

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

Pesaro, May 14th 2019 – 4 p.m. phone conference call

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investor relator

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# Biesse highlights IQ 2019

orders intake: **-9.5%**

backlog: **-1.4%** (€ 224 mln)

group people nr. 4,115

*(without temporary people)*

net consolidated sales: 169.0

net financial position: **-16.7** *(negative with IFRS 16)*

ebitda: 18.9\* (incidence on sales 11.2%)

ebit: 10.7\* (incidence on sales 6.3%)

net profit: 5.6 (incidence on sales 3.3%)

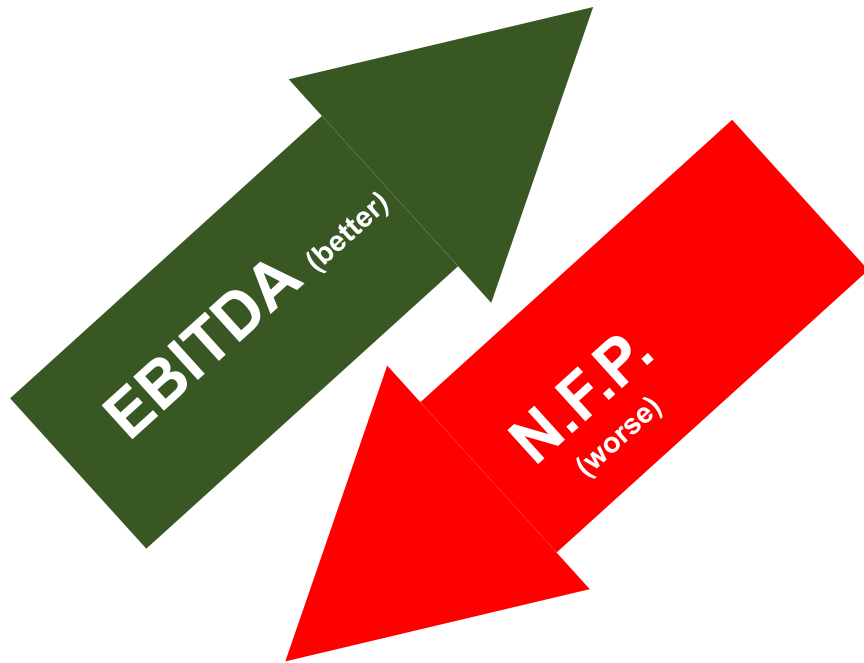
€/mln

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\* before non recurring items

# IFRS 16 MAIN IMPACTS

“.....**IFRS 16** is an International Financial Reporting Standard (IFRS) providing guidance on accounting for leases. IFRS 16 was issued in January 2016 and will be effective for most companies that report under IFRS in 2019. Upon becoming effective, it will replace the earlier leasing standard, IAS 17. ....The new standard will provide much-needed transparency on companies’ lease assets and liabilities, meaning that off balance sheet lease financing is no longer lurking in the shadows. It will also improve comparability between companies that lease and those that borrow to buy.....”



## **FY 2018 effects:**

EBITDA +6.9 Euro mln

N.F.P. - 25 Euro mln

=====

## **2019 IQ effects:**

EBITDA +1.2 Euro mln

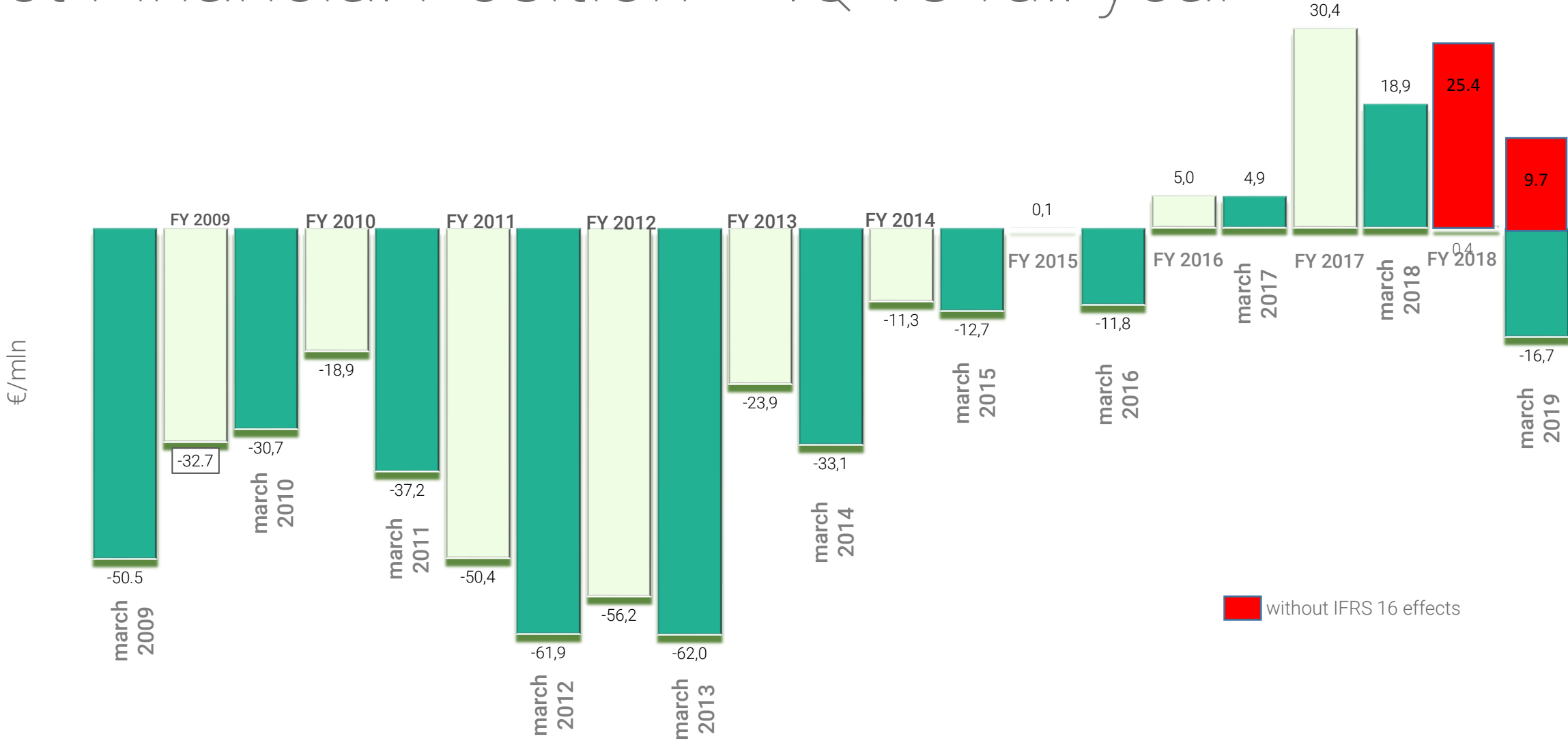
N.F.P. -26.4 Euro mln

# extract of the P&L – march 2019

€/mln	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	<i>march 2018</i>	<i>march 2019</i>
<b>Net sales</b> year -1	378.4 -1.2%	427.1 +12.3%	513.1 +21.5%	618.5 +19.1%	690.1 +11.6%	740.2 +7.3%	<i>162.3</i>	<i>169.0</i>
<b>Value added</b> %	143.5 37.3%	163.1 33.6%	212.4 40.3%	252.4 40.8%	288.6 41.8%	307.2 41.5%	<i>69.8 43.0%</i>	<i>75.6 44.8%</i>
<b>Labour cost</b> %	112.7 23.8%	128.2 30.0%	148.2 28.6%	176.6 28.6%	199.1 28.9%	214.6 29.0%	<i>50 30.8%</i>	<i>56.7 33.6%</i>
<b>EBITDA*</b> %	30.3 8.2%	40.3 3.6%	64.1 12.4%	75.8 12.3%	89.5 13.0%	92.7 12.5%	<i>19.8 12.2%</i>	<i>18.9 11.2%</i>
<b>EBIT*</b> %	18.1 4.8%	26.5 6.2%	43.8 8.4%	55.1 8.9%	63.6 9.2%	63.8 8.6%	<i>13.9 8.6%</i>	<i>10.7 6.3%</i>
						<b>tax rate</b>	<b>37.2%</b>	<b>33.3%</b>

\* before non recurring items

# Net Financial Position – IQ vs full year



■ without IFRS 16 effects

# CASHFLOW – NET DEBT



€/mln	2013	2014	2015	2016	2017	2018	<i>march 2019</i>
<b>Gross Cashflow</b> % net sales	52.0 <b>13.8%</b>	38.3 <b>9.0%</b>	46.3 <b>8.9%</b>	45.8 <b>7.4%</b>	75.4 <b>10.9%</b>	53 <b>7.1%</b>	-80.5
Investments % net sales	-19.8 5.2%	-20.8 4.9%	-25.3 4.8%	-31.1 5.0%	-39.2 5.8%	-45.0 6.1%	-36.4 (26.6 from IFRS 16)
<b>Net Cashflow</b> % net sales	32.2 <b>8.5%</b>	17.5 <b>4.1%</b>	21.0 <b>4.1%</b>	14.7 <b>2.2%</b>	36.2 <b>5.2%</b>	8.0 <b>1.1%</b>	-44.1
dividends		-4.8 0.18 per share	-9.8 0.36 per share	-9.8 0.36 per share	-9.8 0.36 per share	-13.1 0.48 per share	
Δ Net Debt		12.7	11.2	4.9	26.4	-5	-17.1*

