

# Technologies for shaping everyday life



**BIESSE**

Company presentation: Milan. March 24th 2009



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# our history



## 1969 “The beginning”

**1978** Realized the first numerical control boring machine for wood: Logic Control

**1983** Rover: the first machining centre for the processing of wood is built

**1987** Intermac is established: The company produces machining centres for processing and engineering glass and stone

**1991** HSD is established: the company realizes and sells mechanical components and numerical controls

**1991** Biesse becomes international: the first foreign branches are opened

**1992** Biesse starts “the acquisition period”: aimed operations in wood/glass&stone/components and distribution network areas

**1994** Biesse Engineering is established: new business unit fully dedicated to project and realize entire lines and integrated systems

**1998** Biesse group is formed. It's composed of three divisions: wood. mechatronic. glass and stone

**1999** Centro di Formazione e studi (Biesse School) is established

**2001** Biesse is quoted on the italian stock exchange (listed in STAR segment)

**2006** Bre.Ma. is acquired: the company designs and realizes vertical numerical control boring-inserting machine for the processing of wood

**2007** AGM Inc (U.S.A.) is acquired: former distributor for glass & stone machinery becomes Intermac U.S.A. subsidiary

**2008** New plants for the wood division: Secchiano (Italy) for the Artech segment & Bangalore (India) first foreign production site

**2008** Inaugurated new plants for the wood division: first delocalization site outside Italy (Bangalore -India)



our  
international  
structure



**Italy**  
Milano-Treviso-Bergamo



**U.S.A.**  
Charlotte. NC  
Ft. Lauderdale FL



**Asia**  
Singapore



**Canada**  
Montreal  
Toronto



**China**  
Shanghai



**Germany**  
Elchingen  
Loehne  
Gingen



**France**  
Lyon



**Spain**  
Barcelona



**Portugal**  
Syntra



**Dubai U.A.E.**



**India**  
Bangalore



**Indonesia**  
Jakarta



**Malaysia**  
Kuala Lumpur



**Australia**  
Sidney  
Brisbane  
Adelaide  
Melbourne  
Perth



**New Zealand**  
Auckland



**Russia**  
Moscow



**Sweden**  
Jonkoping



**Ukraine**  
Kiev



**U.K.**  
Daventry

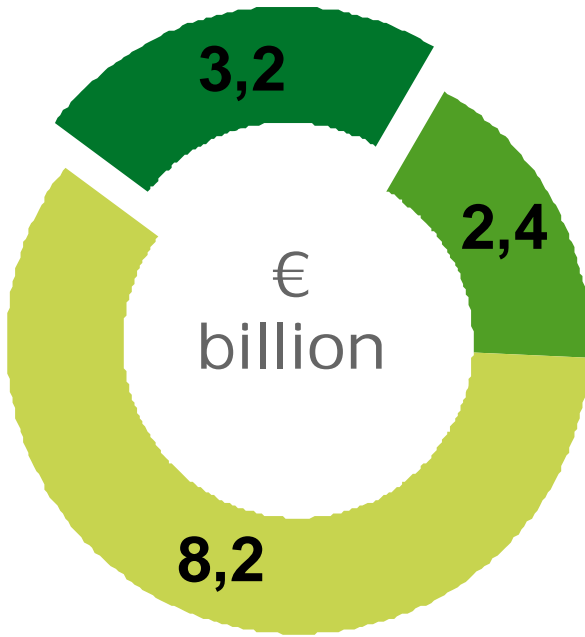





**Biesse Schweiz**



reference markets:  
sizes & shares

# Primary and Secondary woodworking phases: market size

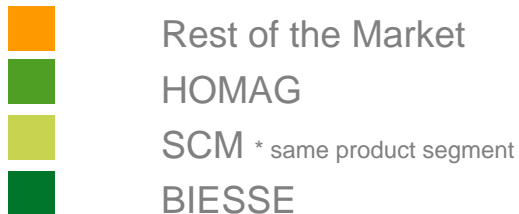
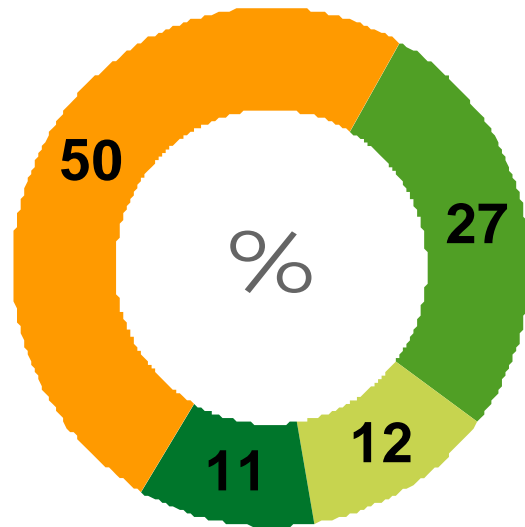


-  Primary phase
-  Secondary phase
-  Value of Biesse reference market

- 8.2 € billion is the secondary woodworking phase
- 3.2 € billion is the part of the secondary woodworking phase where Biesse is insisting
- 2.4 € billion is the primary woodworking phase estimation

(company evaluation)

# BIESSE market share: wood (panel & solid)



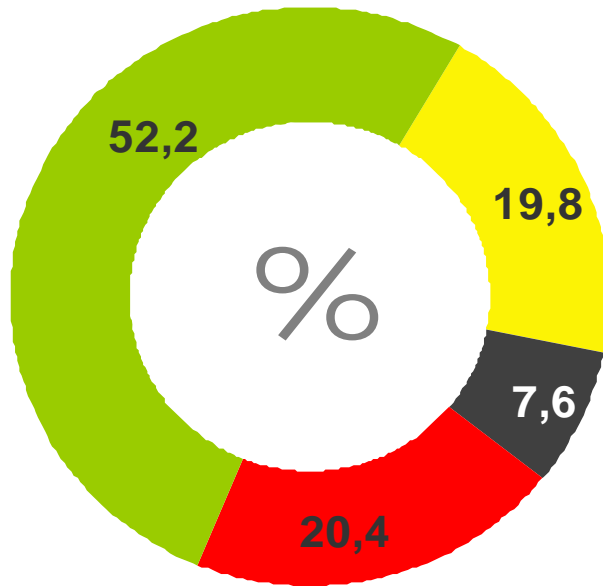
- Broad array of products, ranging from manual to highly automated machinery
- In an effort to increase productivity and flexibility, customers have been shifting toward higher end machinery
- Only four companies/groups have revenues above € 300 mln. (including Weinig, solid wood specialist)
- The vast majority are family-run companies
- BIESSE & HOMAG are the only listed companies

**€3.200.000.000.**

Value of reference market  
'2nd process' CNC machinery  
(company evaluation)

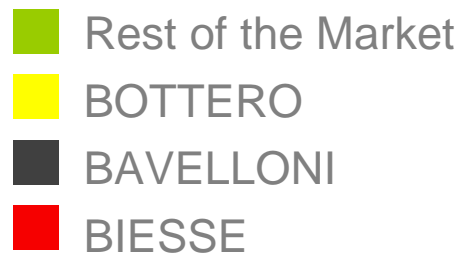


# BIESSE market share: glass (internal glass market)

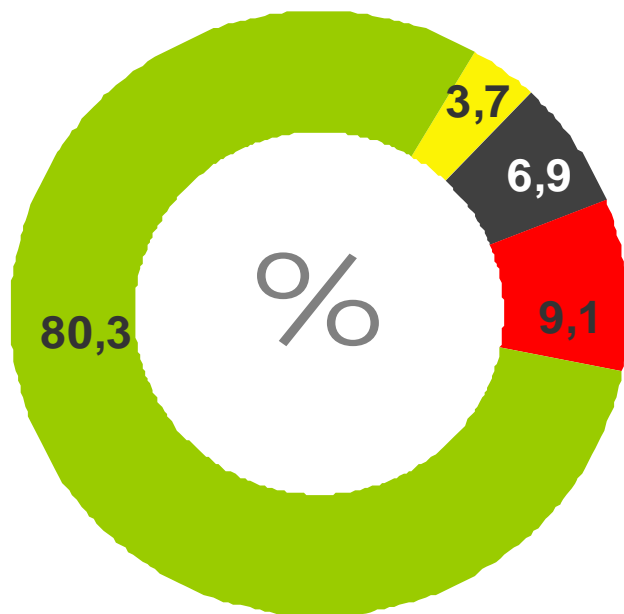


- Basically a domestic market of internal glass
- Only 2 companies have market shares over 10%
- Biesse S.p.A. and Bavelloni (Kyro Group-Finland) are the only listed companies

**€330.000.000.**  
Value of reference markets



# BIESSE market share: stone/marble

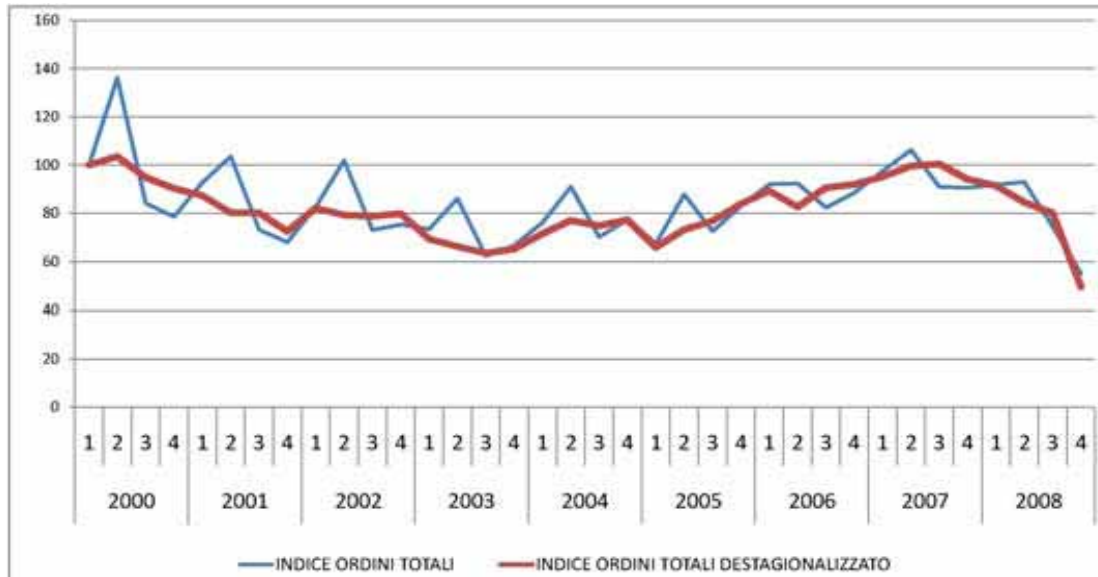


- Rest of the Market
- BOTTERO
- BAVELLONI
- BIESSE

- Biesse clear worldwide market leader
- Only 1 company (Biesse) has market shares over 10%
- Biesse S.p.A. and Bavelloni (Glaston Co.) are the only listed companies

**€110.000.000.**  
Value of reference markets

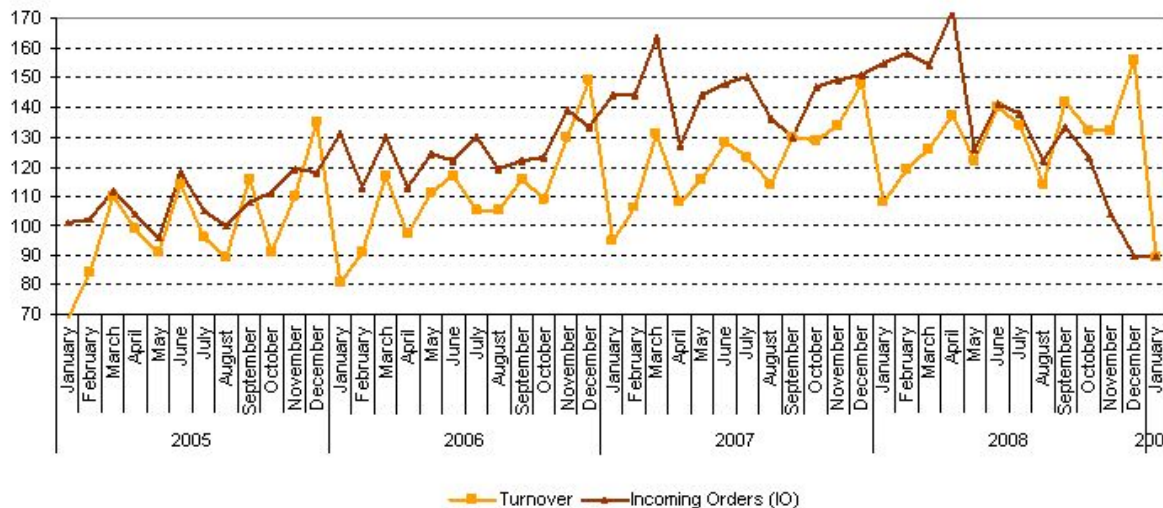
# The “associations” point of view: ACIMALL (Italy) - VDMA (Germany)



