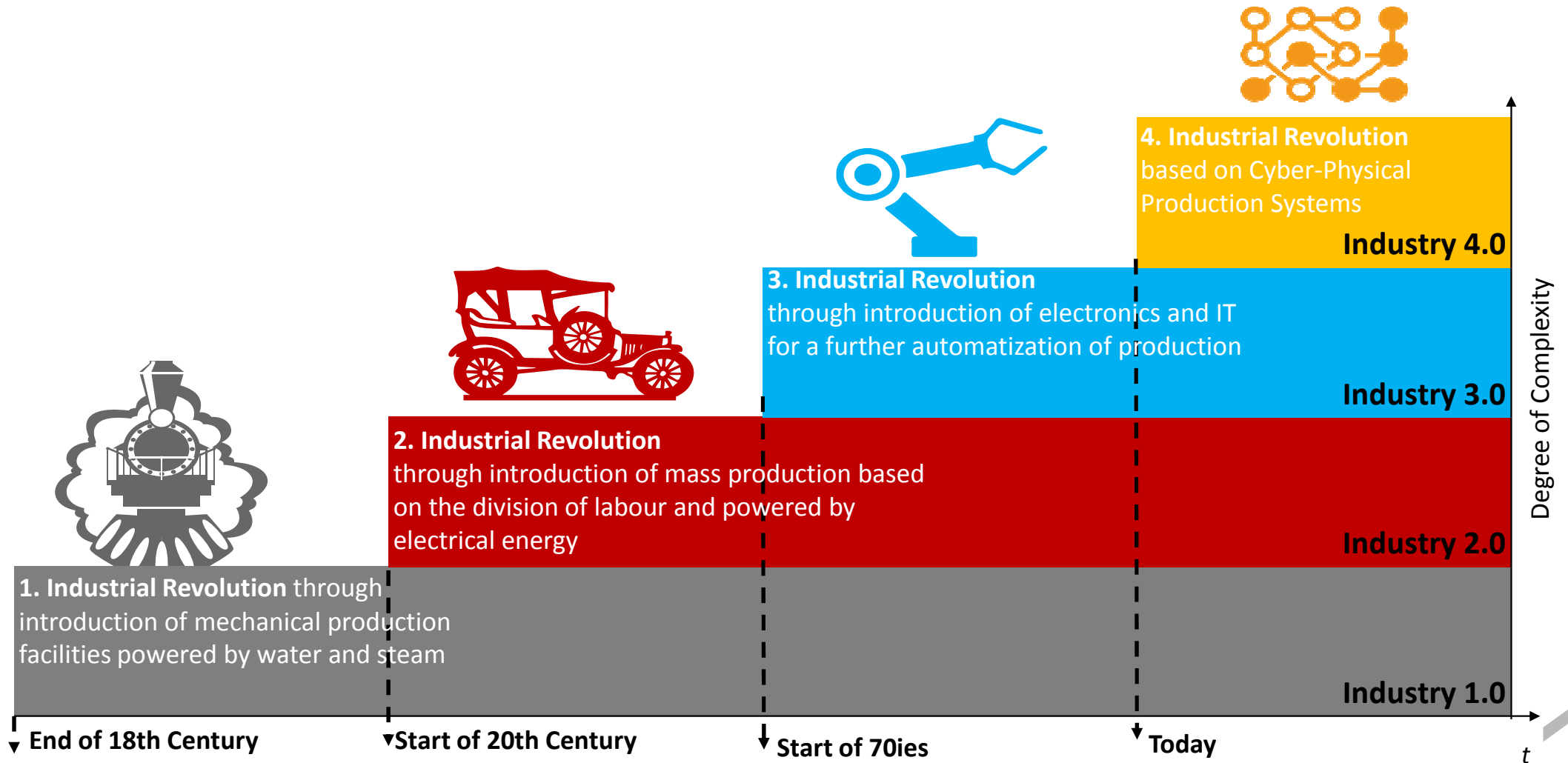


inside events



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THE FOURTH INDUSTRIAL REVOLUTIONS