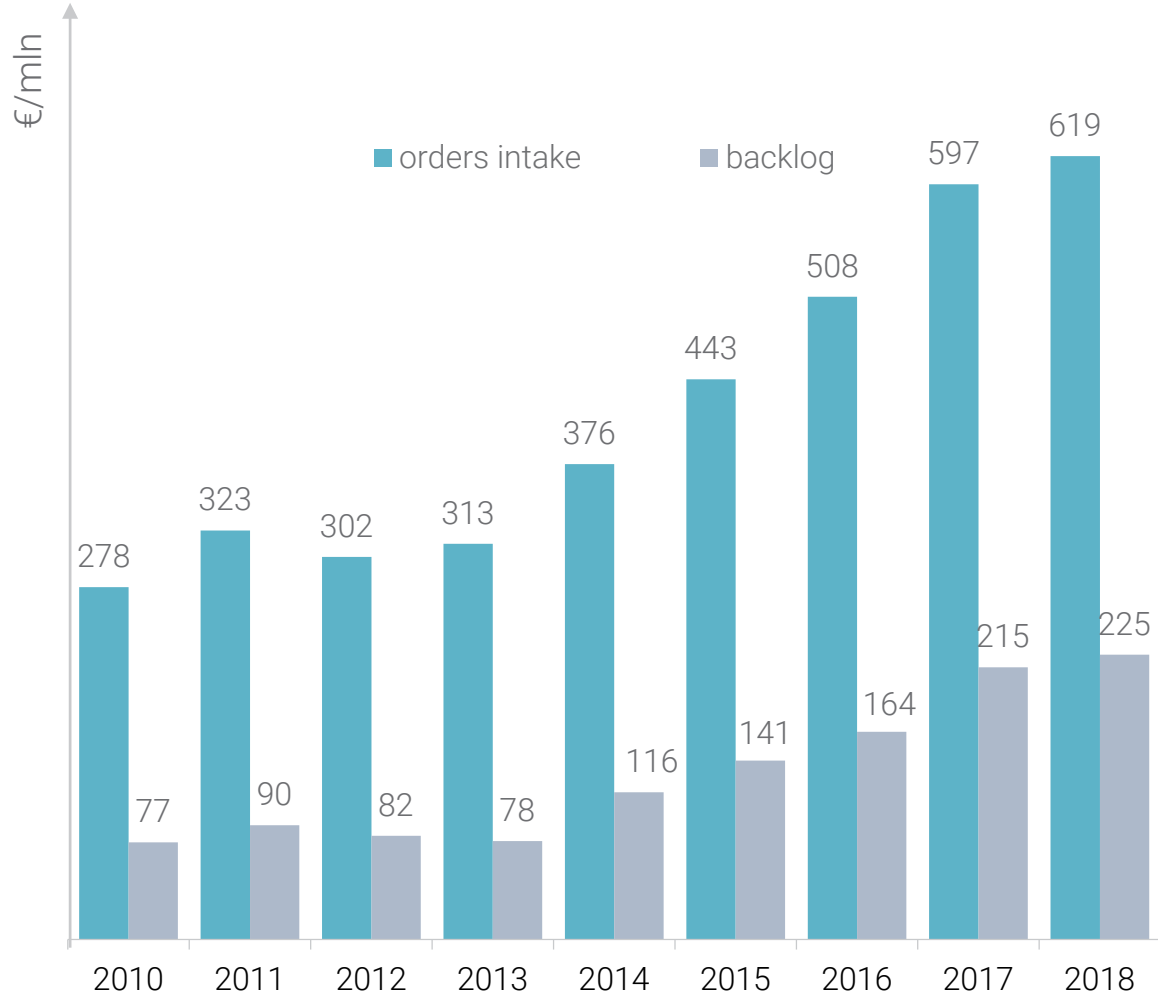
delta between the revised Dec. PFN and the March PFN including the IFRS 16 impacts

Biesse highlights IQ 2019

Orders & Sales breakdown

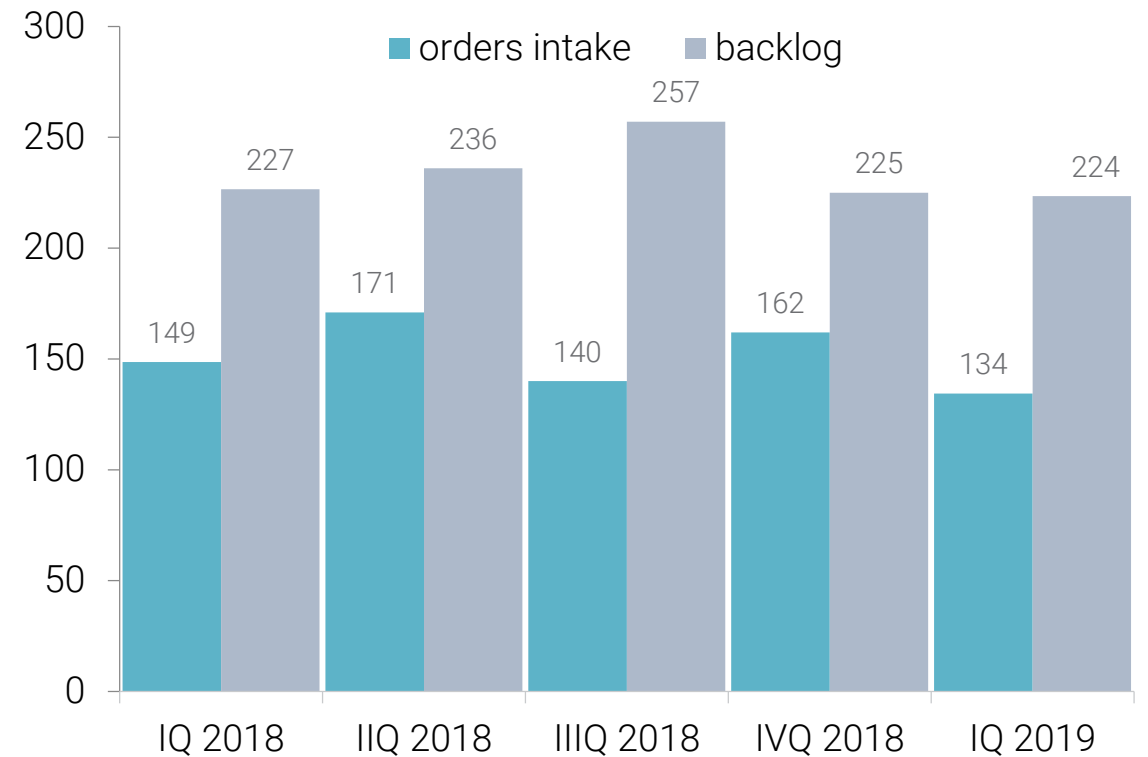
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# GROUP ORDERS INTAKE & BACKLOG



✓ 2019 IQ: Group orders intake **-9.5% (vs. 2018)**

✓ 2019 IQ: Group backlog **-1.4% (vs. 2018)**

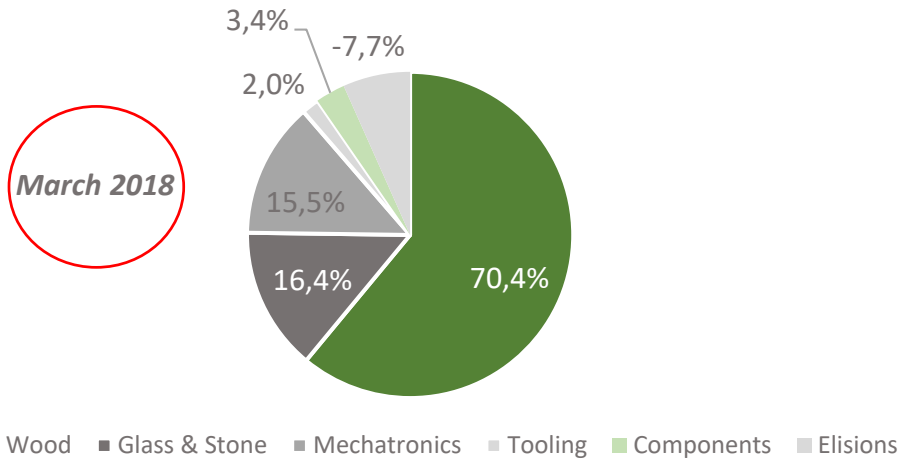
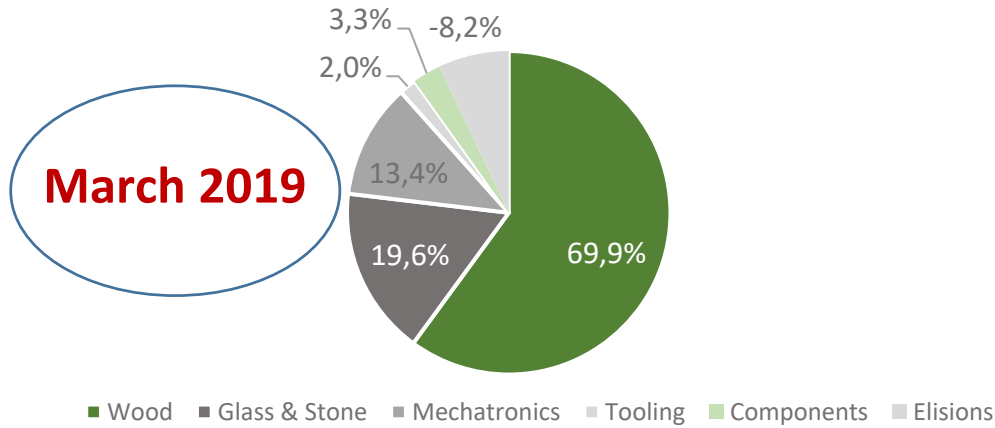