ACIMALL (wood) analysis for orders intake from 2000y (=100)



VDMA - Development of change in order intake and revenues  
base: 2005 = 100

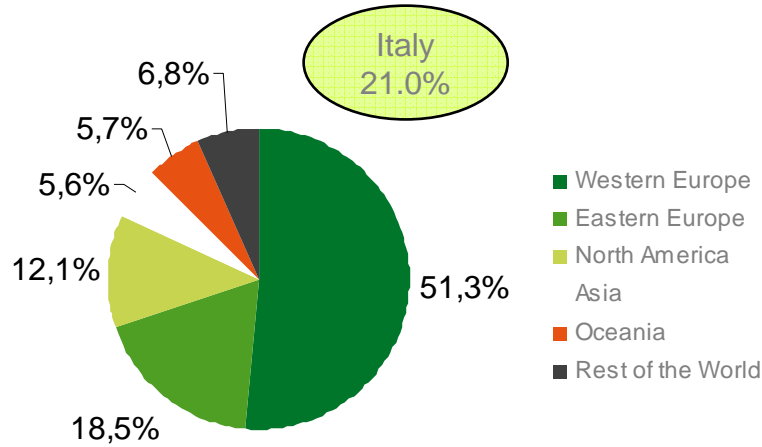


VDMA (wood) analysis for orders intake from 1988y

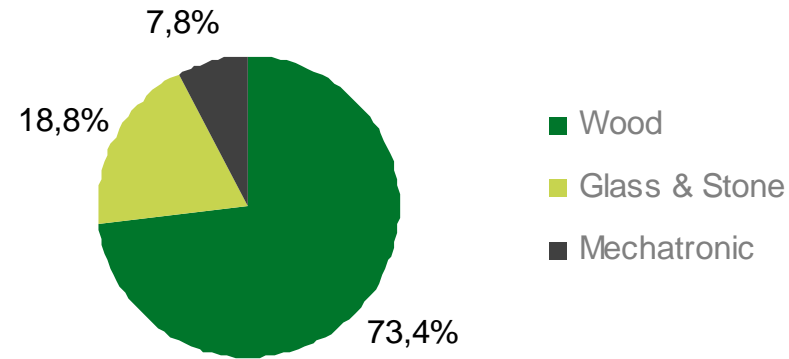
# BIESSE sales breakdown by: geography – divisions – type – end users



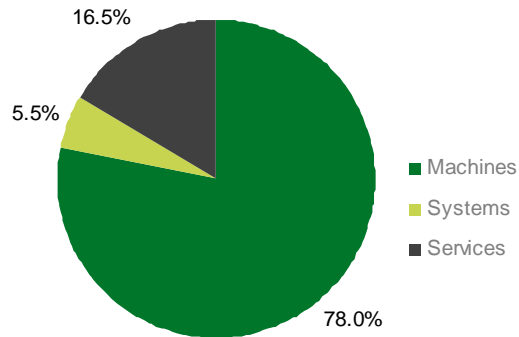
sales by geography



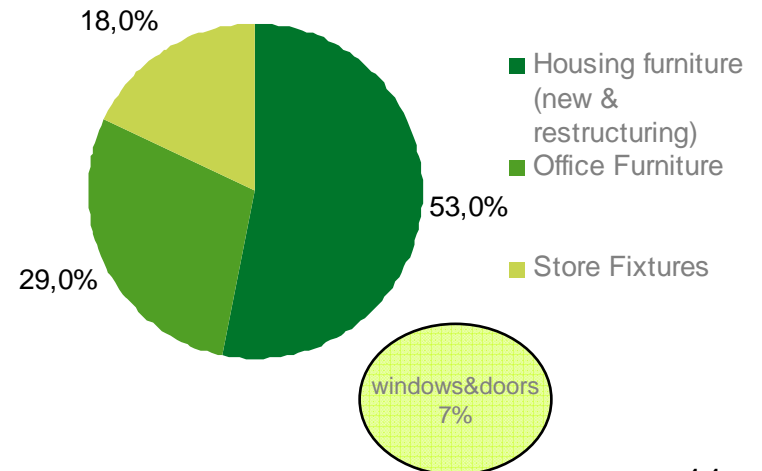
sales by business divisions



sales by type



sales by "end users" \*



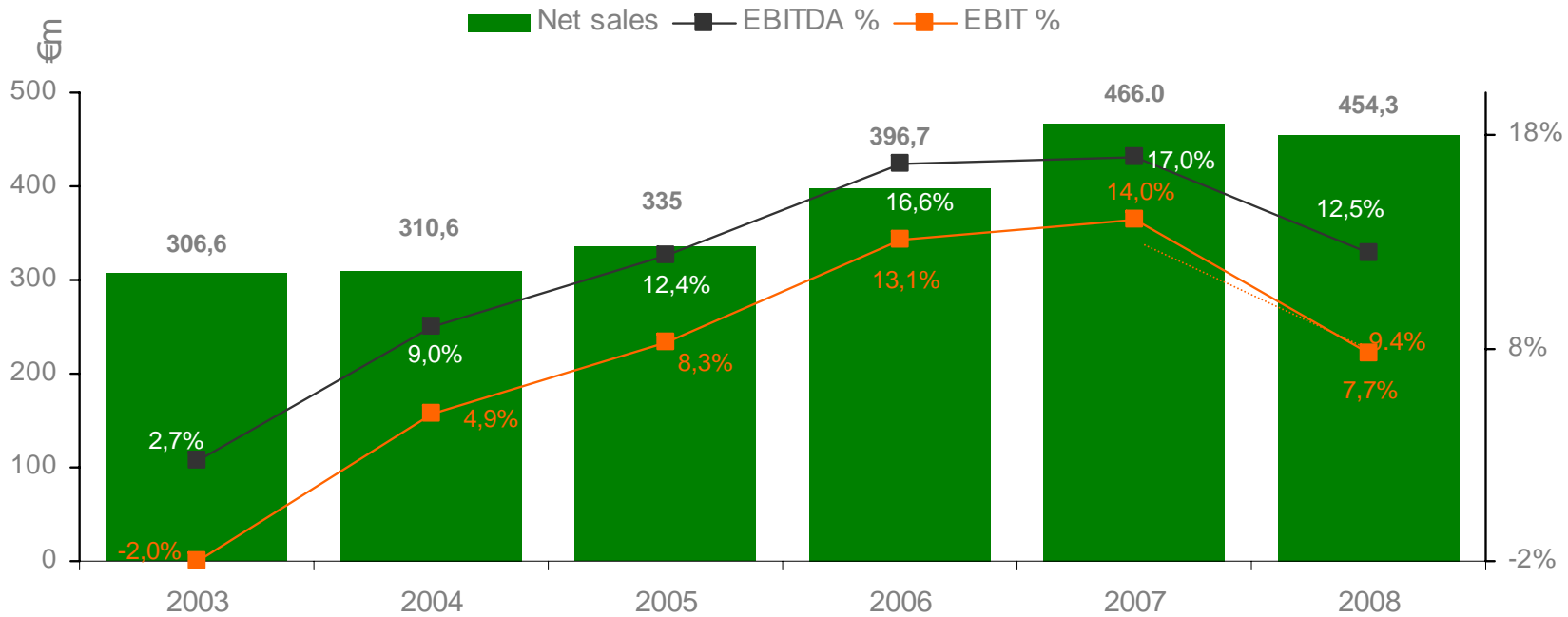


## financials: 2008

# Biesse: the full year 2008

	€MIL	2008	2007	↑ ↓
<b>WOOD DIVISION</b>	Revenues	454.3	466.0	-2.5%
	EBITDA	56.6	79.1	-28.5%
	% on sales	12.5%	17.0%	
<b>GLASS &amp; STONE DIVISION</b>	EBIT	35.0	65.4	-46.4%
	% on sales	7.7%	14.0%	
	Normalized EBIT	42.4 9.3%	<i>impairment test depreciation (€ 4.2m) + receivables extra-fund for potential risks increase (€ 3.2m)</i>	
<b>MECHATRONIC DIVISION</b>	Pre-tax Profit	31.3	62.7	-50.1%
	% on sales	6.9%	13.5%	
	Net Profit	19.7	41.7	-52.6%
	% on sales	4.3%	8.9%	

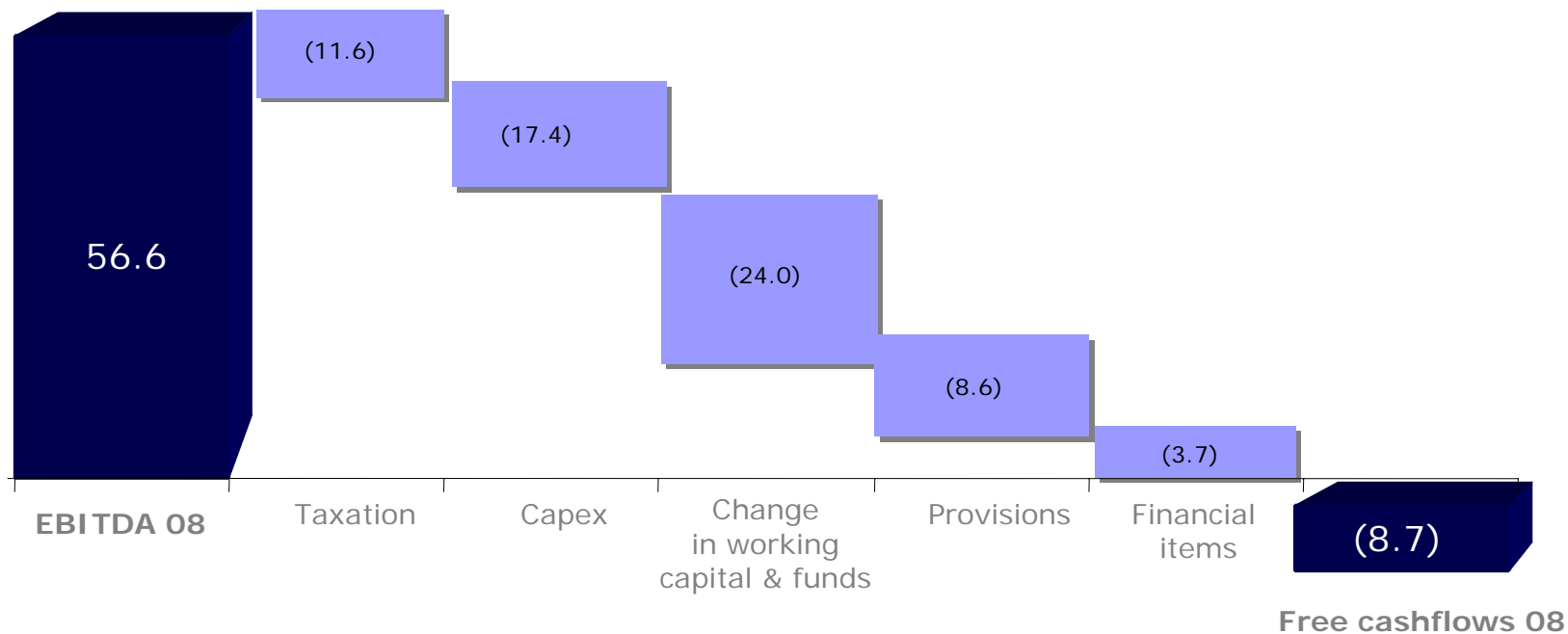
# Biesse main economic figures: 2008 update