inside events

20 October 2017

BIESSE PESARO-ITALY, OPEN HOUSE 19-21 OCTOBER 2017

From 19 to 21 October Biesse will open the doors of its Pesaro campus to demonstrate the advantages that its technologies provide to those who work with wood and plastic. Open doors at the Biesse Group headquarters with technology and services that will digitalize the factories of the manufacturing world. 190,000 square meters of innovation available to clients for testing and observing first-hand machinery, automated systems, advanced software, and interconnected technologies capable of optimizing manufacturing processes and digitalizing factories. Within the Tech Centre visitors will have the opportunity to get to know SOPHIA, the Biesse platform that originated as an IOT project and which makes it possible for companies to offer their clients a wide range of services for achieving maximum efficiency, streamlining and rationalising operations. To explain to visitors the opportunities that SOPHIA has to offer, a seminar entitled "SOPHIA, more value from machines" will be held, with important speakers who will illustrate the project. On the third day the seminars will be dedicated to Biesse's partnership with CasaClima and Geal. Important developments in the field of software as well with BAVANT, the MES (Manufacturing Execution System) offered by BiesseSystems for the integrated and efficient management of all manufacturing flows in line with machining requirements.

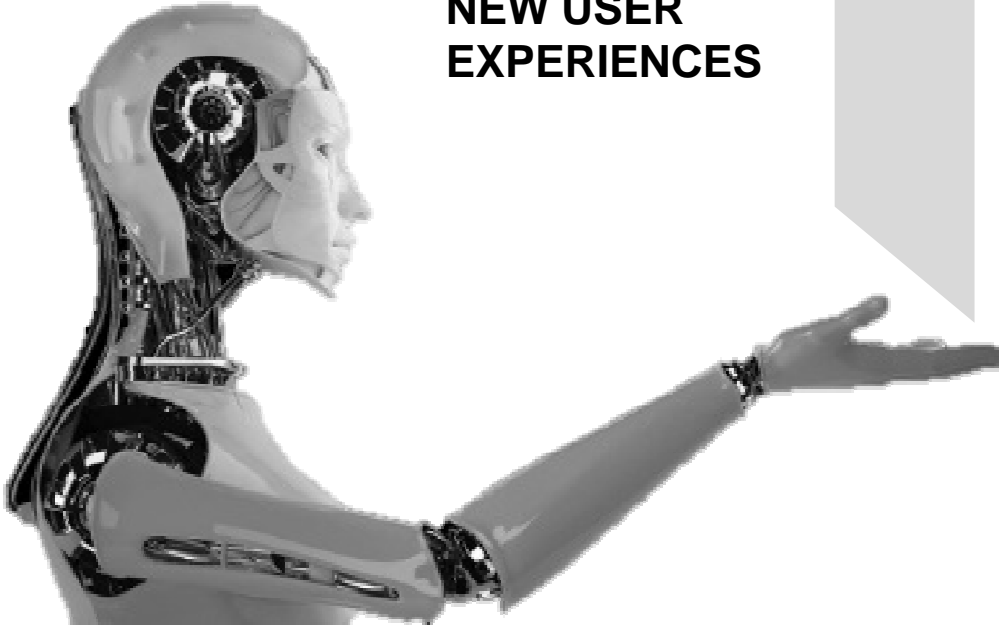
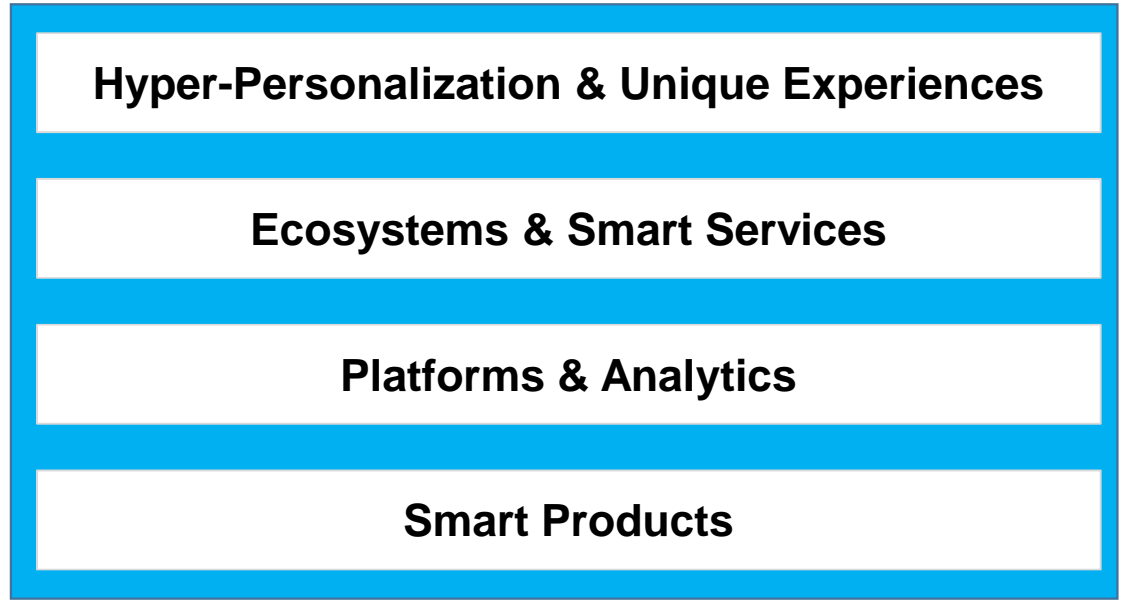
Furthermore, three complete production lines and various solutions dedicated to the handling of panels used for the processes of cutting, nesting, square-edging, and boring will be viewable, introducing visitors to the advantageous opportunities that automation of the manufacturing flow offers in terms of efficiency and quality. More than 30 functioning solutions, with specific demos and with Biesse's skilled technical and sales personnel available to answer questions about the demands and needs of the manufacturing world. Visitors will also be able to go on various tours of the Biesse facilities, accompanied by the Kaizen team which will illustrate what it means to be a Lean Factory. "Inside' is an appointment that is fundamentally important to us for maintaining a strongly collaborative relationship with our clients and for confirming, year after year, our company's characteristic dedication to technology.