only machines

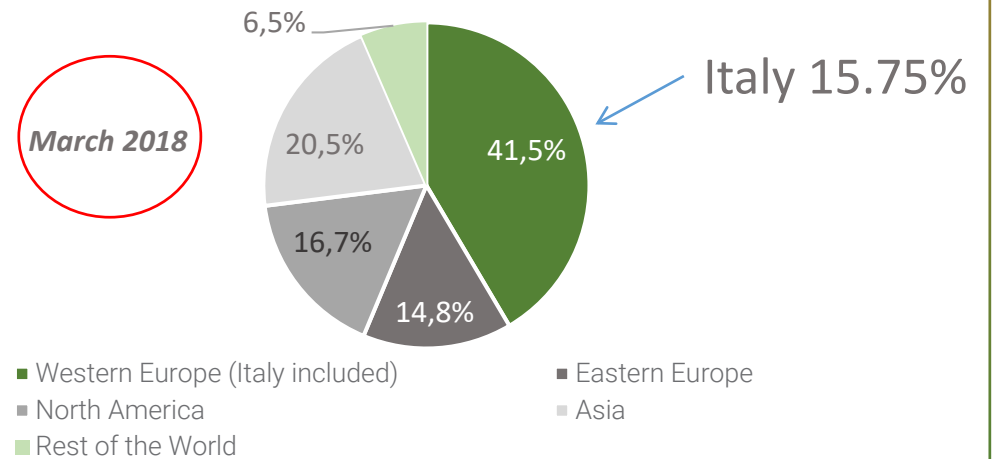
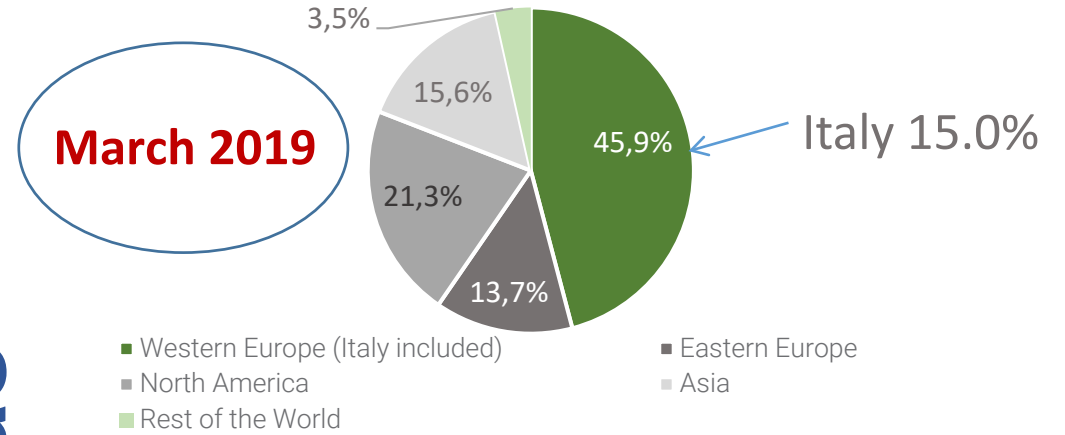


# Sales breakdown- March 2019

divisions



geo-areas



# Biesse highlights IQ 2019

Group people distribution  
Shareholders  
B.o.D. composition

# People distribution

(without interim people)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2016	FY 2016	FY 2017	FY 2018	<i>March 2019</i>
<b>Production</b> % of total people	1.250 46%	1.265 45%	1.175 44%	1.201 42%	1.335 42%	1.482 41%	1.494 39%	1,621 38%	1,545 37.5%
<b>Service &amp; After sale</b> % of total people	577 21%	574 21%	613 22%	628 22%	690 22%	803 22%	894 23%	1,001 24%	1,001 24%
<b>R&amp;D</b> % of total people	316 12%	338 12%	321 12%	361 13%	383 13%	436 12%	479 12.5%	551 13%	496 12%
<b>Sales &amp; Marketing</b> % of total people	361 13%	364 13%	351 13%	439 15%	495 15%	587 16%	641 17%	715 17%	719 17%
<b>G &amp; A</b> % of total people	233 9%	242 9%	235 9%	252 9%	273 9%	310 8.5%	338 8.8%	339 8%	344 8.3%
<b>ITALY</b> % of total people	1.656 61%	1.646 59%	1.547 57%	1.605 56%	1.780 56%	2.009 56%	2.176 56%	2,483 59%	<b>2,472</b> <b>60%</b>
<b>OUTSIDE ITALY</b> % of total people	1.081 39%	1.136 41%	1.148 43%	1.276 44%	1.396 44%	1.609 44%	1.670 44%	1,744 41%	<b>1,643</b> <b>40%</b>
<b>TOTAL</b>	<b>2,737</b>	<b>2,782</b>	<b>2,695</b>	<b>2,881</b>	<b>3,176</b>	<b>3,618</b>	<b>3,846</b>	<b>4,227</b>	<b>4,115</b>

(interim people March 2019: nr. 126)

# People distribution

number of employees: (without interim people)

**FY 2018 vs IQ 2019 = -2.65%**

**IQ 2018 vs IQ 2019 = +3.70%**

number intermim people:

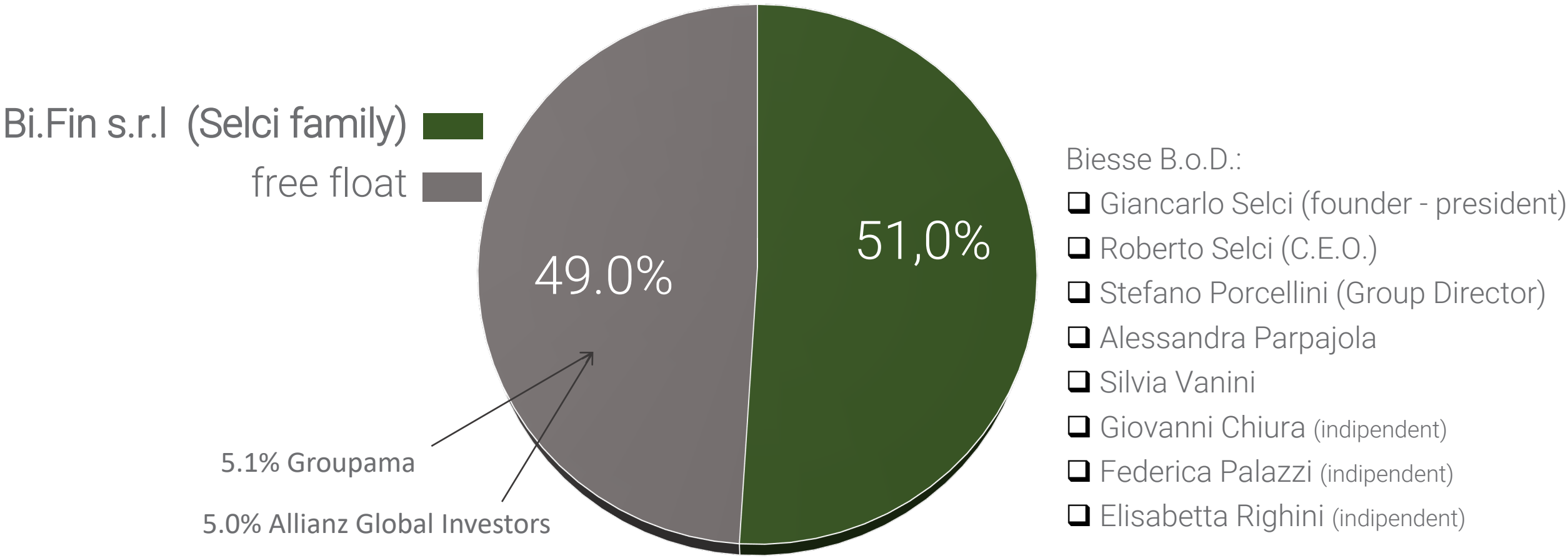
**IQ 2018 = 193**

**FY 2018 = 170**

**IQ 2019 = 126**

# Shareholders breakdown by ownership

## Board of Directors



Source: Bloomberg

# Three Years Business Plan remind

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# OUR STRATEGY IN FIGURES

## Widening our offering

Products  
**Core**  
segments

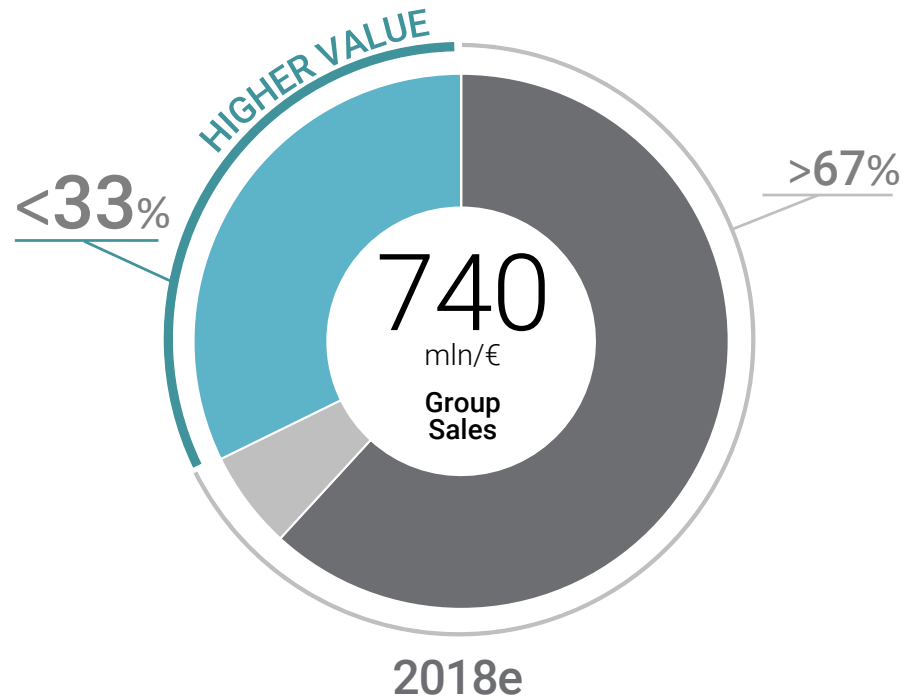


Wood  
Glass & Stone  
Tooling

Products  
**New**  
segments



Advanced Material  
Structural Wood  
Metal (HSD)