Normalized EBIT 2008: 9.4%

# Biesse main economic figures: EBITDA bridge

## EBITDA reconciliation with free cashflow

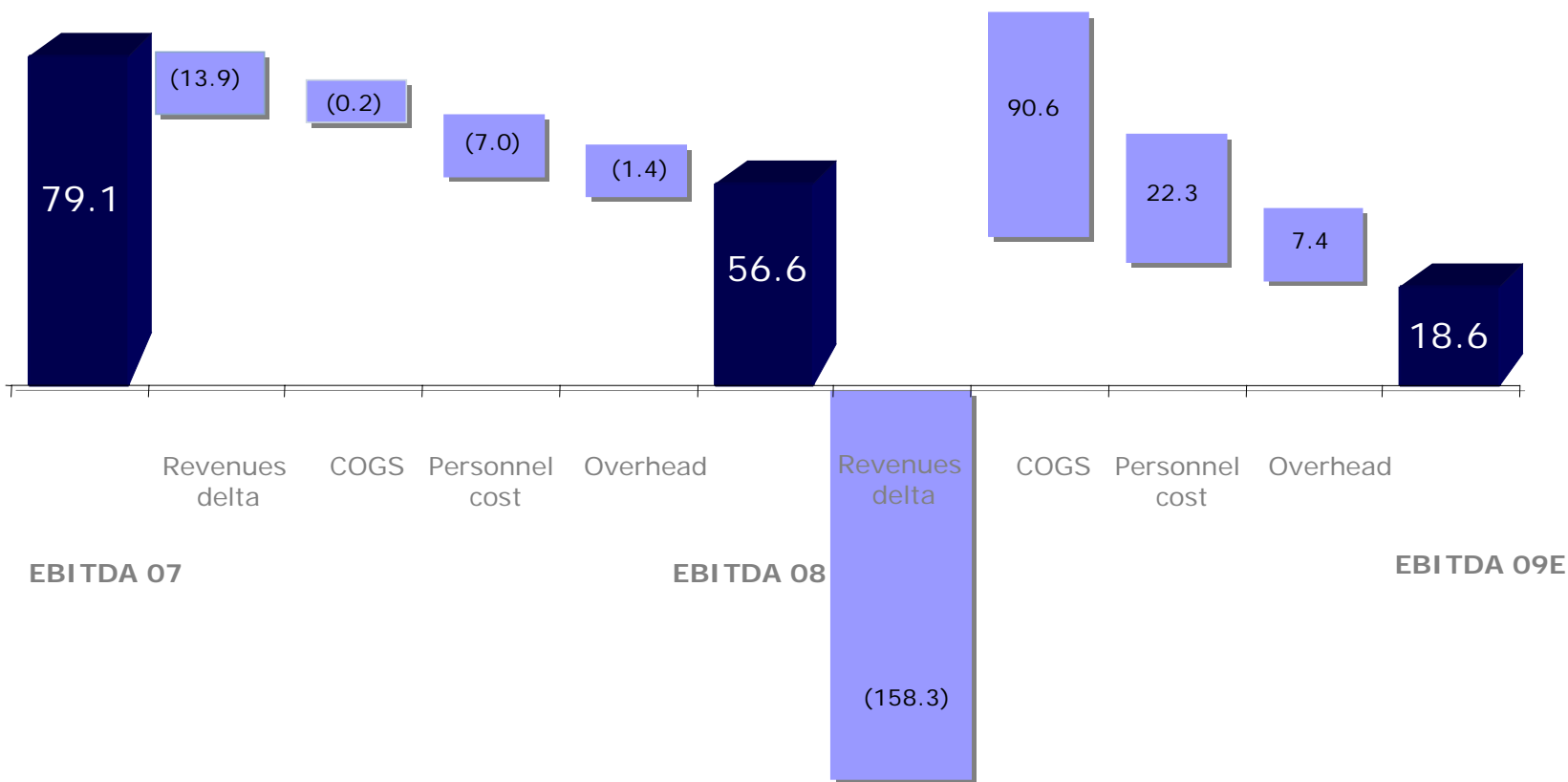




# Biesse main economic figures: EBITDA brigde



## EBITDA evolution

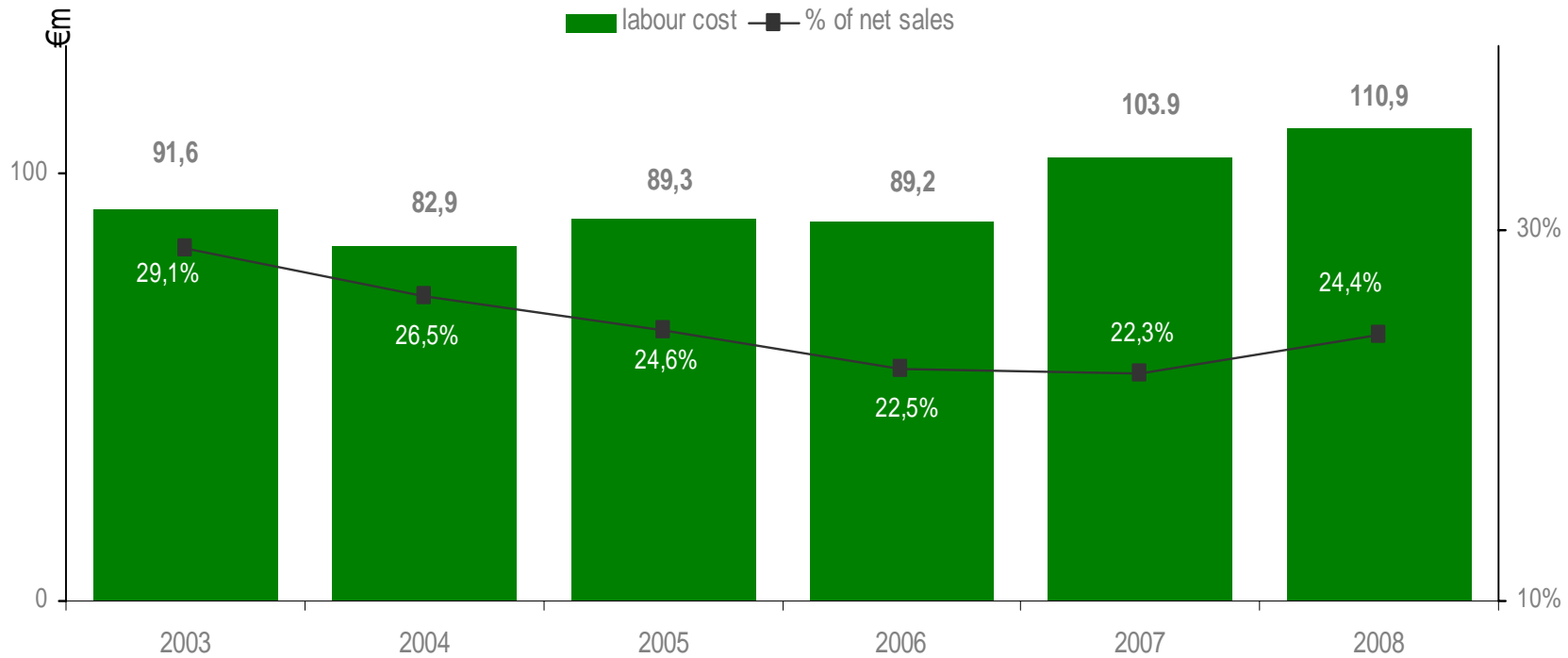


# Biesse labour cost details: 2008 update

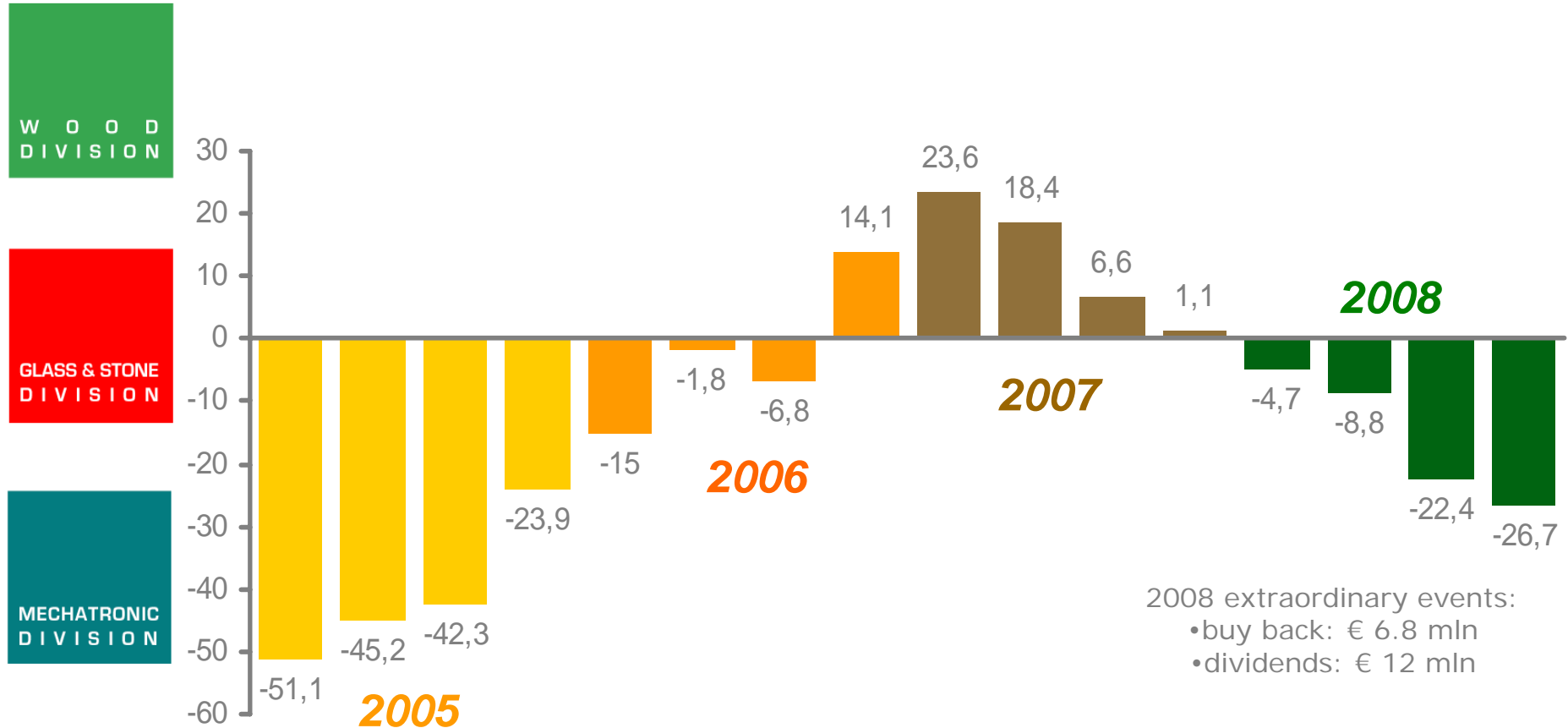


nr. of employees 2008: 2.476.