The assistance we consistently provide to our clients stems from our relentless search for 'the new', for that innovative element capable of determining the growth and efficiency of the companies in this sector. This event welcomes visitors from around the world and offers them the chance to fully live the Biesse experience, introducing them to our passion, our knowledge, and our technology so that these may become competitive advantages which allow our clients to emerge in today's complex market," states Raphaël Prati, Marketing and Communications Director for Biesse Group.

3 days attendances: > nr 4,000 people +32.8% vs the previous edition 2016
orders: > € 12 mln representing +29% vs the previous edition 2016
contribution by country: Italy leads

INDUSTRY X.0 IS ALL ABOUT REALIZING SUSTAINABLE CUSTOMER VALUE

**NEW USER
EXPERIENCES**



Biesse highlights IIIQ 2017

Service project

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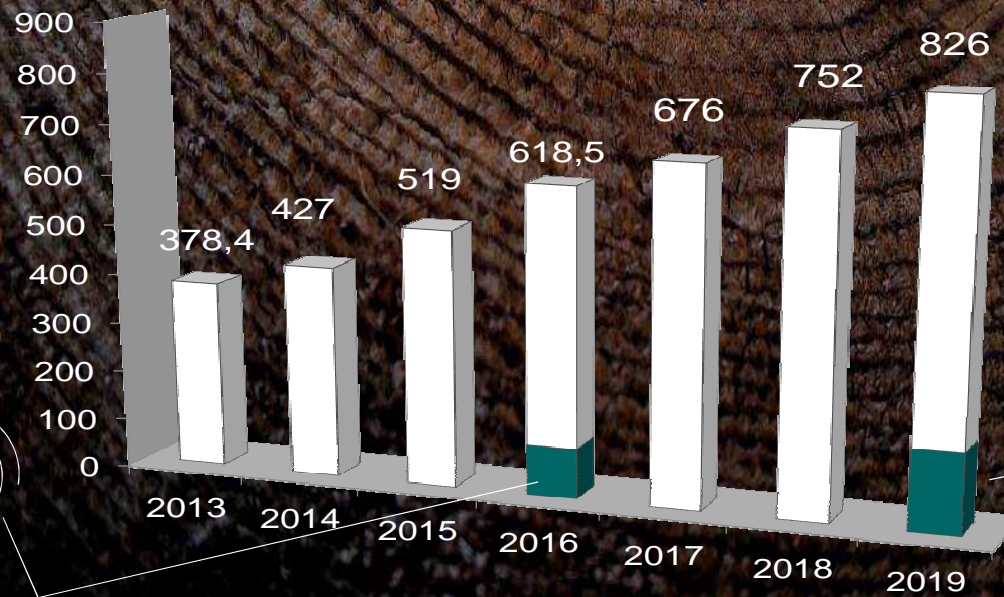
Service