Focusing on  
Customer

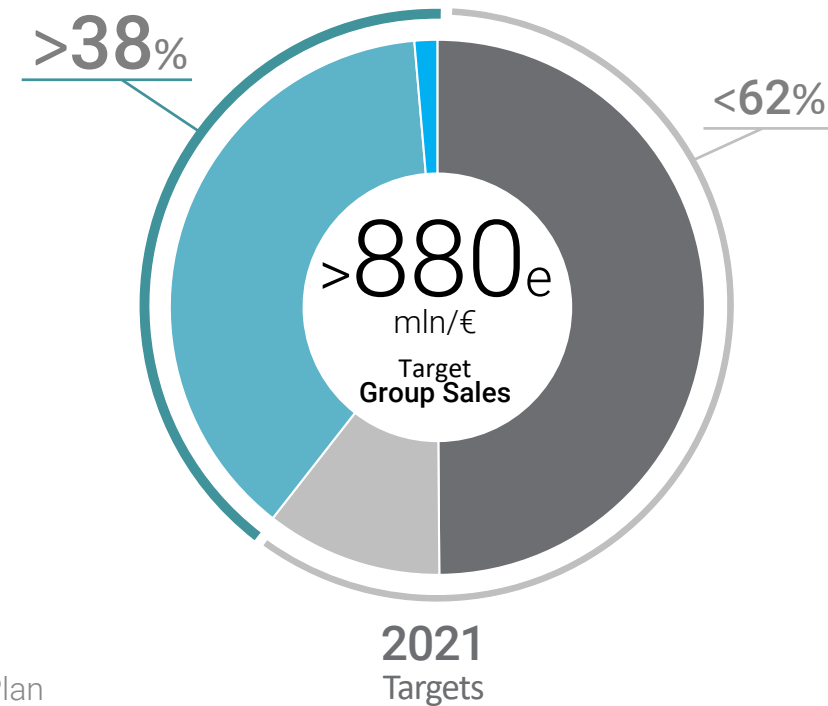


Systems  
Services

Truly  
Digital

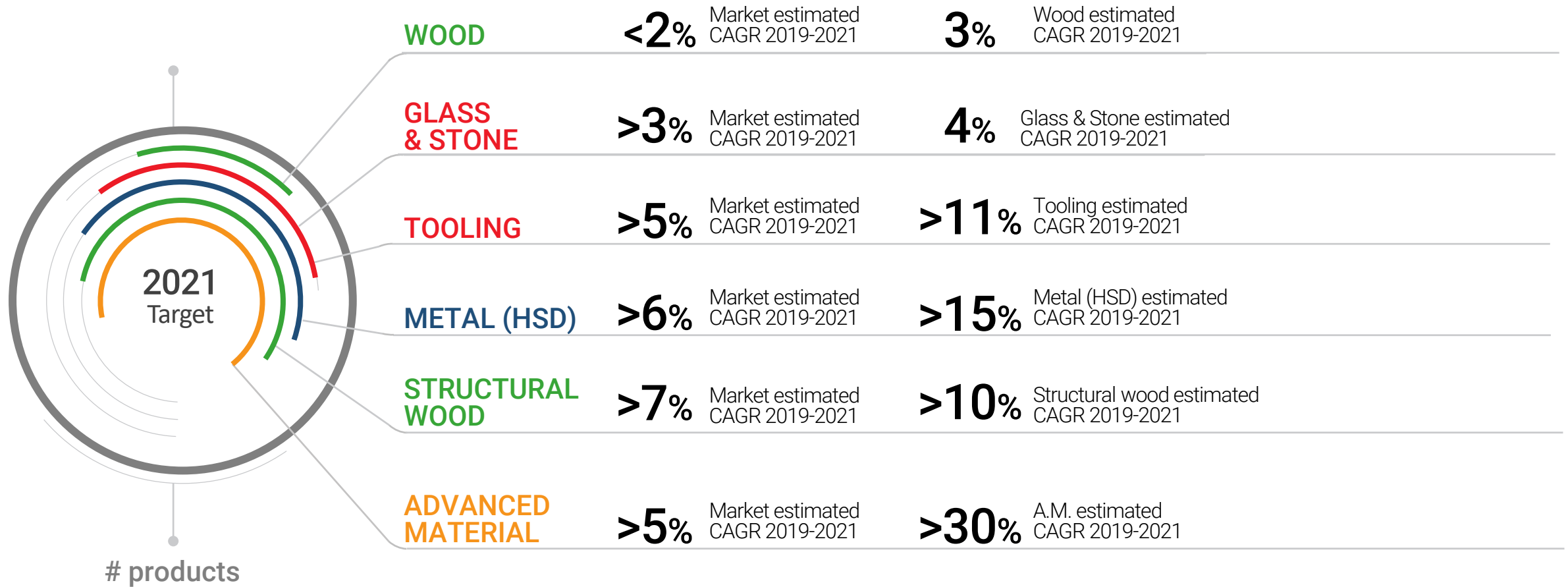


SOPHIA



3-Year Business Plan

# #PRODUCTS TARGETS



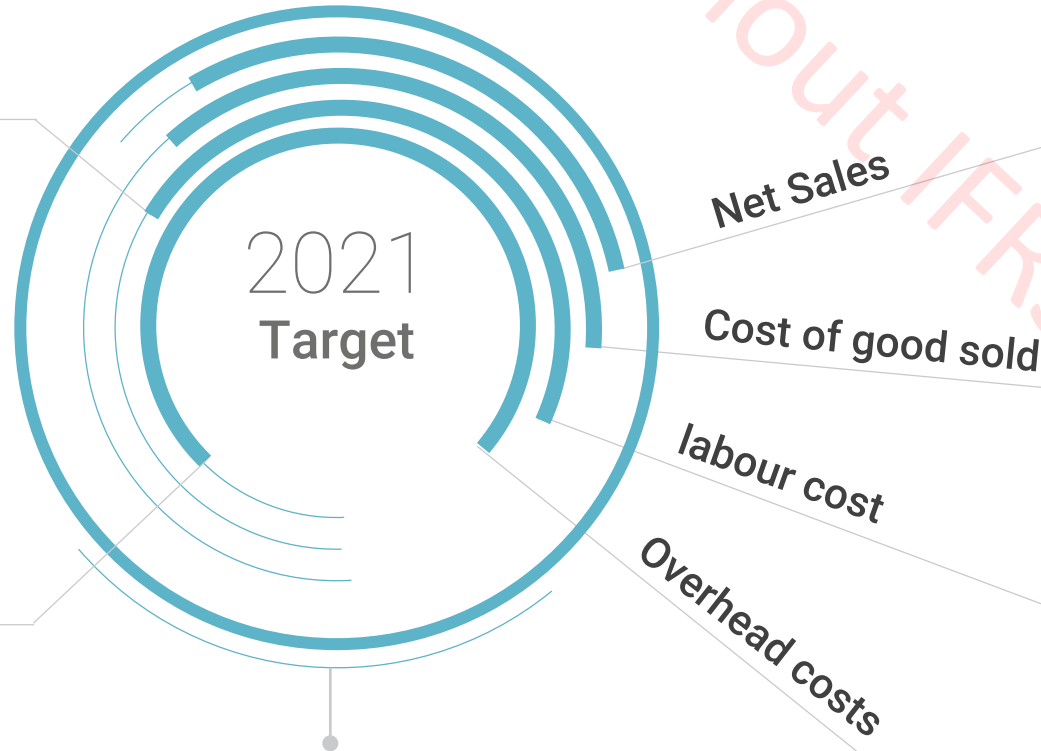


# STABILIZE THE PROFITABILITY

EBITDA Margin

>13%

2021 Target



EBITDA >114

2021 Target

strengthening our financial health

6%

Net sales CAGR 2019-2021 vs 2018e

<40%