Turnover x employee 2008: 183.5K



# Biesse net financial position: quarterly trend

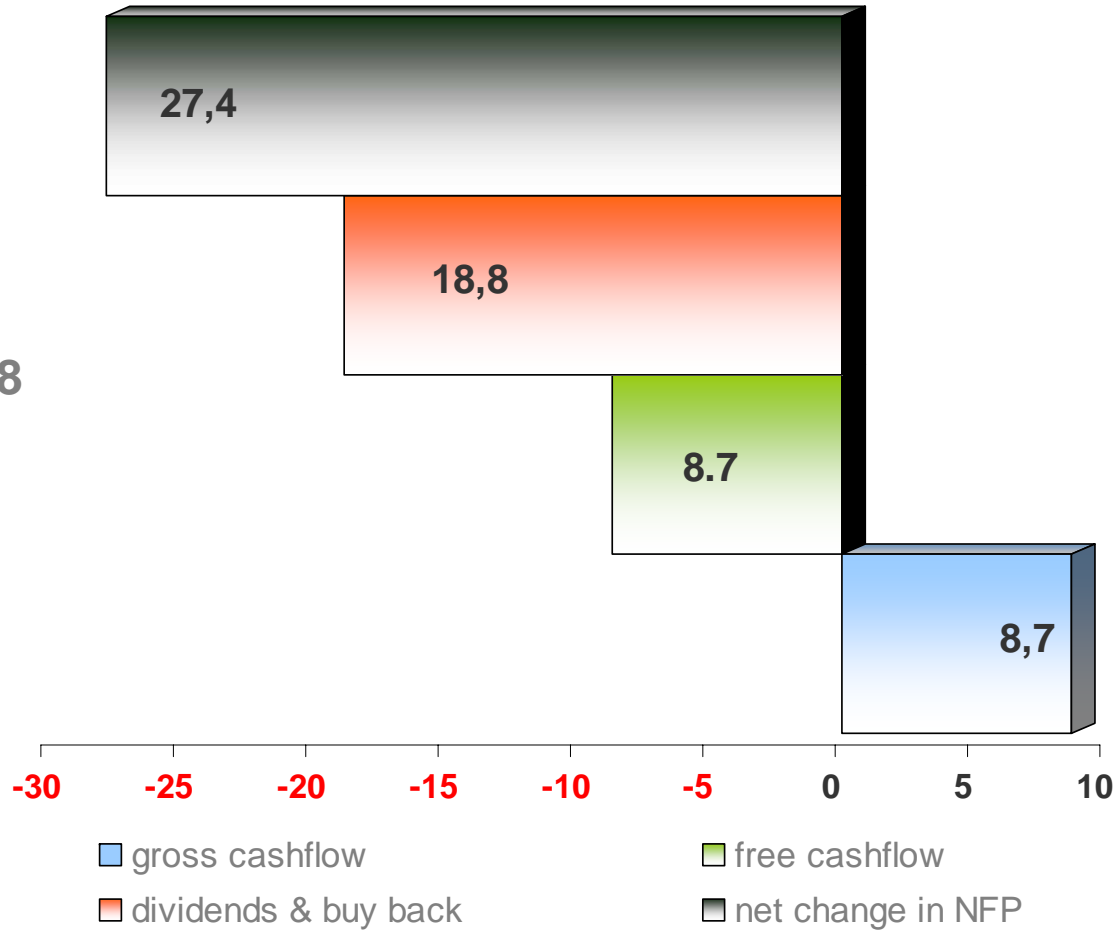


# Biesse cashflow: 2008 update



€MIL

2008

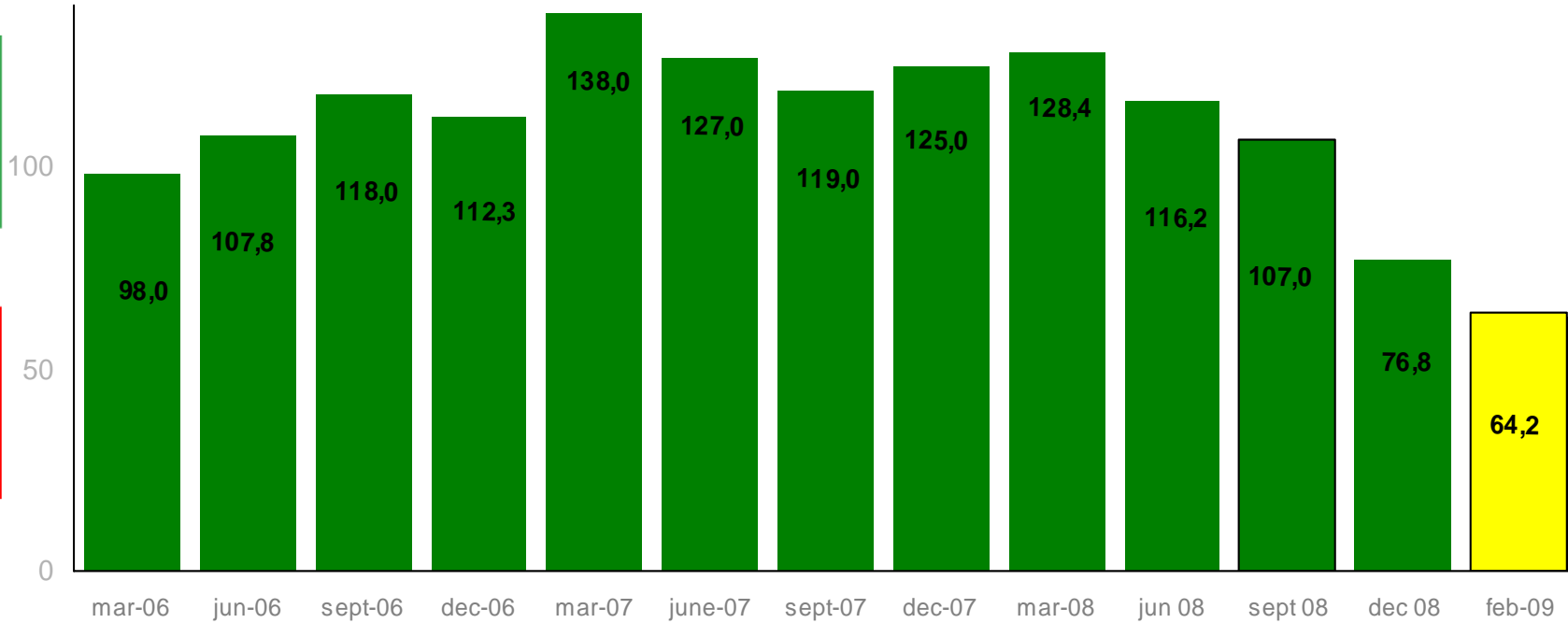


# Biesse backlog (machines & systems): february update

WOOD  
DIVISION

GLASS & STONE  
DIVISION

MECHATRONIC  
DIVISION



Incoming orders 12 months 2008:  
€351.5 mln

Incoming orders 12 months 2007:  
€409.0 mln

-14.0%

Incoming orders 2 months 2009:  
€25.9 mln

Incoming orders 2 months 2008:  
€82.1.0 mln

-68.5%



## Financials trend:

the new business plan 2009-2011

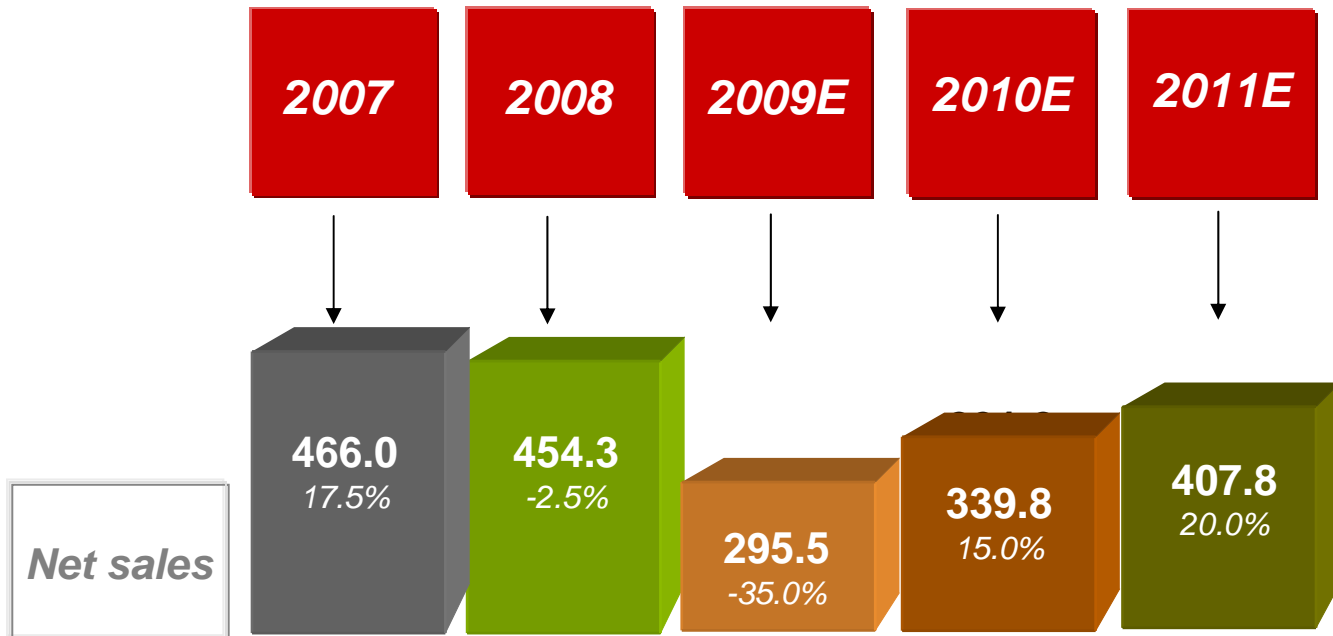
*“Predictions are very difficult.  
especially about the future”*

*Niels Bohr - Physics*

# Business plan 2009-2011: consolidated revenues



€MIL



Cagr 2009 - 2011

- 3.5%

# Business plan 2009-2011: P&L details

		€MIL	2007	2008	2009E	2010E	2011E	Cagr 2009- 2011
WOOD DIVISION	Value Added		183.0 39.0%	167.5 36.9%	107.2 36.3%	129.4 38.1%	163.7 40.1%	-0.8%
	Labour cost		103.9 22.3%	110.9 24.4%	88.6 30.0%	93.7 27.6%	101.3 24.8%	
	EBITDA		79.1 17.0%	56.6 12.5%	18.6 6.3%	35.7 10.5%	62.4 15.3%	3.3%
GLASS & STONE DIVISION	EBIT		65.4 14.0%	35.0 7.7%	0.0 0.0%	21.7 6.4%	47.6 11.7%	10.7%
	<b>EBIT normalized</b>	2008: impairment test depreciation (€ 4.2m) + receivables extra-fund for potential risks increase (€ 3.2)		42.4 9.3%	6.0 2.0%	2009e:restructuring allowance for a 2010 personnel mobility (€ 6)		
MECHATRONIC DIVISION	Net result		41.7 8.9%	19.7 4.3%	-5.7 ---	16.2 4.8%	33.6 8.2%	+19.4%