20,5%
Target 2019

17,0%
2016

going towards the Service 2.0

- ✓ proactivity: from the "break-and-fix" to the proactive service
- ✓ spare parts: 24x7 assistance / no down time – maintenance contracts – spare parts inventories with more than 8.000 parts
- ✓ training: dedicated training of the Biesse engineers and dealers



Biesse highlights IIIQ 2017

SOPHIA



SOPHIA

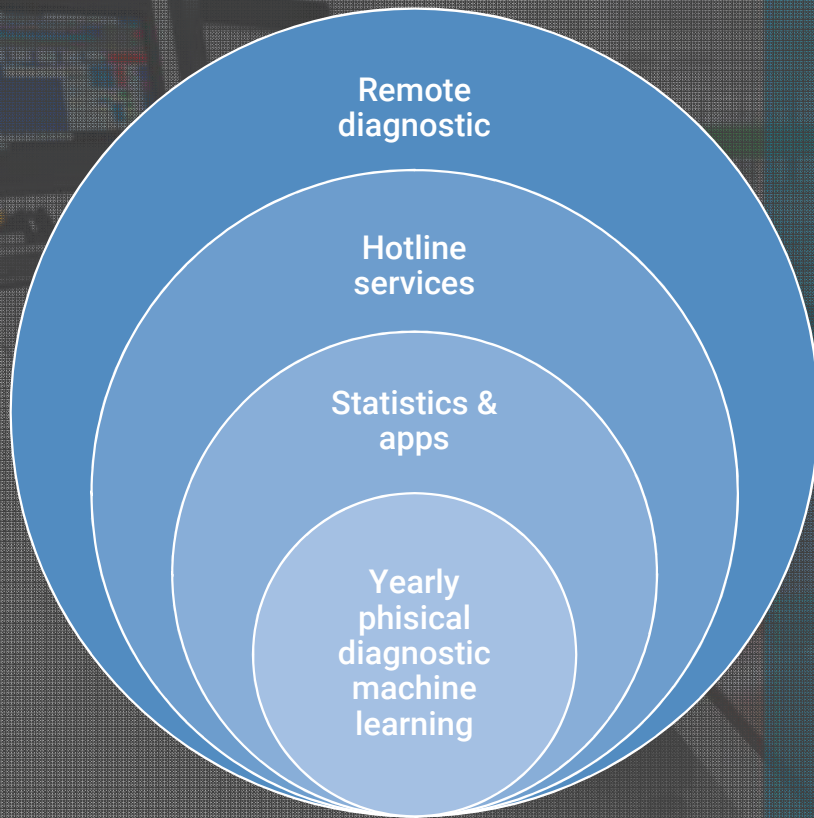
Greater values from machines

Sophia is a business solution - a connected asset management - that Biesse developed to create more value for the customers improving the productivity and the operative efficiency decreasing the costs.