Target COGS incidence on Net Sales

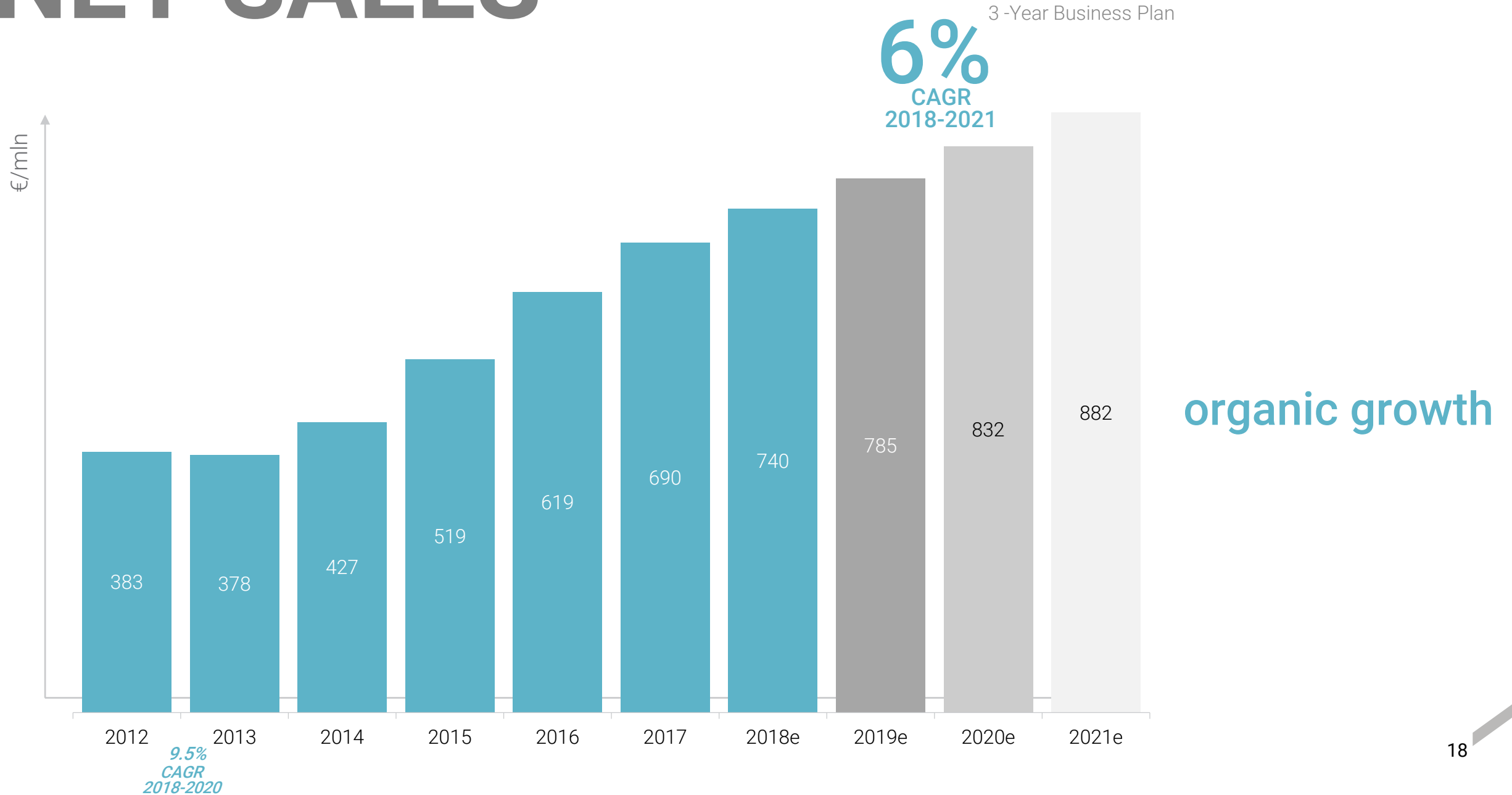
<30%

Target labour Cost incidence on Net Sales

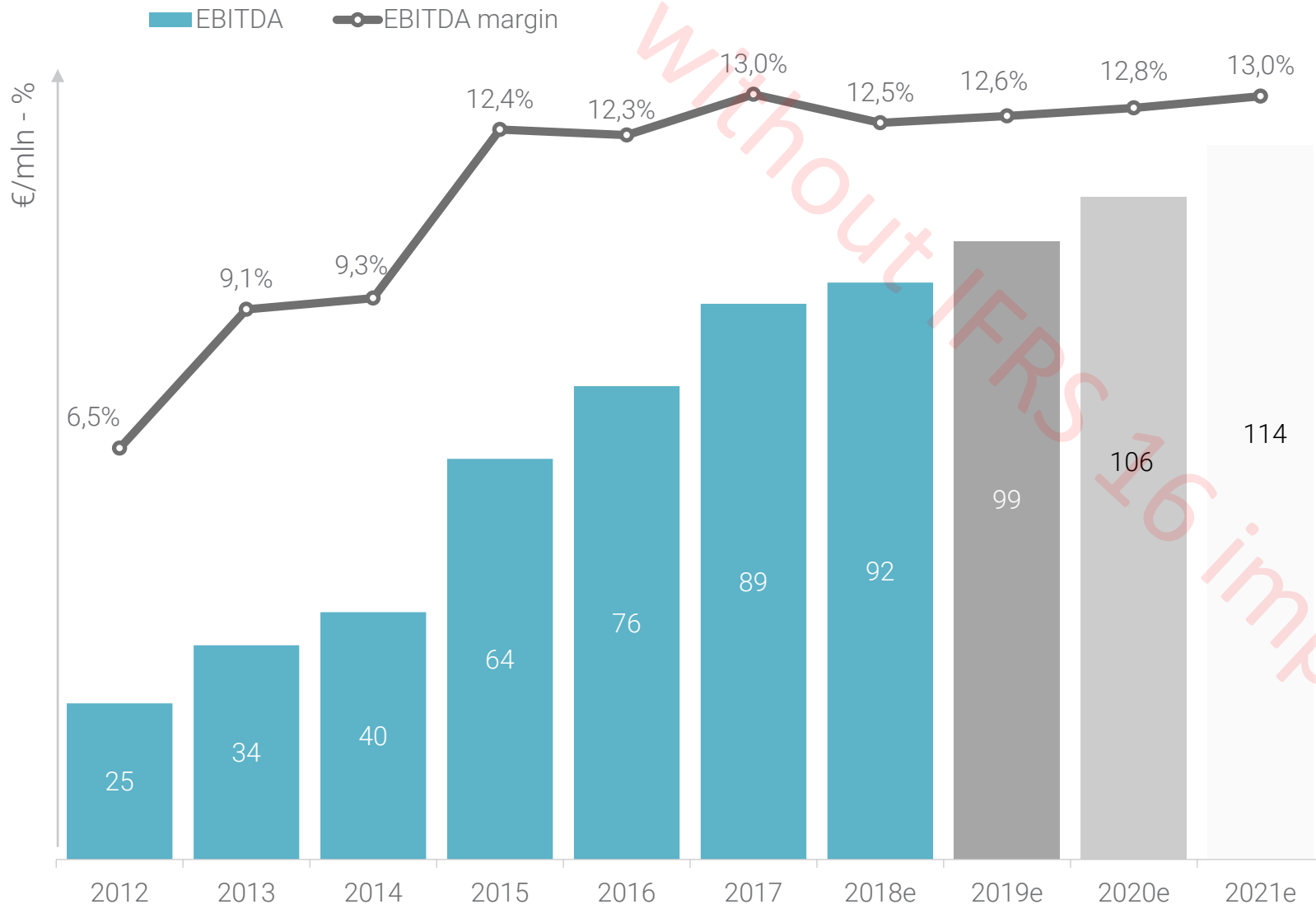
<20%

Target Overhead Cost Incidence on Net Sales

# NET SALES



# EBITDA

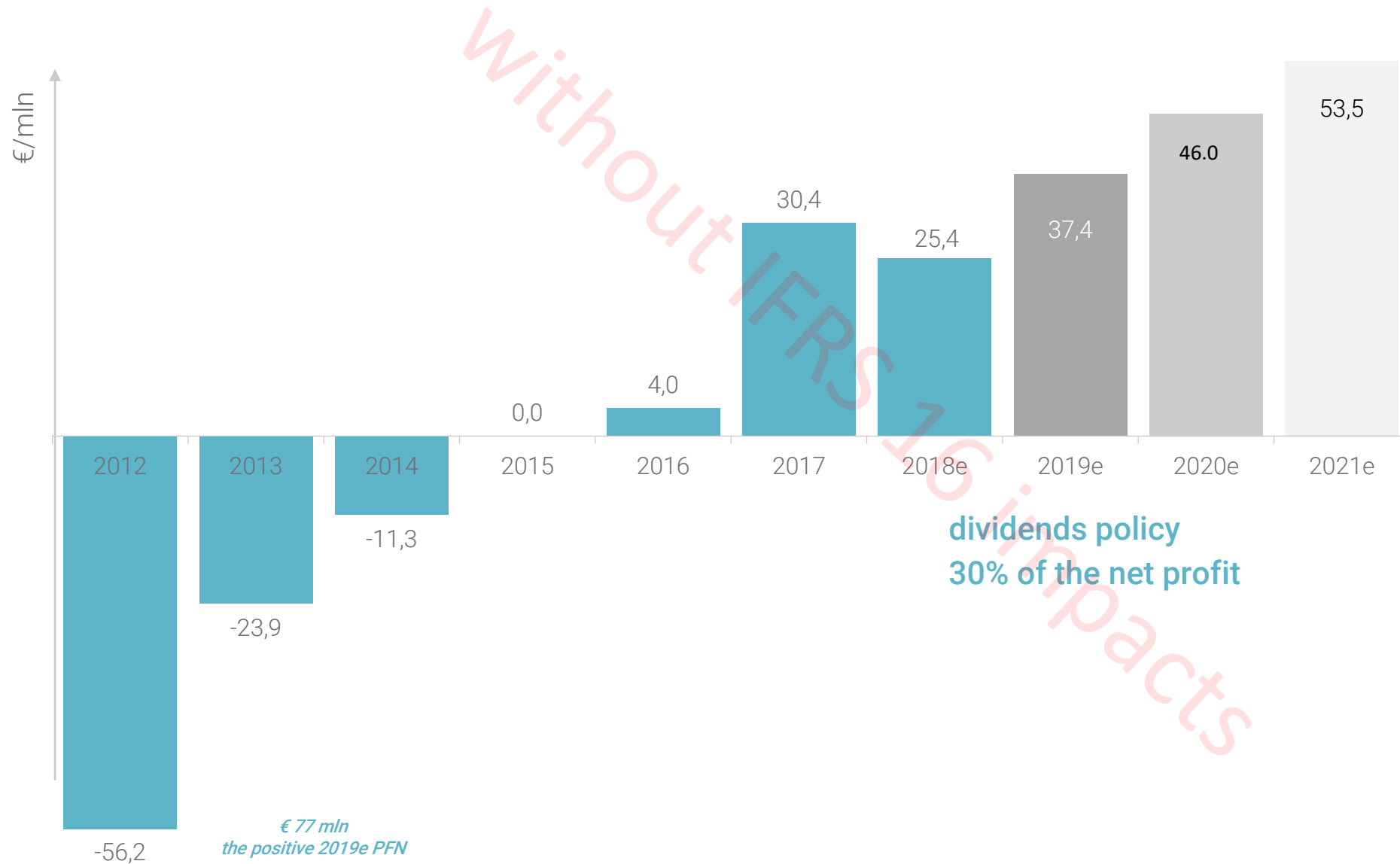


- ✓ **COGS** on Net Sales below **40%**
- ✓ **labour Cost** on Net Sales less than **30%**
- ✓ **overhead** on Net Sales less than **20%**