# Three years plan 2009-2011: personnel cost evolution

WOOD  
DIVISION

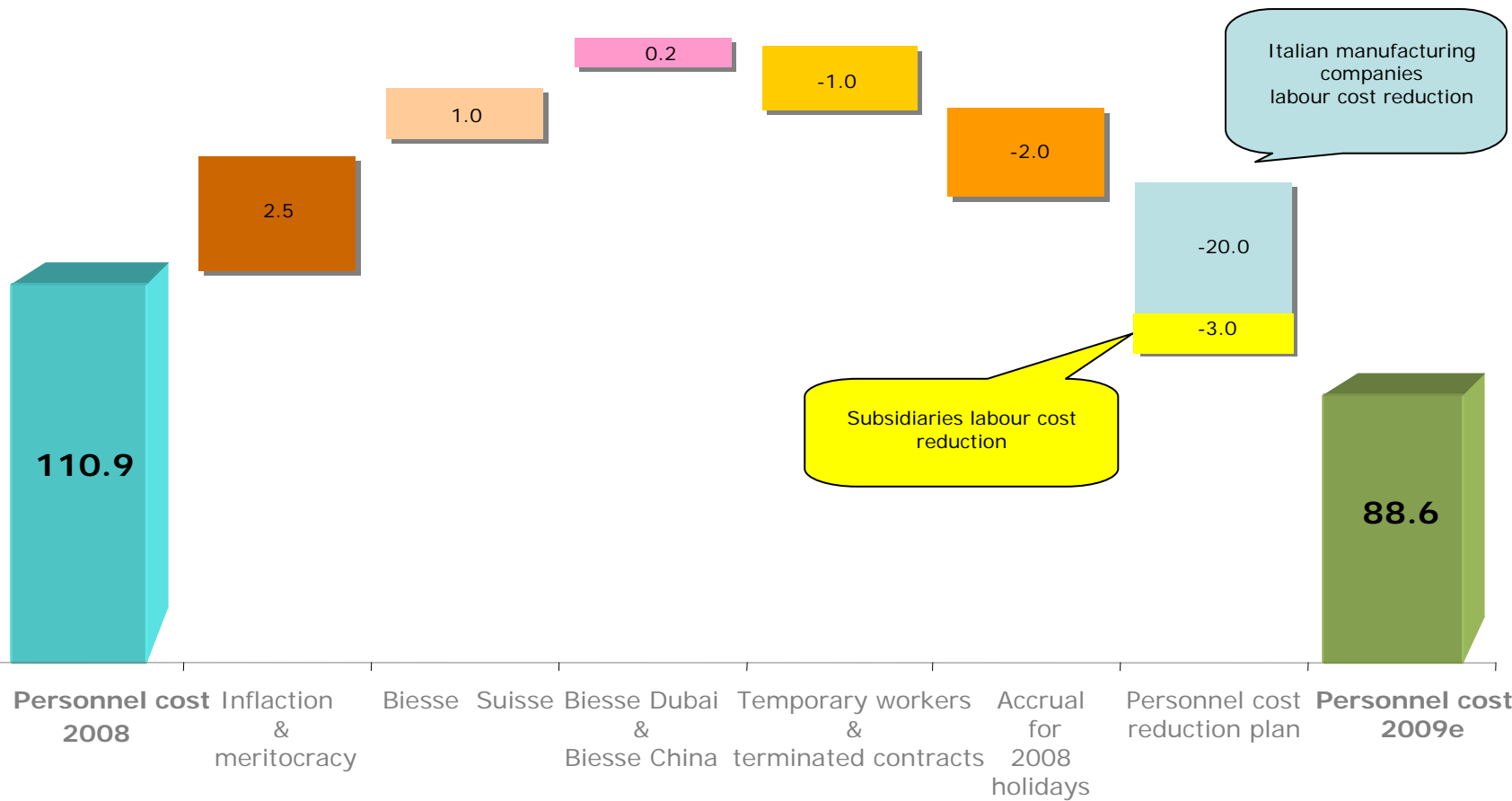
GLASS & STONE  
DIVISION

MECHATRONIC  
DIVISION






€/MIL

## Personnel cost evolution 2008-2009



# Business plan 2009-2011:

## Cashflow – Net Financial Position

		€MIL				
		2007	2008	2009E	2010E	2011E
  	Gross Cashflow	37.2	8.7	2.0	40.2	62.1
	Capex <i>(tangibles&amp;intangibles)</i>	-26.8	-17.4	-14.3	-11.9	-14.0
	Free Cashflow	10.7	-8.7	-12.3	22.3	48.1
	N.F.P.	1.1	-26.7	-39.0	-16.7	31.4

- 2008: buy back effected for € 6.8 mil. (2.6% share capitale)
- 2009e: no dividend payment
- 2009e: buy back plan on hold

# Business plan 2009-2011: Net Operating Working Capital

€MIL

WOOD  
DIVISION

GLASS & STONE  
DIVISION

MECHATRONIC  
DIVISION

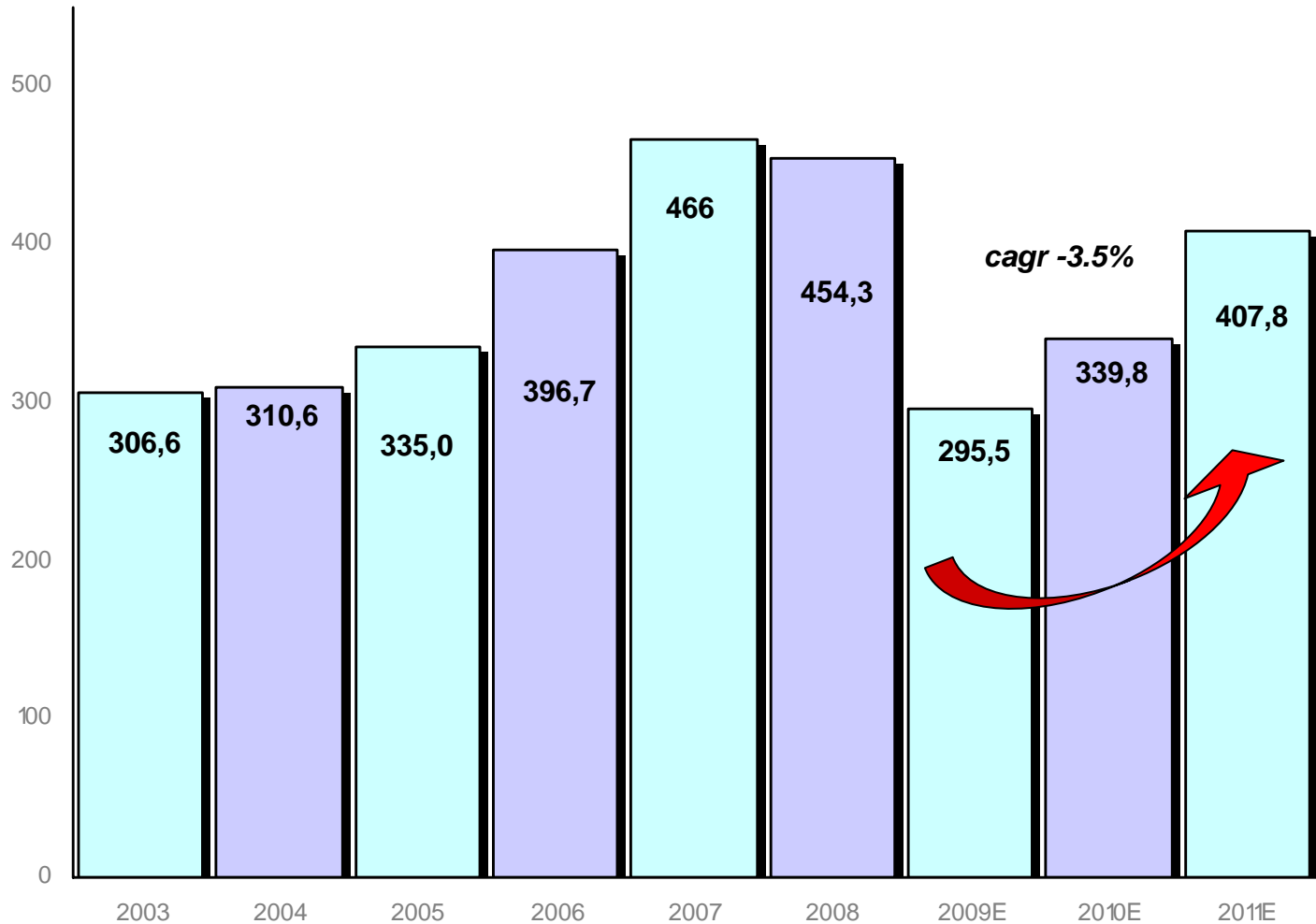


	2007	2008	2009E	2010E	2011E
<i>Inventories</i> % on net sales	104.2 22.3%	103.7 22.8%	67.6 22.8%	71.2 20.9%	74.5 18.3%
<i>Trade receivables</i> % on net sales	110.0 23.6%	99.8 21.9%	97.5 33.0%	101.9 30.0%	110.1 27.0%
<i>Trade payables</i> % on net sales	119.5 25.6%	98.6 21.7%	53.8 18.2%	68.0 20.2%	88.3 21.6%
<i>Delta</i> N.O.W.C.	-7.1	-10.2	-6.4	6.1	8.8

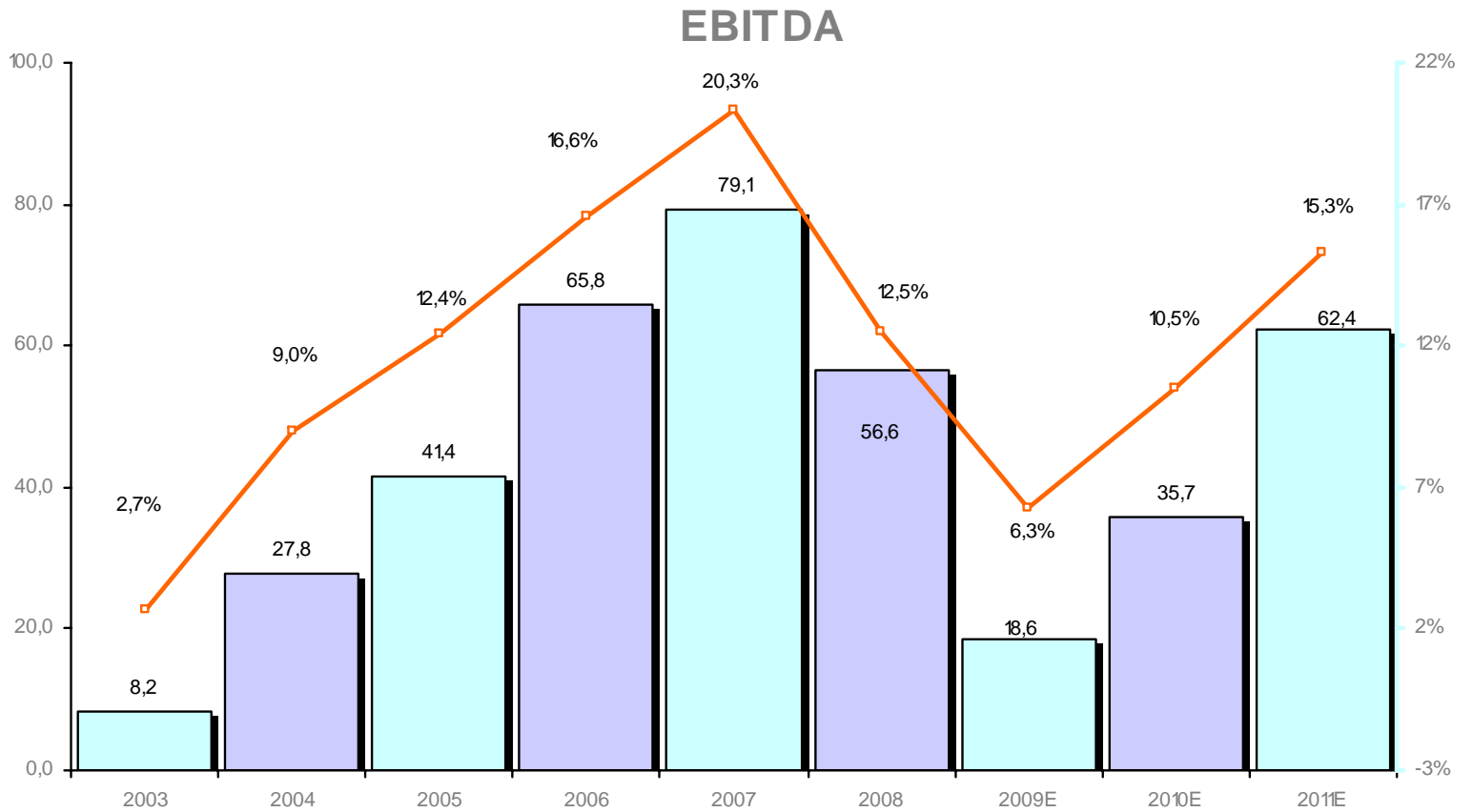
# Business plan 2009-2011: consolidated net sales