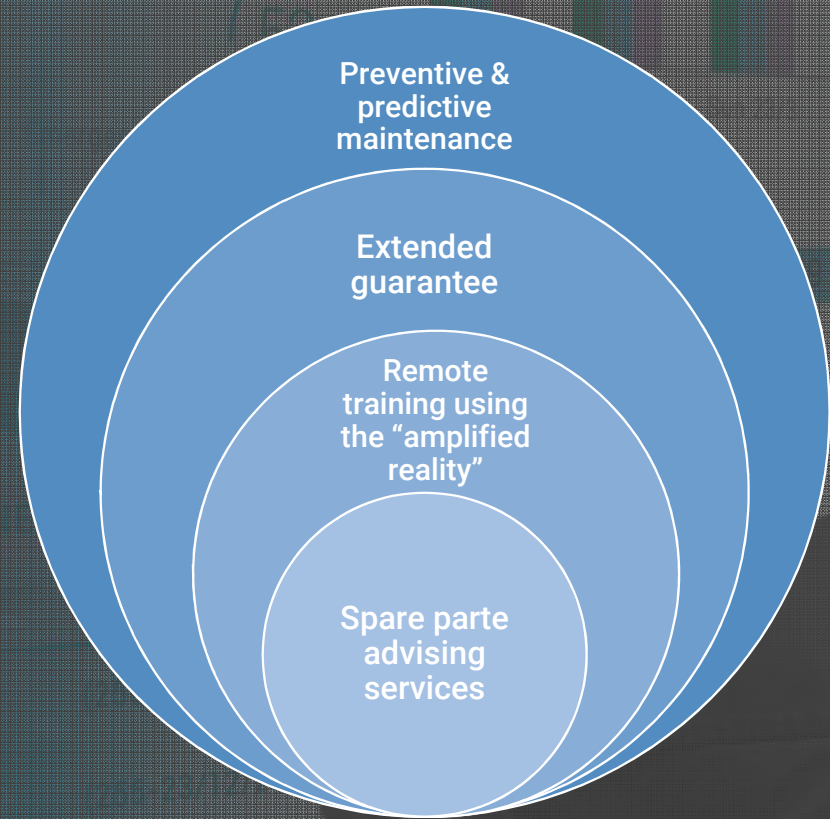
Sophia -actually offered inside the IIoT service - is a solution for the customers through the Cloud platform Machine Knowledge Center.