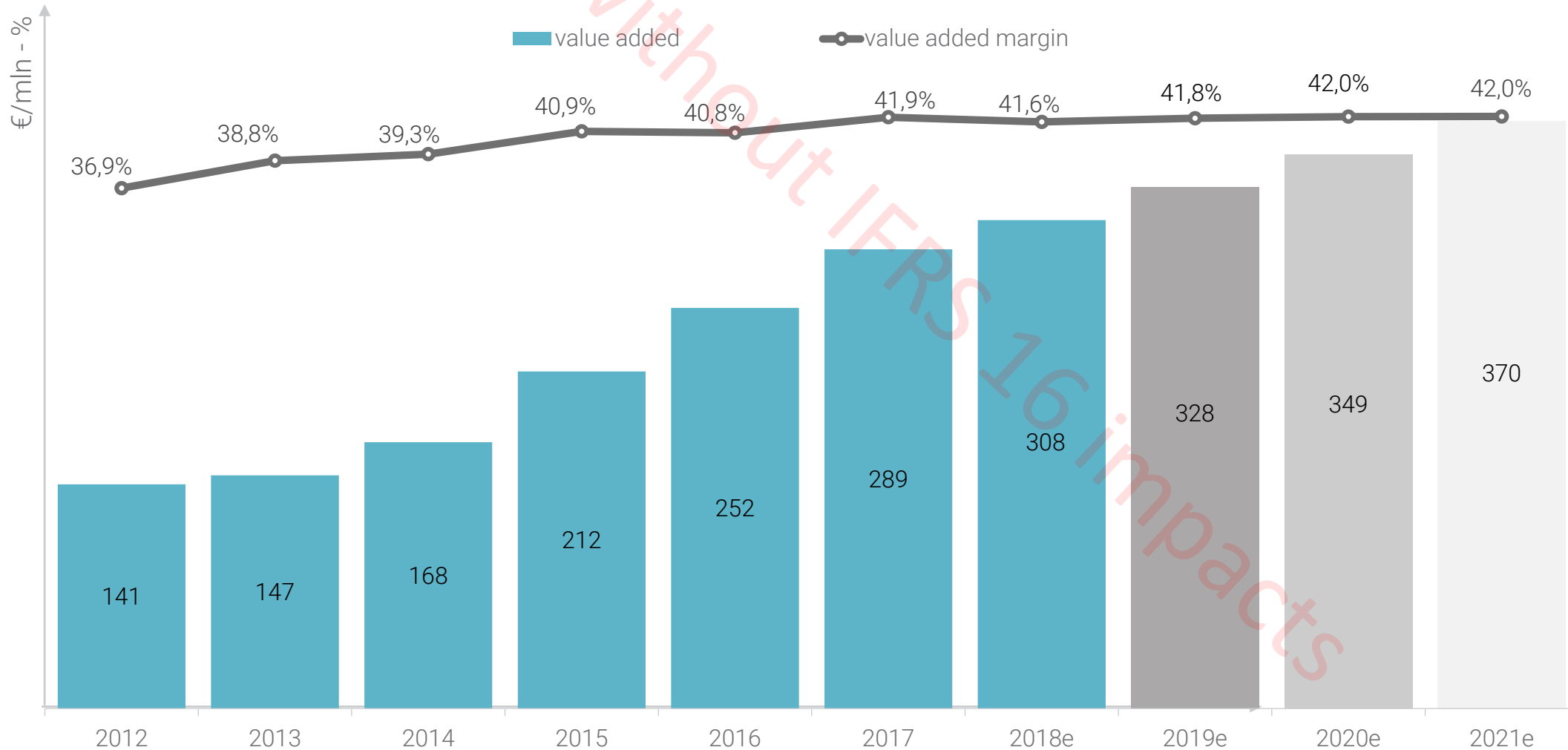
13.7%  
EBITDA margin  
2019e

# NET DEBT

3 -Year Business Plan

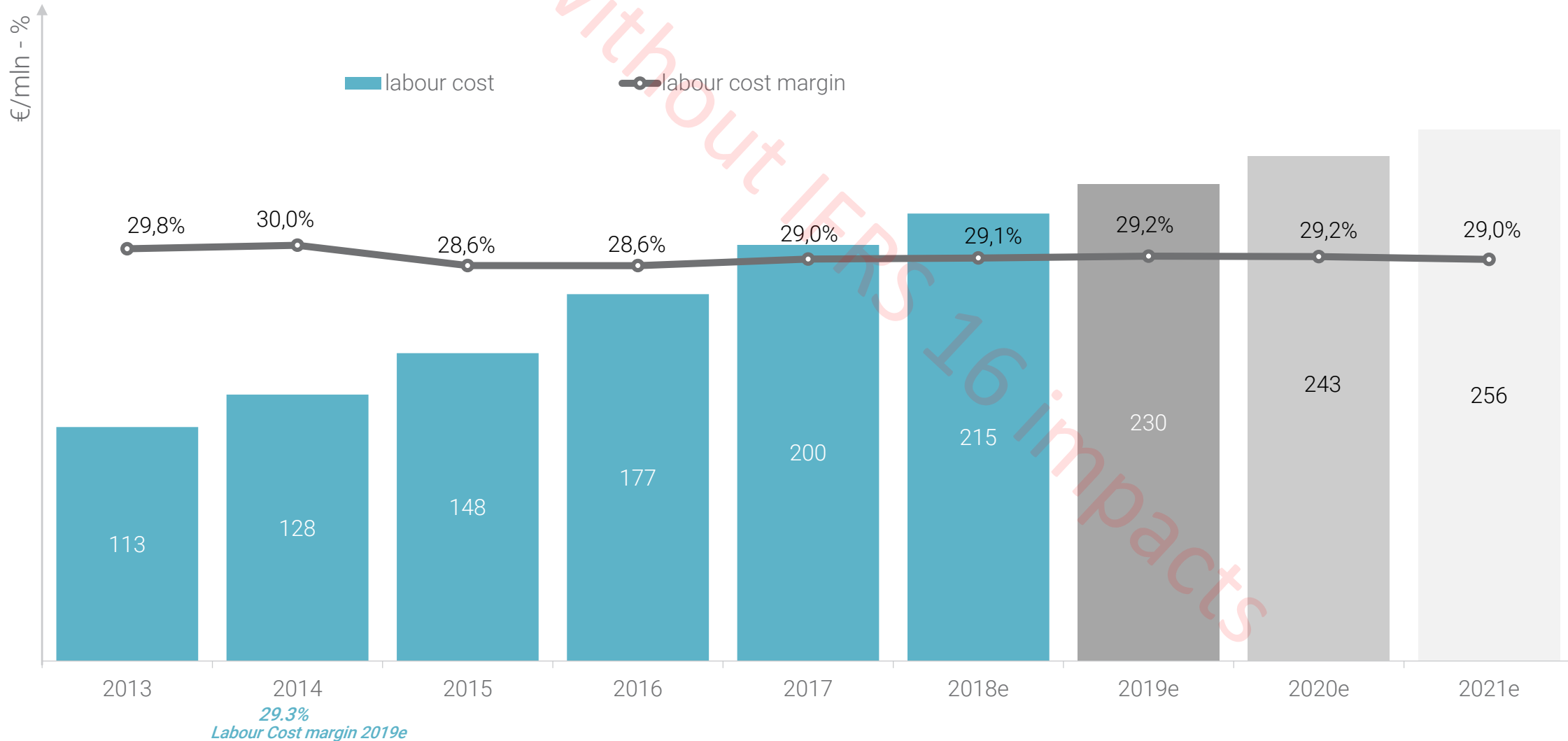


# VALUE ADDED

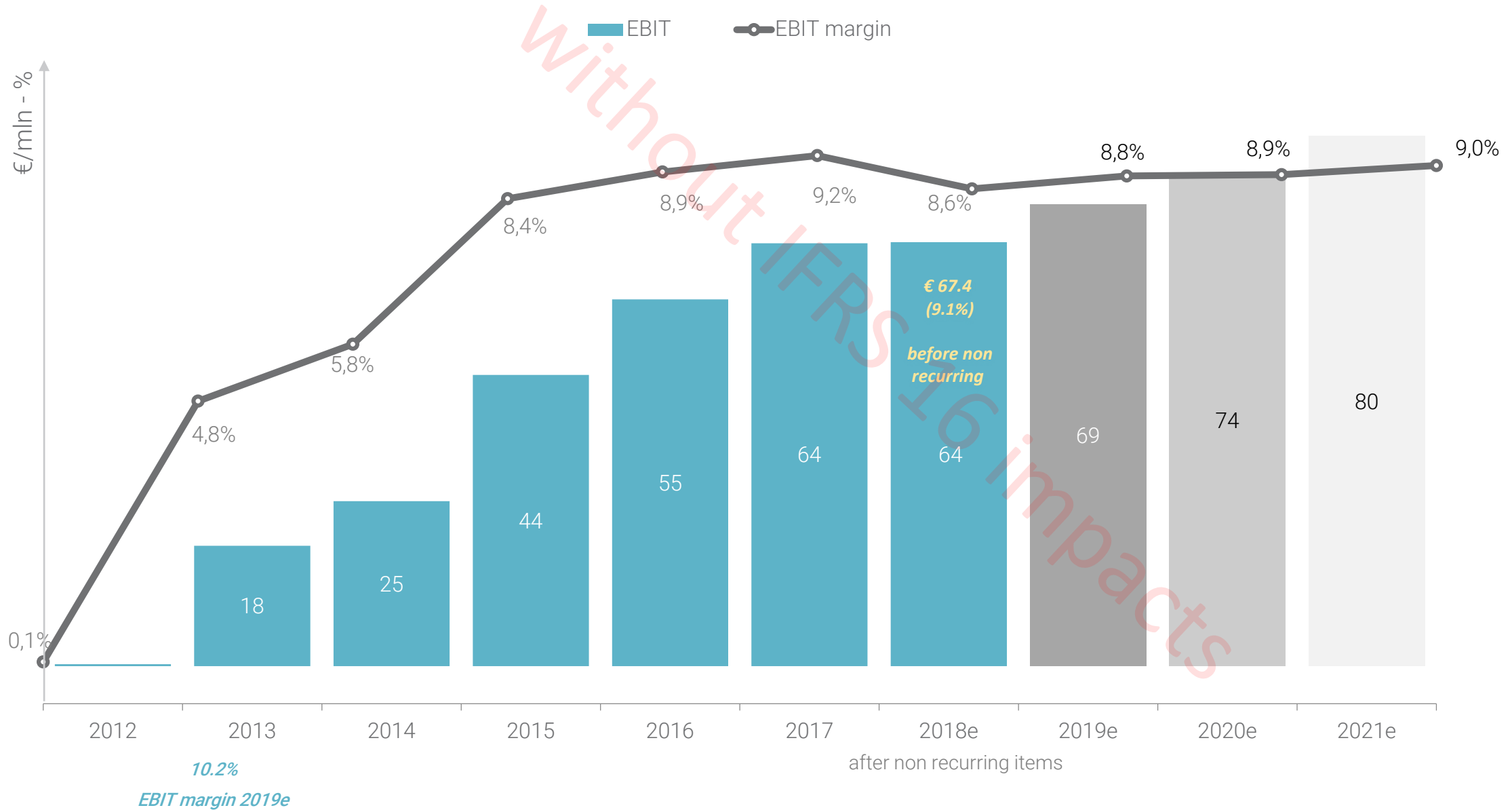


43%  
Value Added margin 2019e

# LABOUR COST

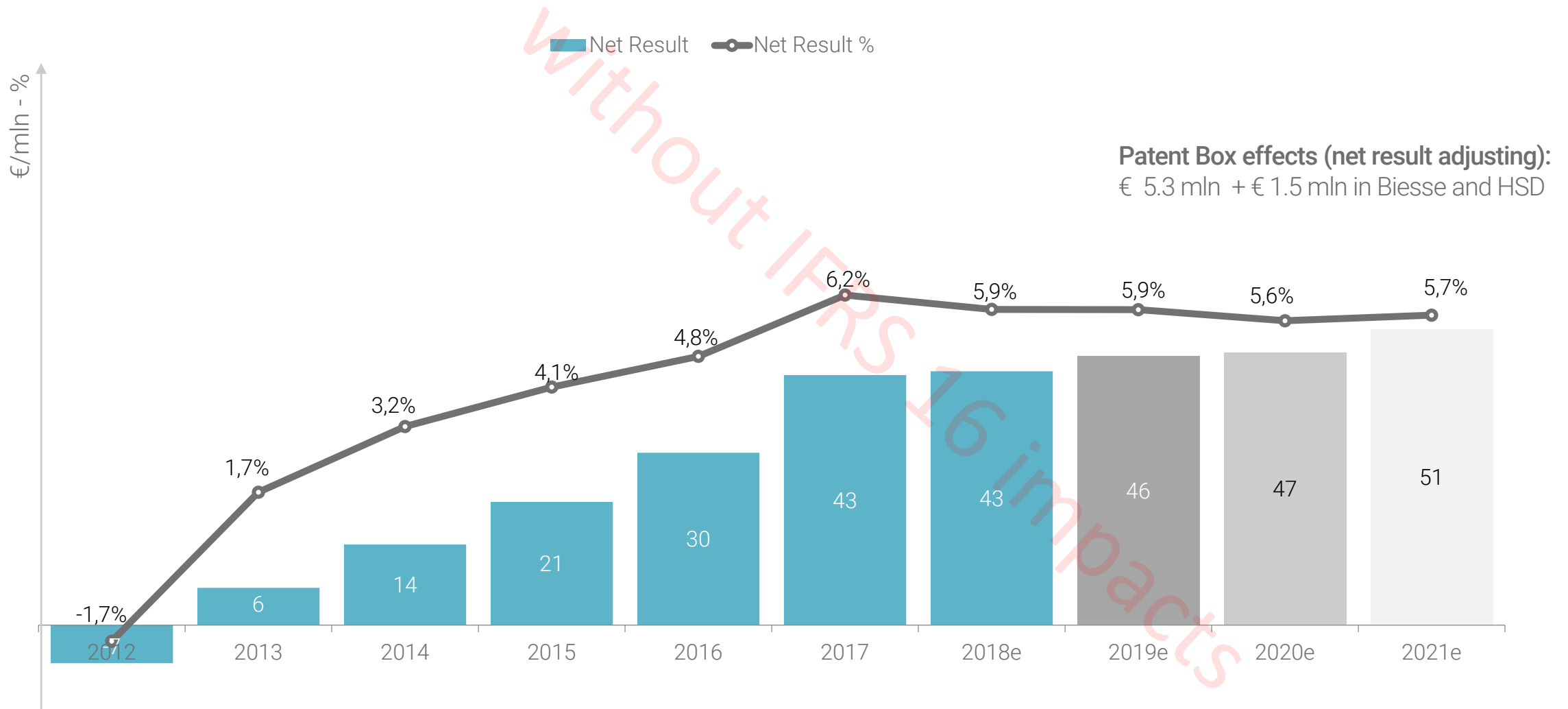


# EBIT



# NET RESULT

3 -Year Business Plan

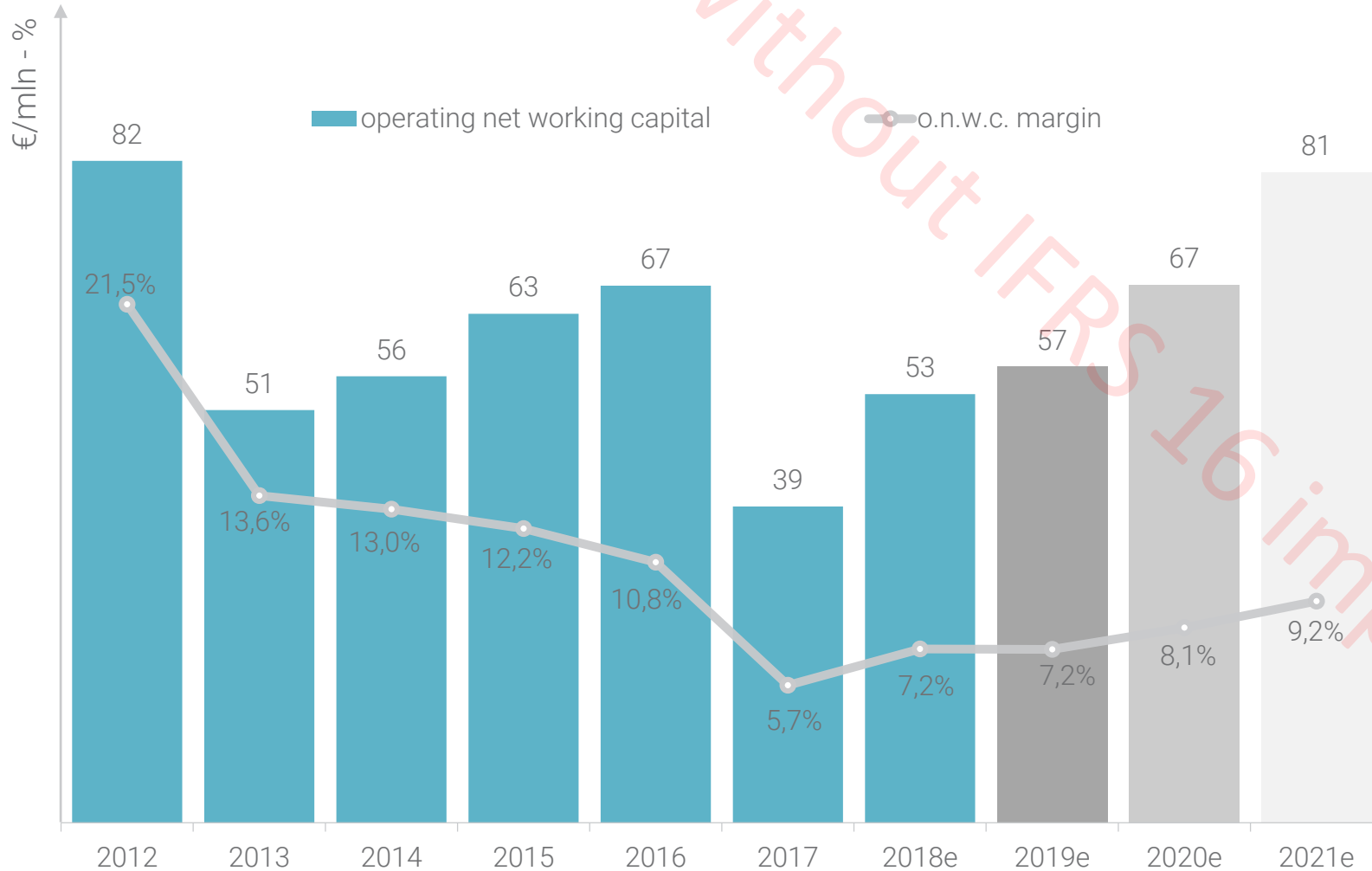




# CASHFLOW

€/mln	2014	2015	2016	2017	2018e	2021e
<b>Gross Cashflow</b> % net sales	38 9.0%	46 8.9%	47 7.4%	74 10.9%	53 7.1%	<b>69</b> 7.9%
Investments % net sales	-21 4.9%	-25 4.9%	-32 5.2%	-39 5.7%	-45 6.1%	-48 5.4%
<b>Net Cashflow</b> % net sales	17 4.1%	21 4.1%	15 2.2%	35 5.2%	8 1.1%	<b>21</b> 2.4%
Dividends	-4.8 0.18 per share	-9.8 0.36 per share	-9.8 0.36 per share	-9.8 0.36 per share	-13.1 0.48 per share	-14.0 30% of net profit

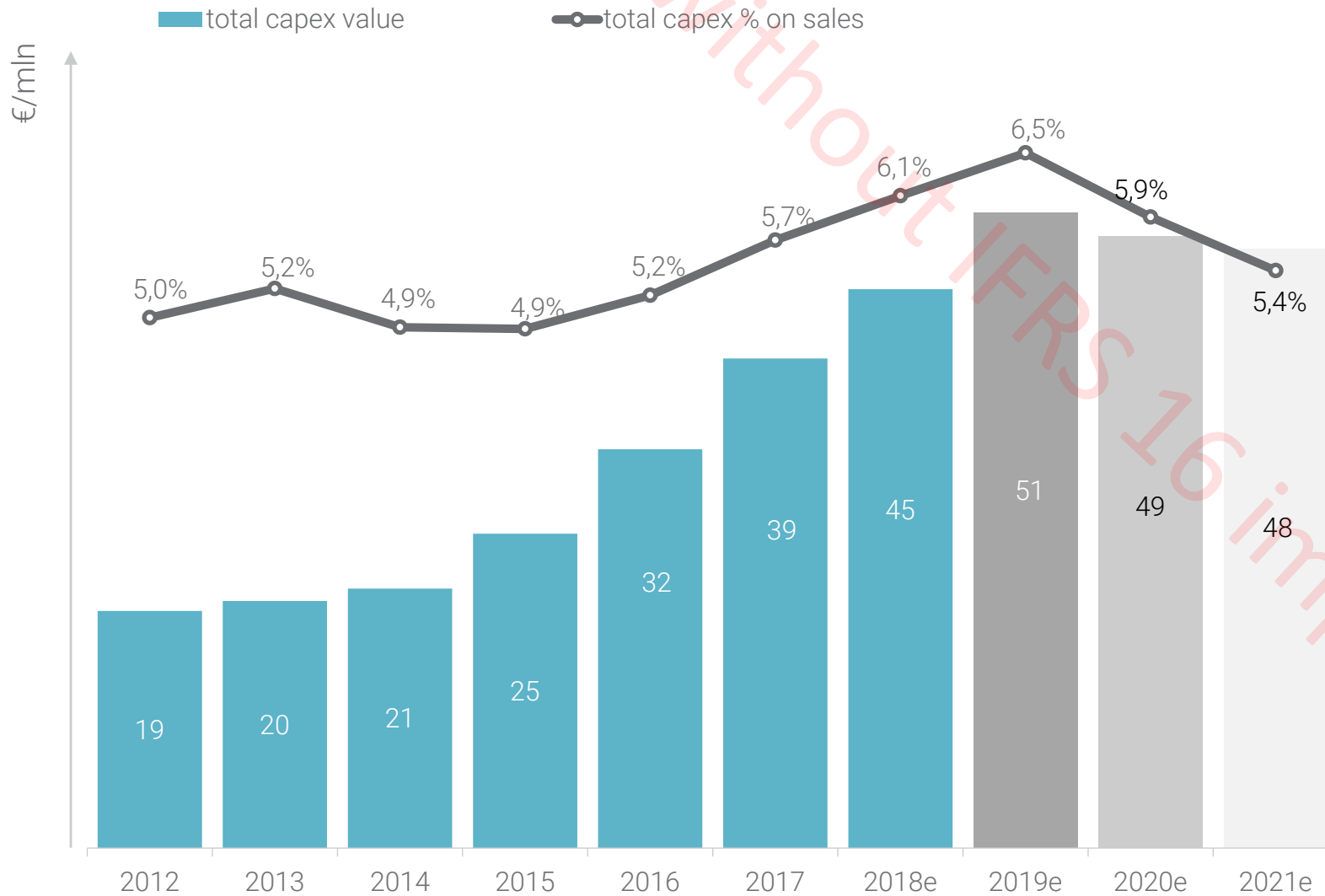
# OPERATIVE NET WORKING CAPITAL



- ✓ **inventories** below **22%** incidence on Net Sales
- ✓ Group **DSO** around **50-60 days max**
- ✓ Group **DPO** around **105-110 days**

7.4% O.N.W.C. incidence  
2019e

# CAPEX



5.7% capex incidence 2019e

**2019e**  
 tangible: € 32.9mln  
 intangible: € 18mln

main investments items:

- ✓ **Mechatronics** – HSD takeover of the Bi.Fin srl leasing (existing site in Gradara)
- ✓ **Wood – stand alone machines** vertical auto-warehouse (traslo)
- ✓ **Subsidiary** Biesse America campus
- ✓ **Components** Cosmec working centers
- ✓ **I.T.** Service CRM – product configurator – I.I.o.T.
- ✓ **R&D** capitalized

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- ✓ This presentation has been prepared independently by Biesse S.p.A. and can be used during meetings with investors and financial analysts. It's solely for information purposes and it may contain statements regarding future financial performances and Company's expectations
- ✓ Any forward looking statements are not guarantees of future performances and is related only of the date of this document. They are based on the Group's current state of knowledge, future expectations and projections about the future events. By their nature they are subject to inherent risks and uncertainties.
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- ✓ For further details on the Biesse S.p.A. reference should be made to publicly available information, including the Quarterly Reports, the Half Annual Report, the Annual Reports and the Three Years Business Plan.
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