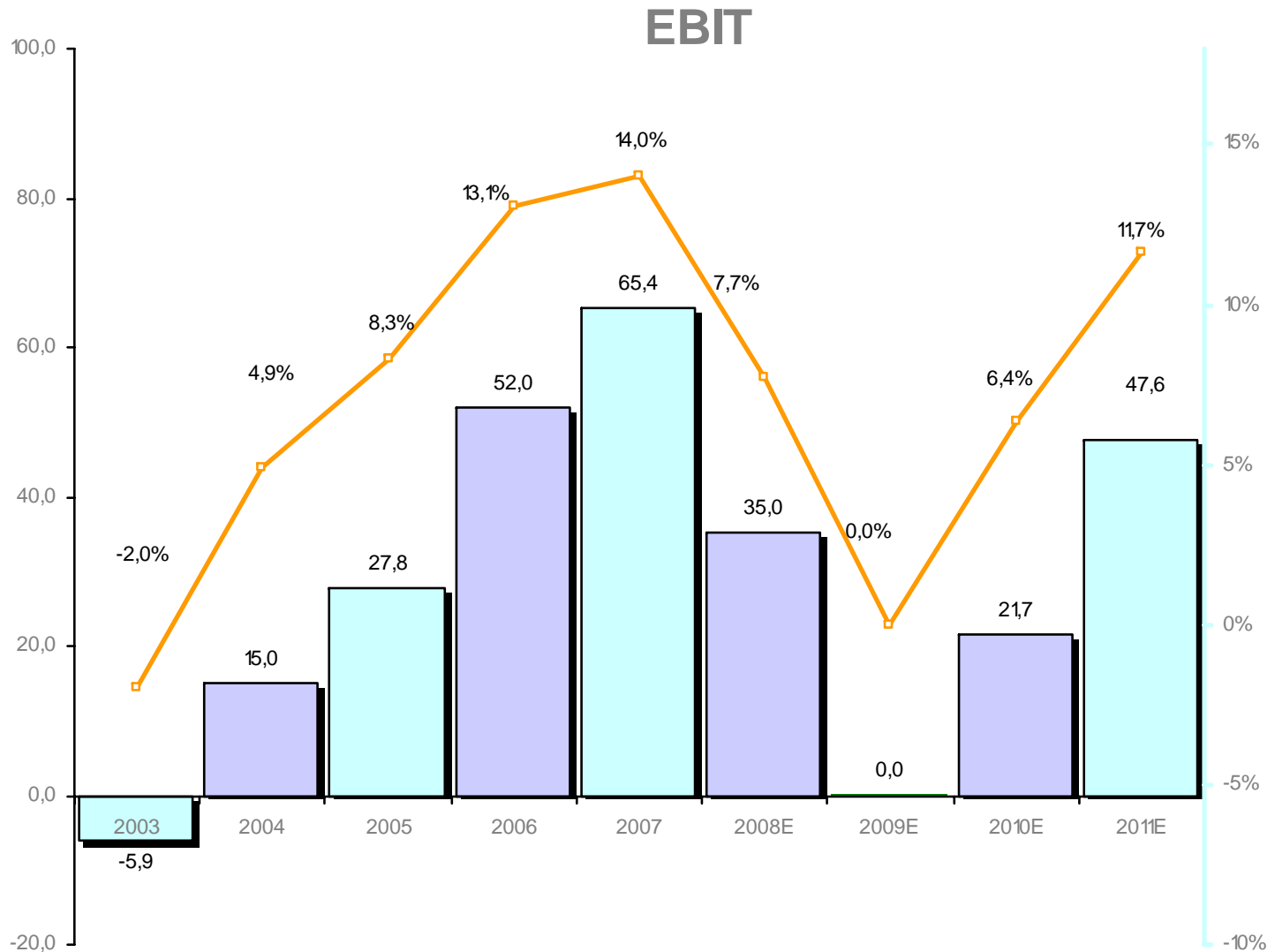
## Net Sales



# Business plan 2009-2011: EBITDA



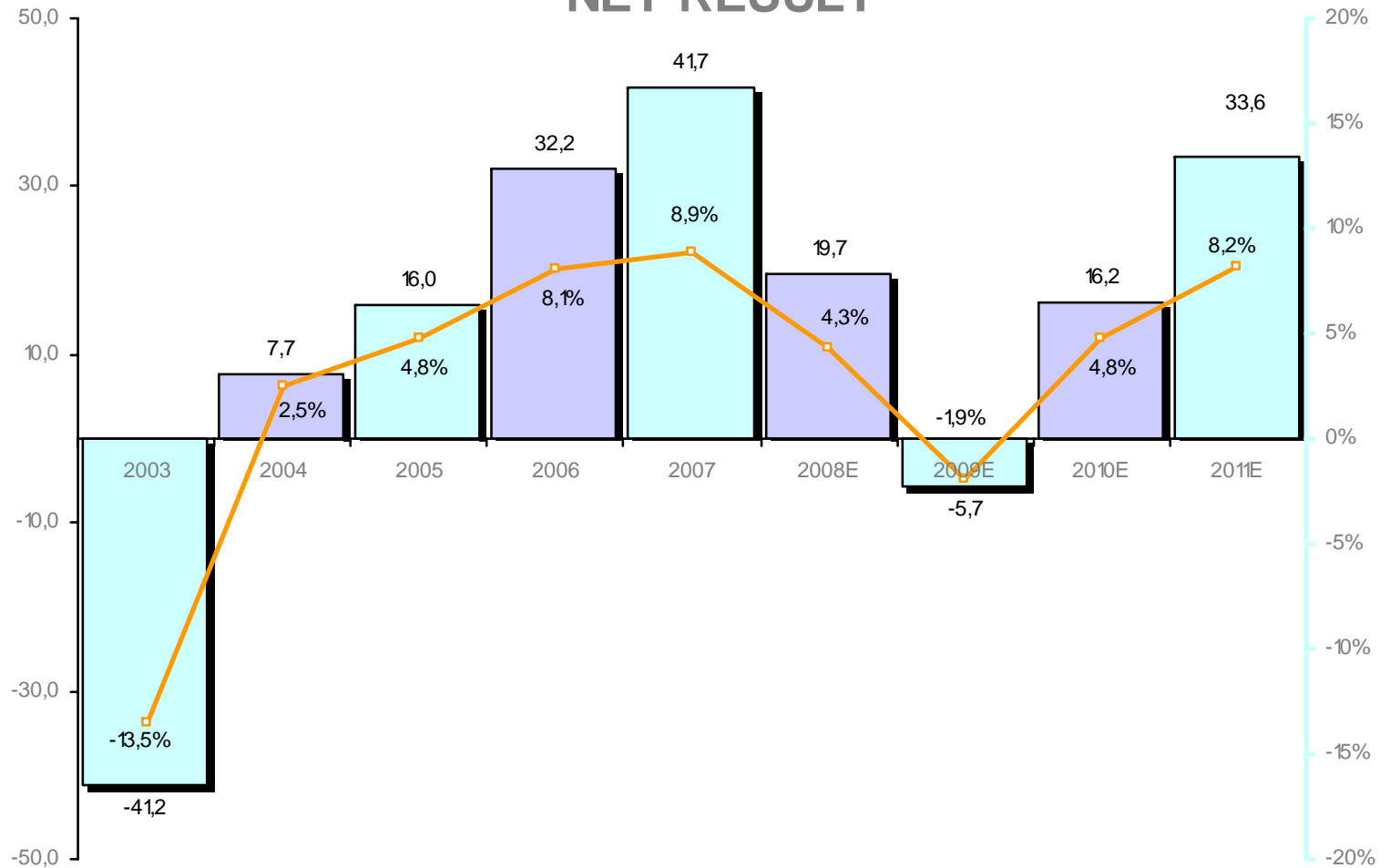
# Business plan 2009-2011: EBIT



# Business plan 2009-2011: Net result



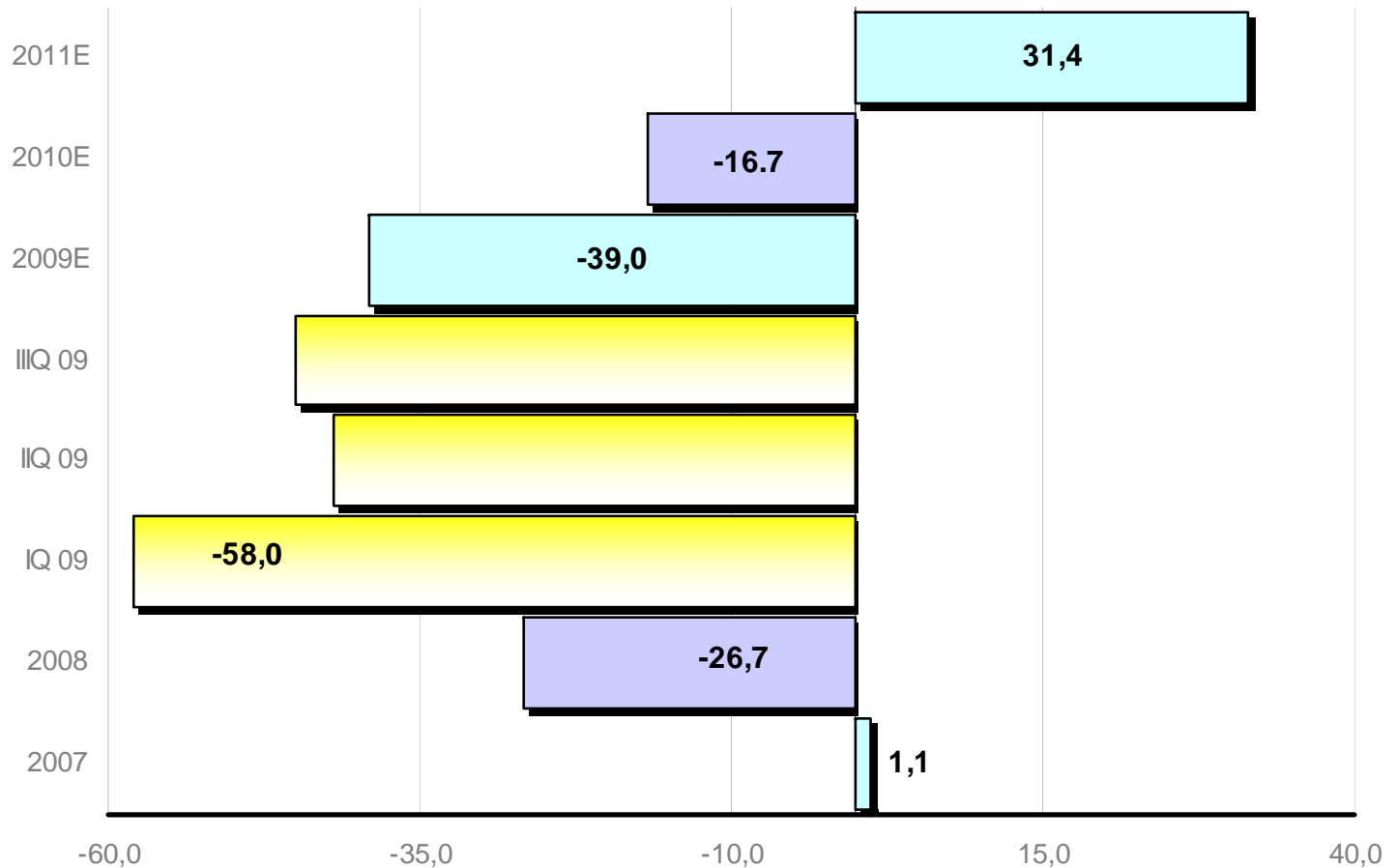
## NET RESULT



# Business plan 2009-2011: Net Financial Position

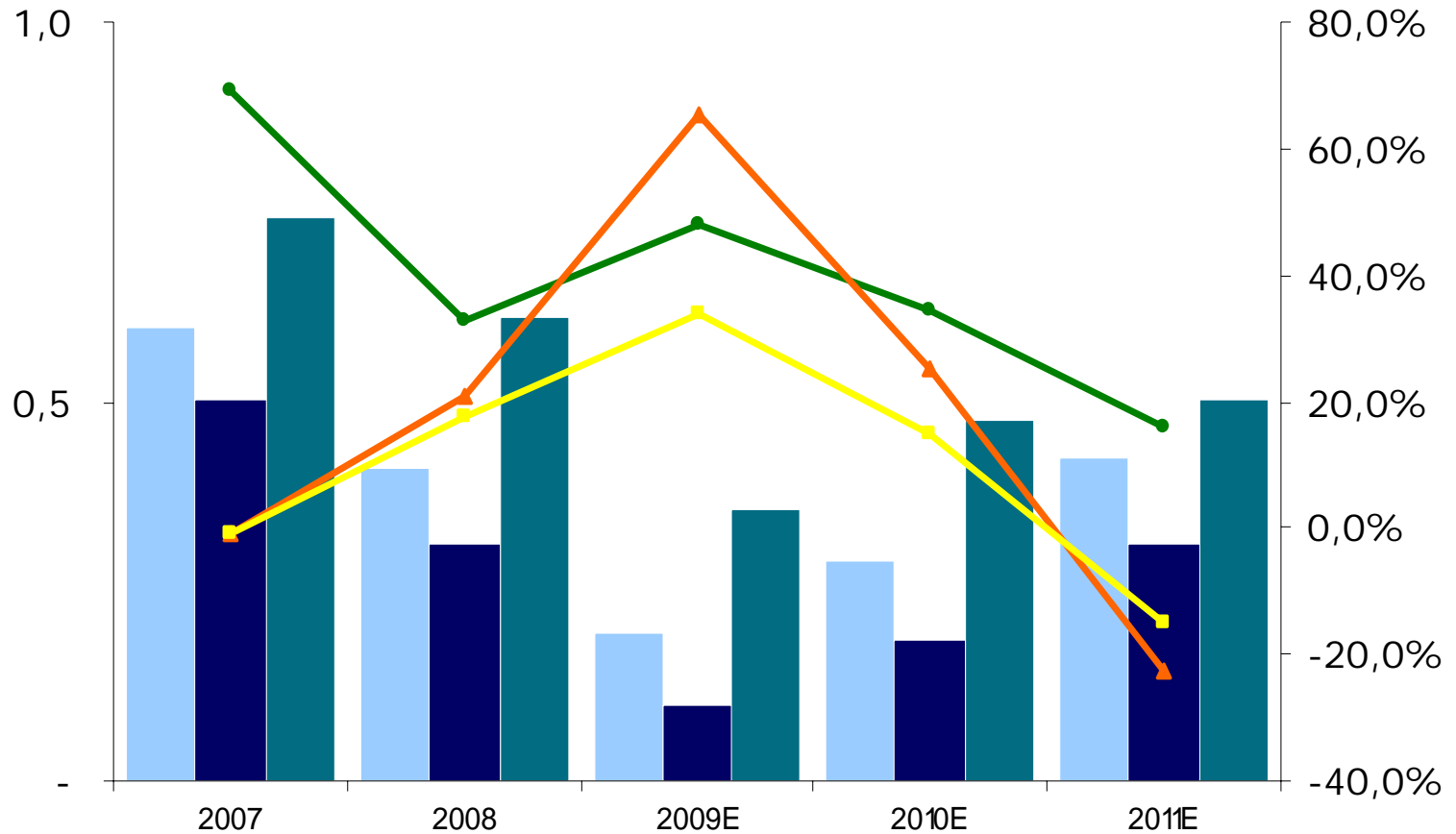


## NET FINANCIAL POSITION





# Business plan 2009-2011: ratios analysis

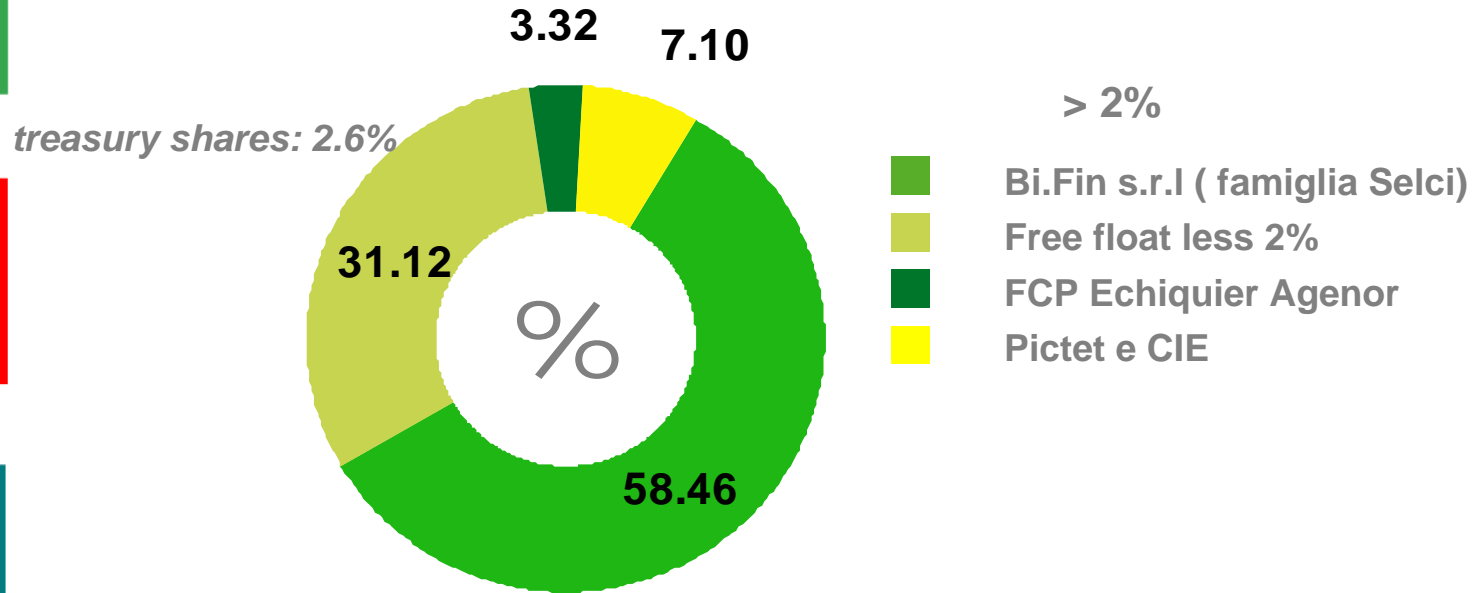


■ ROCE      ■ EVA spread      ■ After-tax ROE  