Sophia

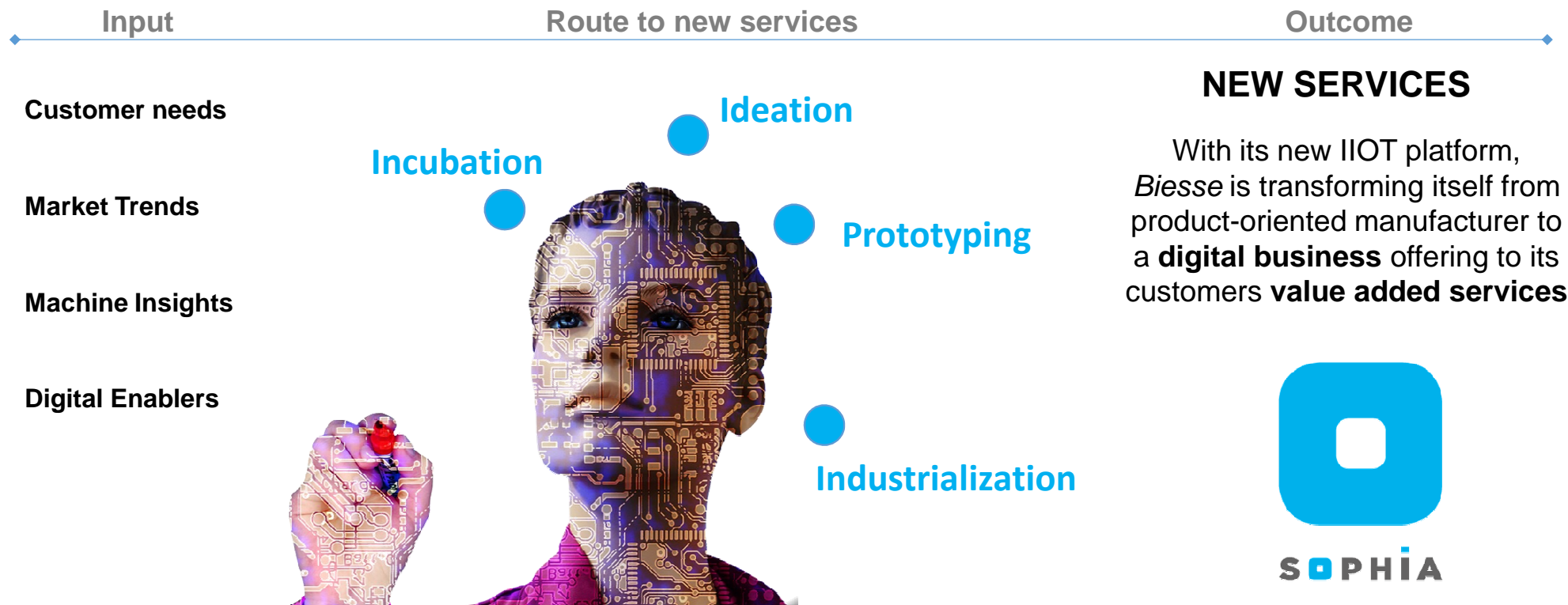


TODAY



TOMORROW

BIESSE plans to connect more than 20.000 machines by 2020

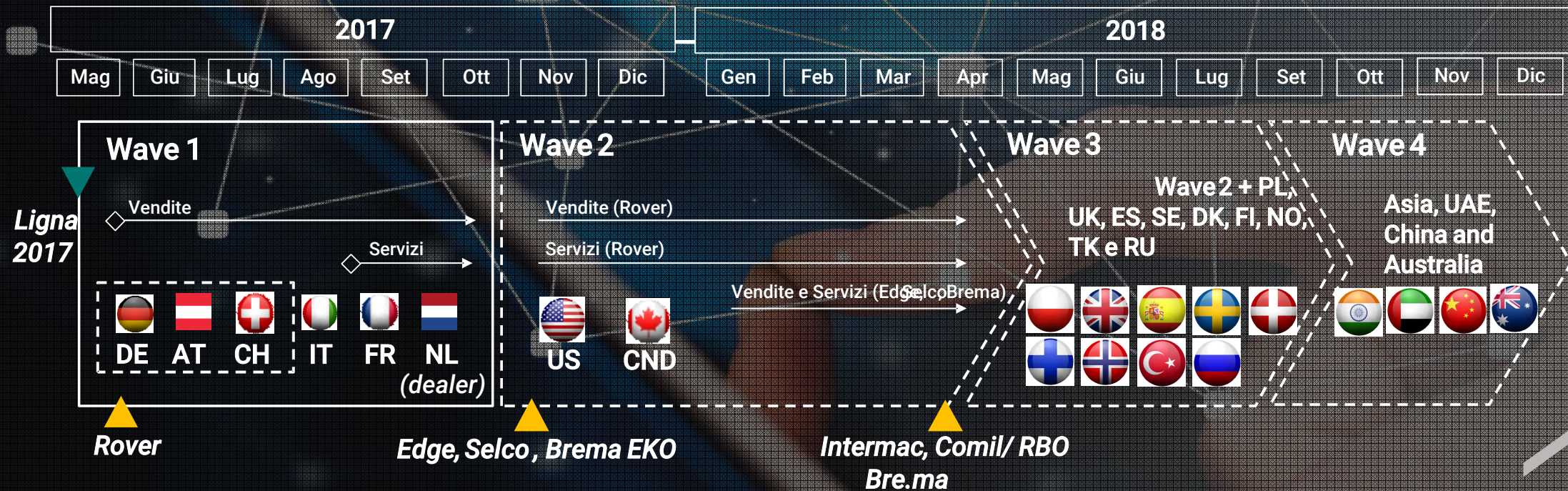


Roadmap

the SOPHIA solution has been already presented during the last LIGNA fair regarding the IIoT service for the Rover (wood machineries)

Starting from the next Biesse Inside (October 2017):

-enlarge the geographical perimeter (wave 1 -2-3-4) even extending the machineries models (edge banding, sizing and inserting) . see the roadmap below



Biesse highlights IIIQ 2017

Group people distribution

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People distribution (without interim people)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Sept 2016	Sept 2017
Production <small>% of total people</small>	365 41%	1250 46%	1265 45%	1175 44%	1201 42%	1335 42%	1482 41%	1426 41%	1489 39%
Service & After sale <small>% of total people</small>	568 24%	577 21%	574 21%	613 22%	628 22%	630 22%	803 22%	788 22%	884 23%
R&D <small>% of total people</small>	233 12%	316 12%	338 12%	321 12%	361 13%	383 13%	436 12%	428 12%	461 12%
Sales & Marketing <small>% of total people</small>	340 13%	361 13%	364 13%	351 13%	433 15%	435 15.6%	587 16%	565 16%	645 17%
G & A <small>% of total people</small>	202 3%	233 3%	242 3%	235 3%	252 3%	273 3%	310 8.5%	302 8.6%	328 8.6%
ITALY <small>% of total people</small>	1660 70%	1656 61%	1646 53%	1547 57%	1605 56%	1780 56%	2.009 56%	1927 55%	2146 56%
OUTSIDE ITALY** <small>% of total people</small>	708 30%	1081 33%	1136 41%	1148 43%	1276 44%	1336 44%	1.609 44%	1582 45%	1661 44%
TOTAL	2368	2737	2782	2635	2881	3176	3618	3509	3807 <small>+8.5%</small>