—●— EV/Sales      —▲— Debt/ebitda      —■— Debt/Equity



## shareholding structure

# Biesse shareholding structure: 2008 update

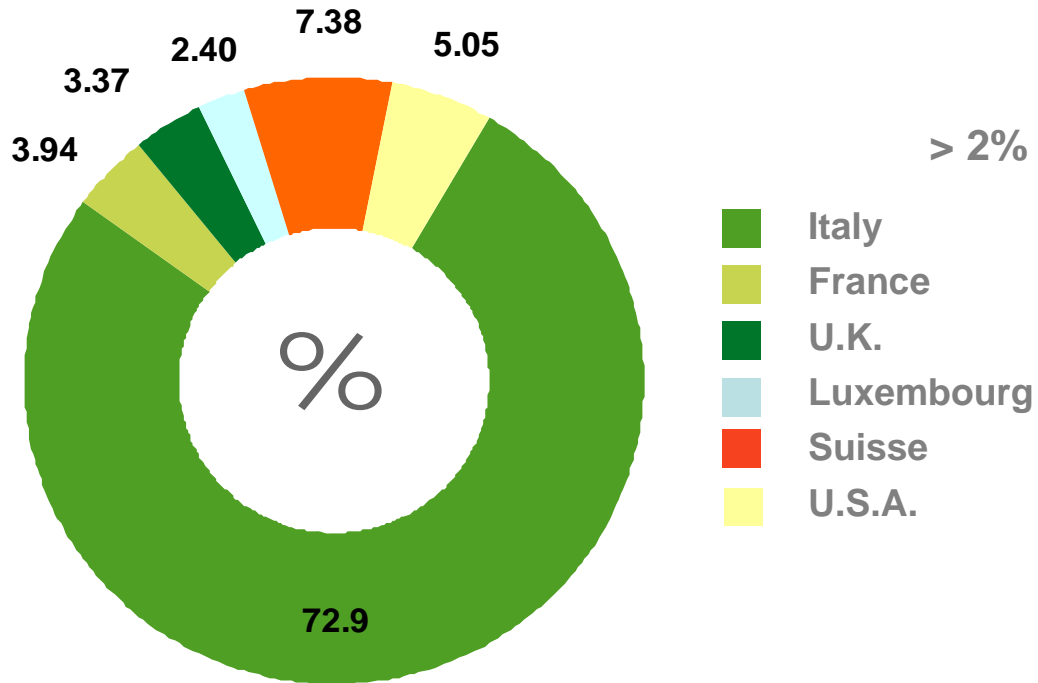


(company source - Istifid)

# Biesse shareholding structure: 2008 update



## Geographical breakdown

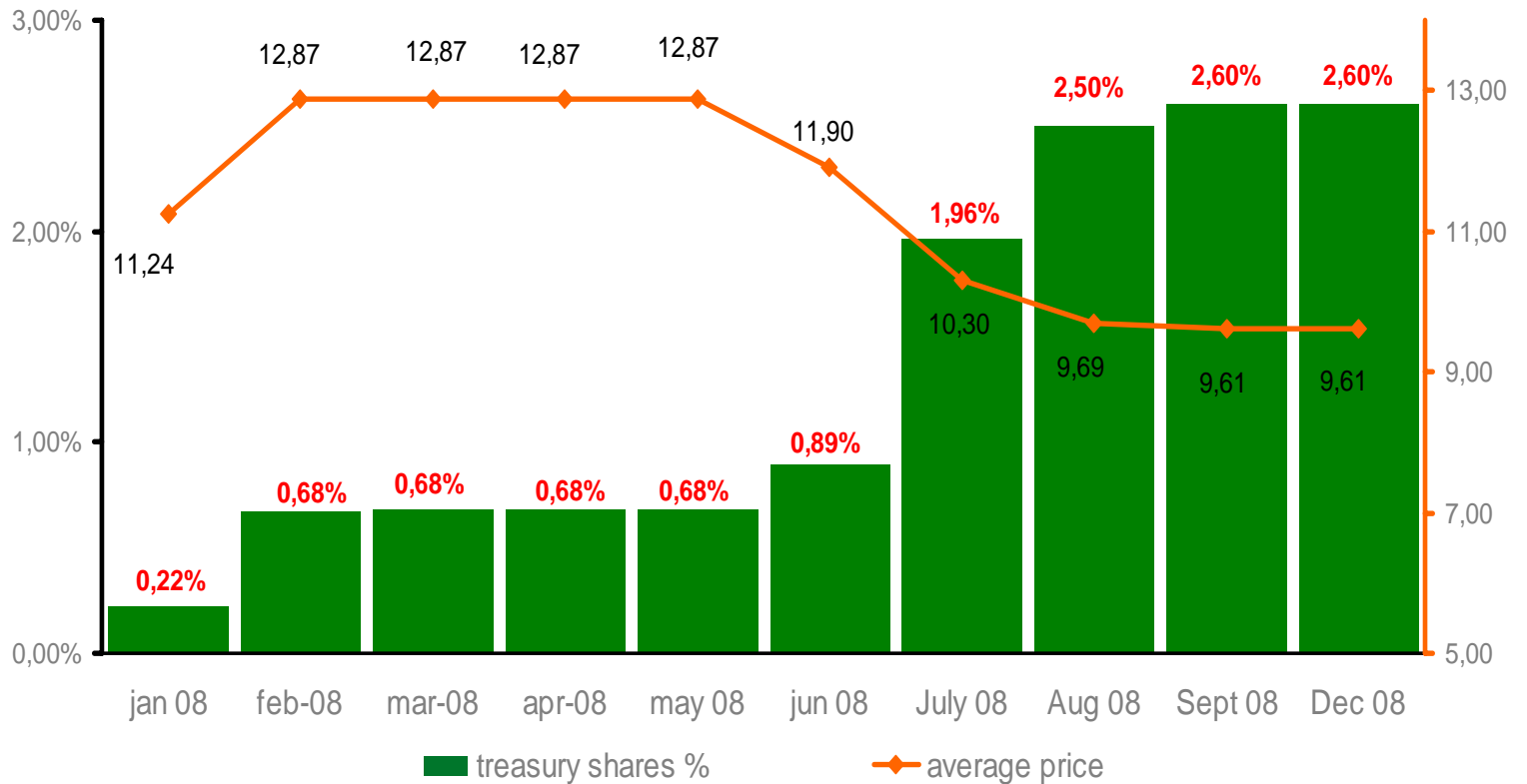


(company source - Istifid)

# Biesse buyback plan: 2008 update



- Share capital: 27.393.042 shares
- Buy Back limits: nr. 2.739.304 shares – 18 months
- Treasury shares (**Dec. 31st**): nr 711.359.