People distribution

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Sept 2016	Sept 2017
ITALY % of total people	1660 70%	1656 61%	1646 53%	1547 57%	1605 56%	1780 56%	2009 56%	1927 55%	2146 56%
OUTSIDE ITALY** % of total people	708 30%	1081 33%	1136 41%	1148 43%	1276 44%	1336 44%	1609 44%	1582 45%	1661 44%
TOTAL	2368	2737	2782	2635	2881	3176	3618	3509	3807

interim people at the end of December 2016: **191**

interim people at the end of Sep 2017: **184**

Italy: 2,146 + 184 interim people = 2,130

North America: 228

Europe: 329

APAC: 1,012 (India 508 – China 320)

IIIQ 2017: 3,991

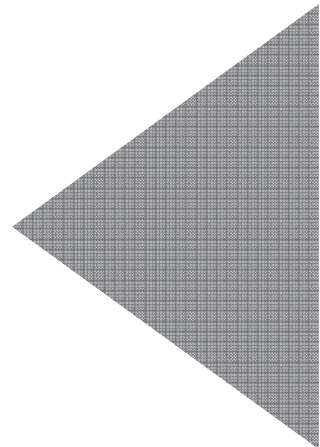
with interim people

Biesse 2017 forecast: updated targets

net sales range: 685-690 euro mln

ebitda range: 89-92 euro mln

net financial position range: positive 5-10 euro mln



Biesse three years plan 2017-2019: targets

net sales c.a.g.r.: 10.1%

(2017e €676 mln 2019e €825 mln)

ebitda c.a.g.r.: 12.6%

(2017e 12.3% 2019e 12.8% on sales)