## appendix

# Biesse main sites: 2008 update



Pesaro H.Q. - Italy



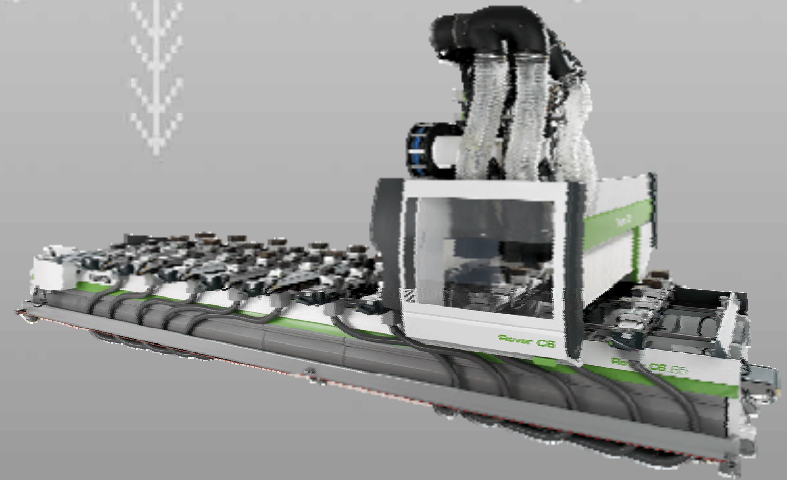
Secchiano  
Italy



Bangalore - India

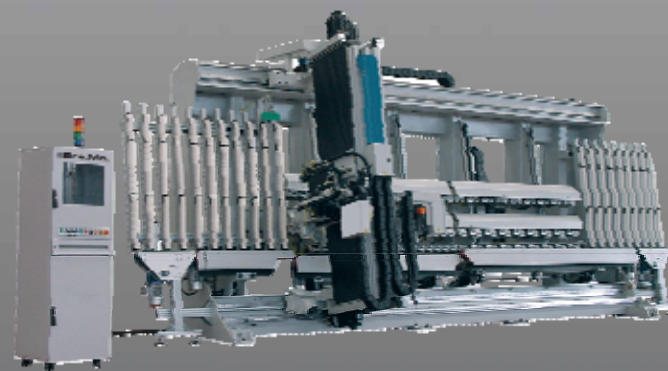
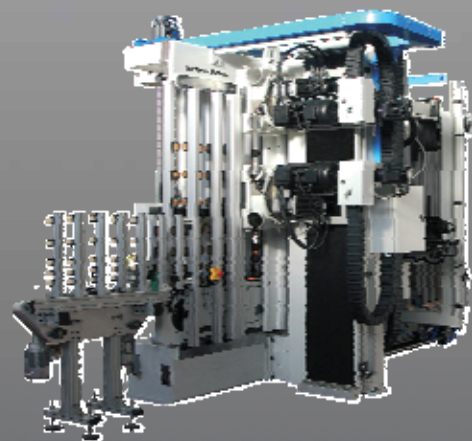
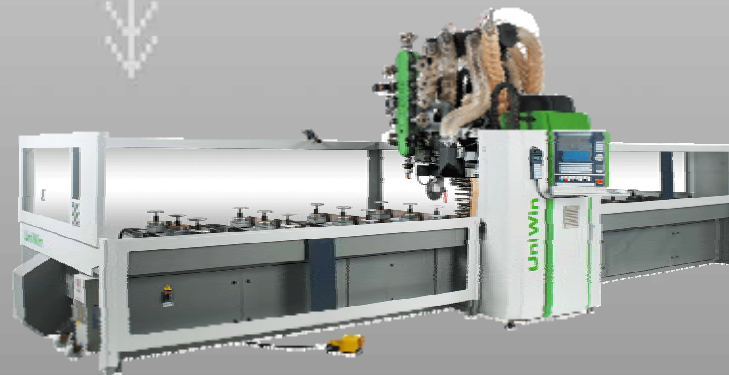


# wood division: (1)

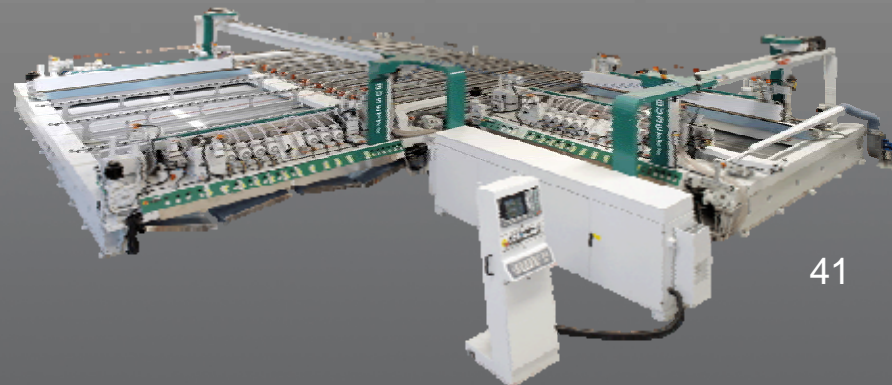
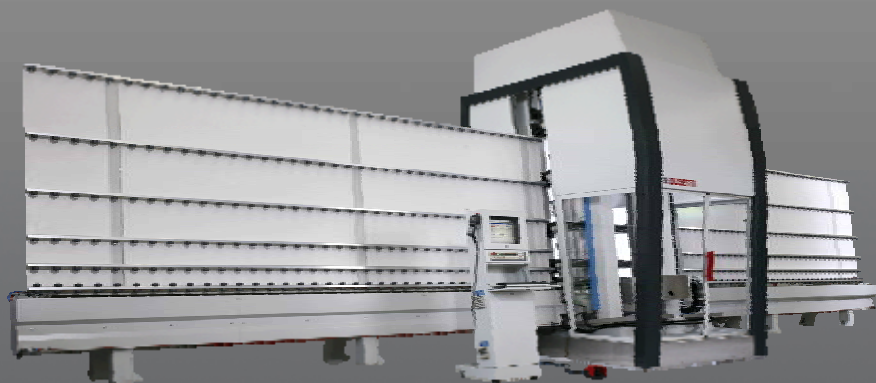
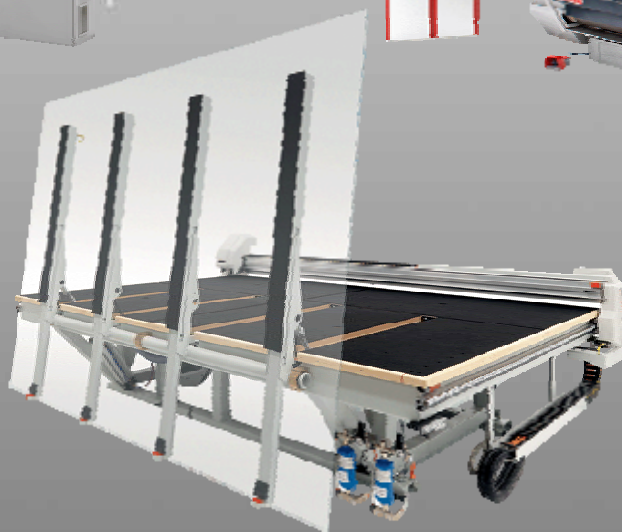




# wood division: (2)

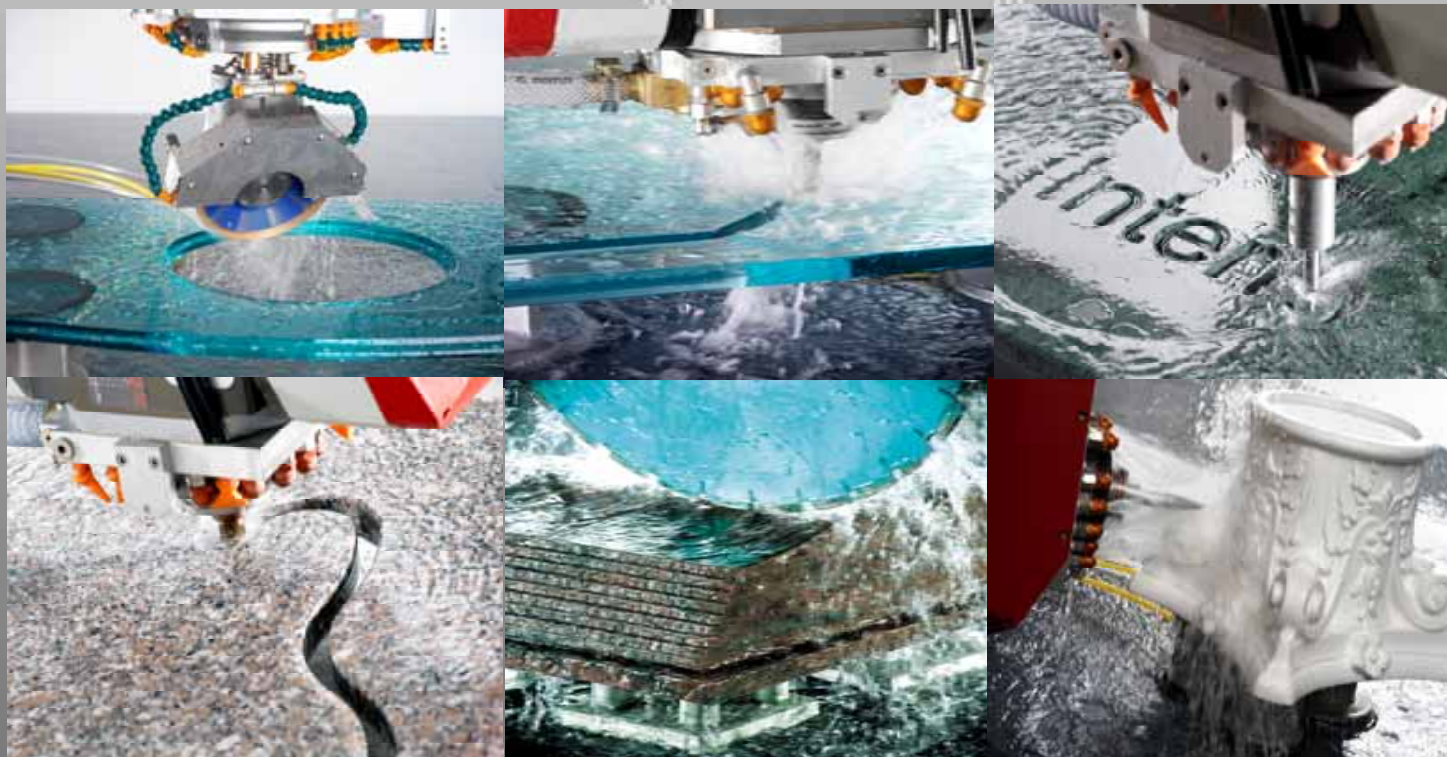


# glass & stone division: (1)

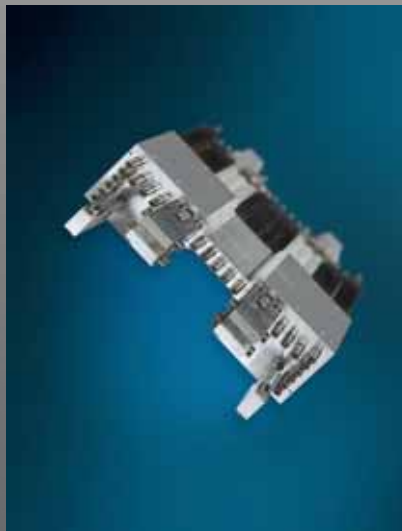




# glass & stone division: (2)



mechatronic division:





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