ebit c.a.g.r.: 14.3%

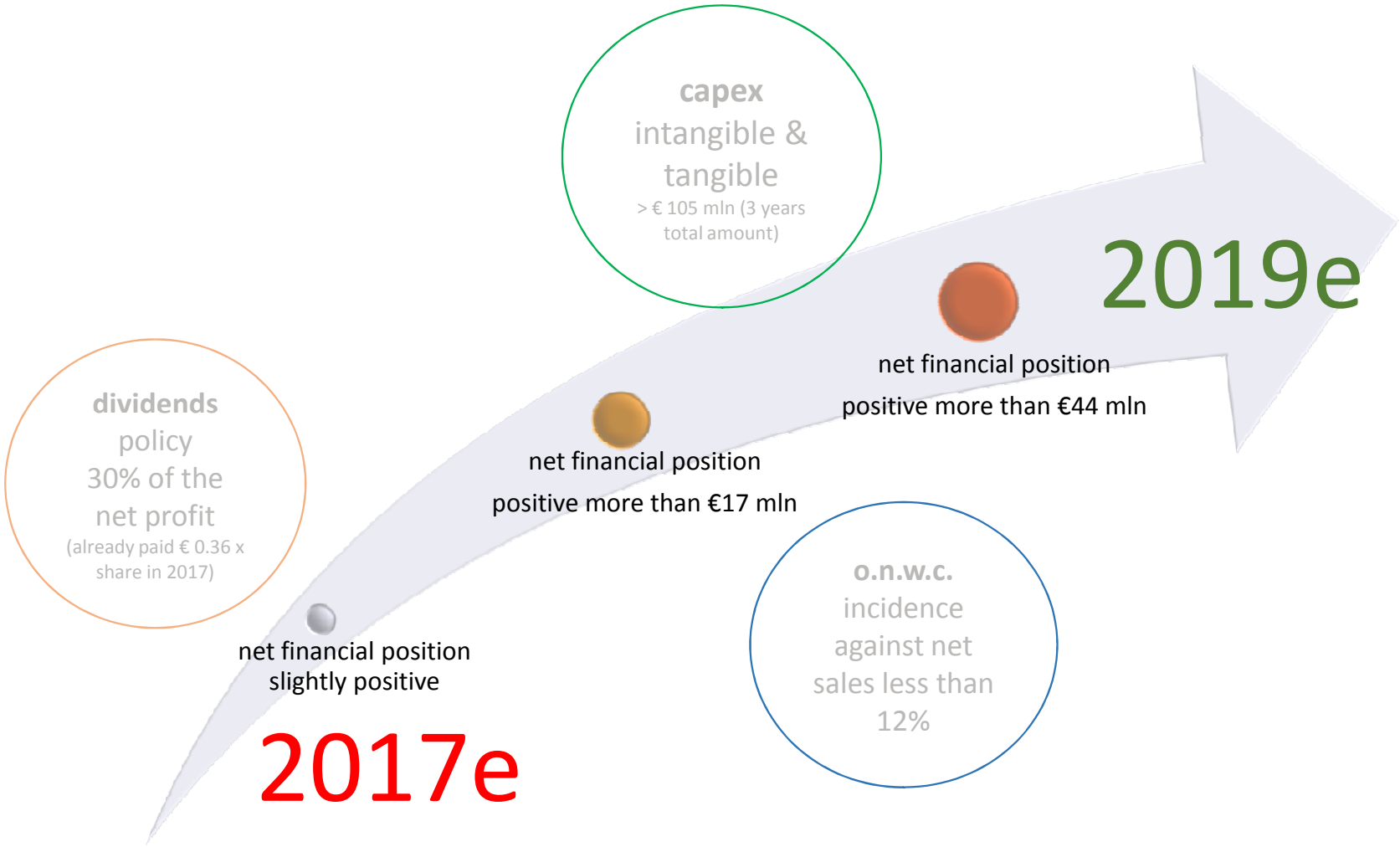
(2017e 9% 2019e 9.5% on sales)

net profit c.a.g.r.: 20.6%

(2017e 5.6% 2019e 6.2% on sales)

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Biesse three years plan 2017-2019: targets



growth driver: main factors



- ✓ urbanization factor (China)
- ✓ substitution cycle (western economies)
- ✓ digitalization demand - energy efficiency (worldwide)
- ✓ software integration increase – Industry 4.0 capabilities and incentives
- ✓ diversification into new segments

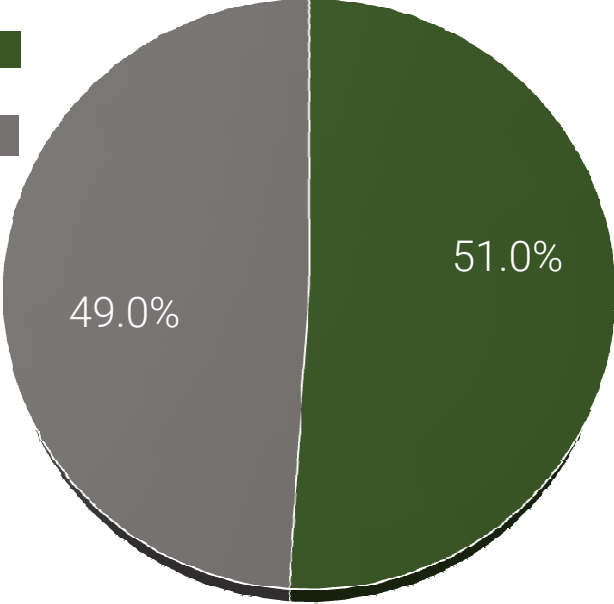
Shareholders & Shares

shareholders and B.o.D. structure
share analysys

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Shareholders breakdown by ownership – Board of Directors

Bi.Fin s.r.l (Selci family) 
free float 



Biesse B.o.D.:

-  Giancarlo Selci (founder & C.E.O.)
-  Roberto Selci (President)
-  Stefano Porcellini (Group Director)
-  Alessandra Parpajola
-  Cesare Tinti
-  Salvatore Giordano (independent)
-  Elisabetta Righini (independent)

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