



# Pesaro, February 21st - 4 p.m. phone conference call

A. Amurri - I.R. Manager  
[www.biessegroup.com](http://www.biessegroup.com)

Excell-Word

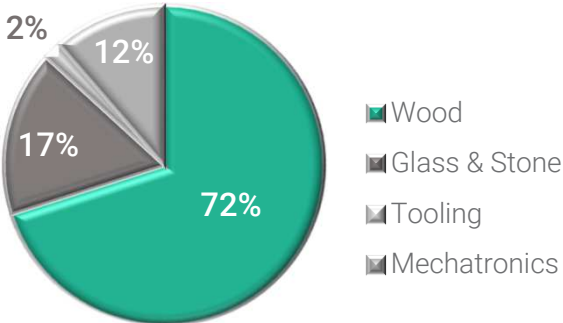
# **BIESSE THREE YEARS BUSINESS PLAN EXTRACT**

 **BIESSEGROUP**

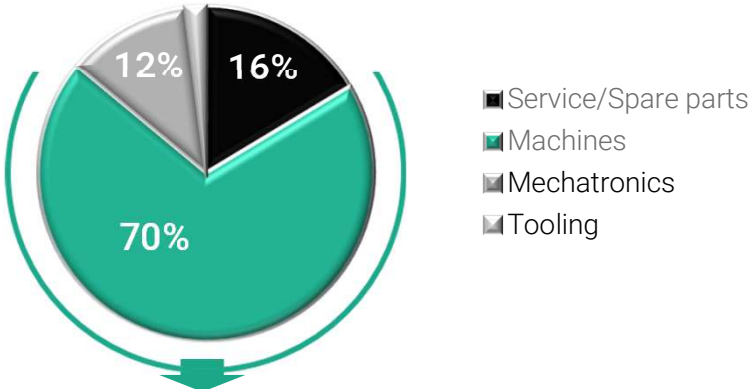
# SALES BREAKDOWN

2019E

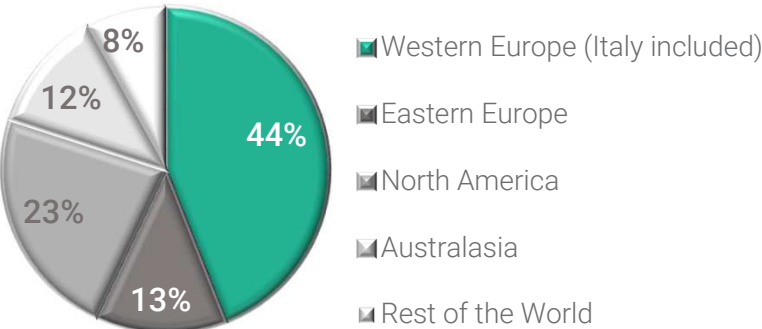
BY DIVISION



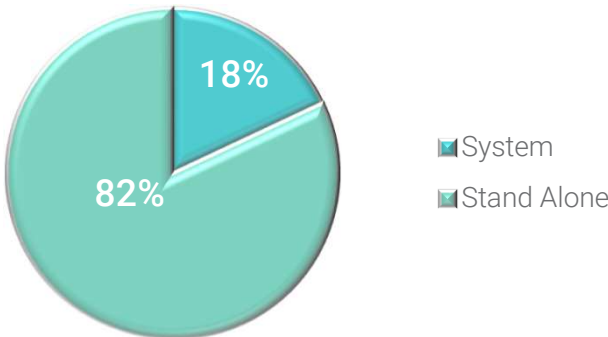
BY OFFERING



BY GEO-AREAS



BY TYPE OF MACHINES SALES



# STRATEGY

In the next 3 years, Biesse's strategy will be focusing on **four main directives**: the strengthening of our offering through Digitalisation and Product Innovation supported by the reorganization of the Company's processes and the extension of our sales network.

## Digitalisation

*Enable the Smart Factory*

- SOPHIA
- Services
- Software

## Product Innovation

*Enhance Product Offering*

- Wood
- Glass & Stone
- Advanced Materials
- Ceramics

## Network Expansion

*Enlarge Global Distribution*

● Increase brand awareness through distribution and marketing on

**Advanced Materials**

● Leverage existing distribution network for **Structural Wood**

● Dedicated salesforce for the **Metal segment**

● New subsidiaries to expand geographical presence

## One Company

*Establish a new operating model*

● Consistent management model

● One Leadership

● Shared tools & processes

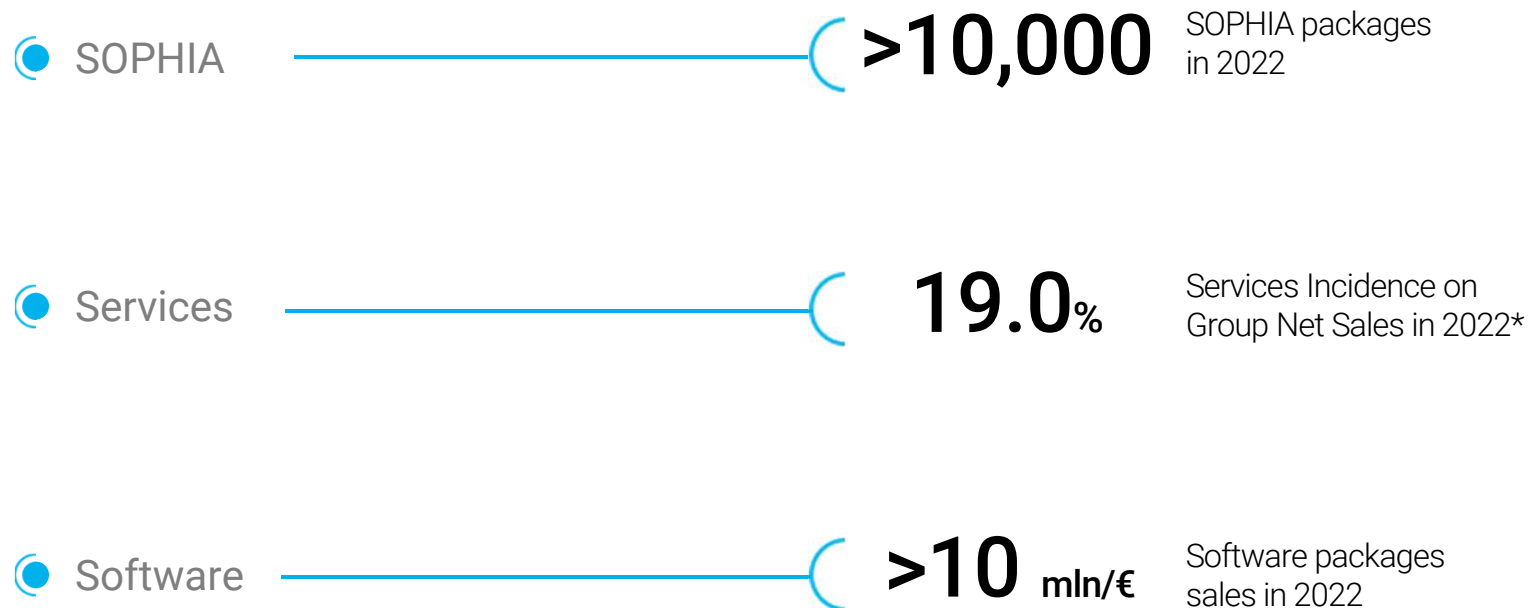
3-Year Business Plan

# DIGITALISATION

## TARGETS



Enable  
the **Smart Factory**



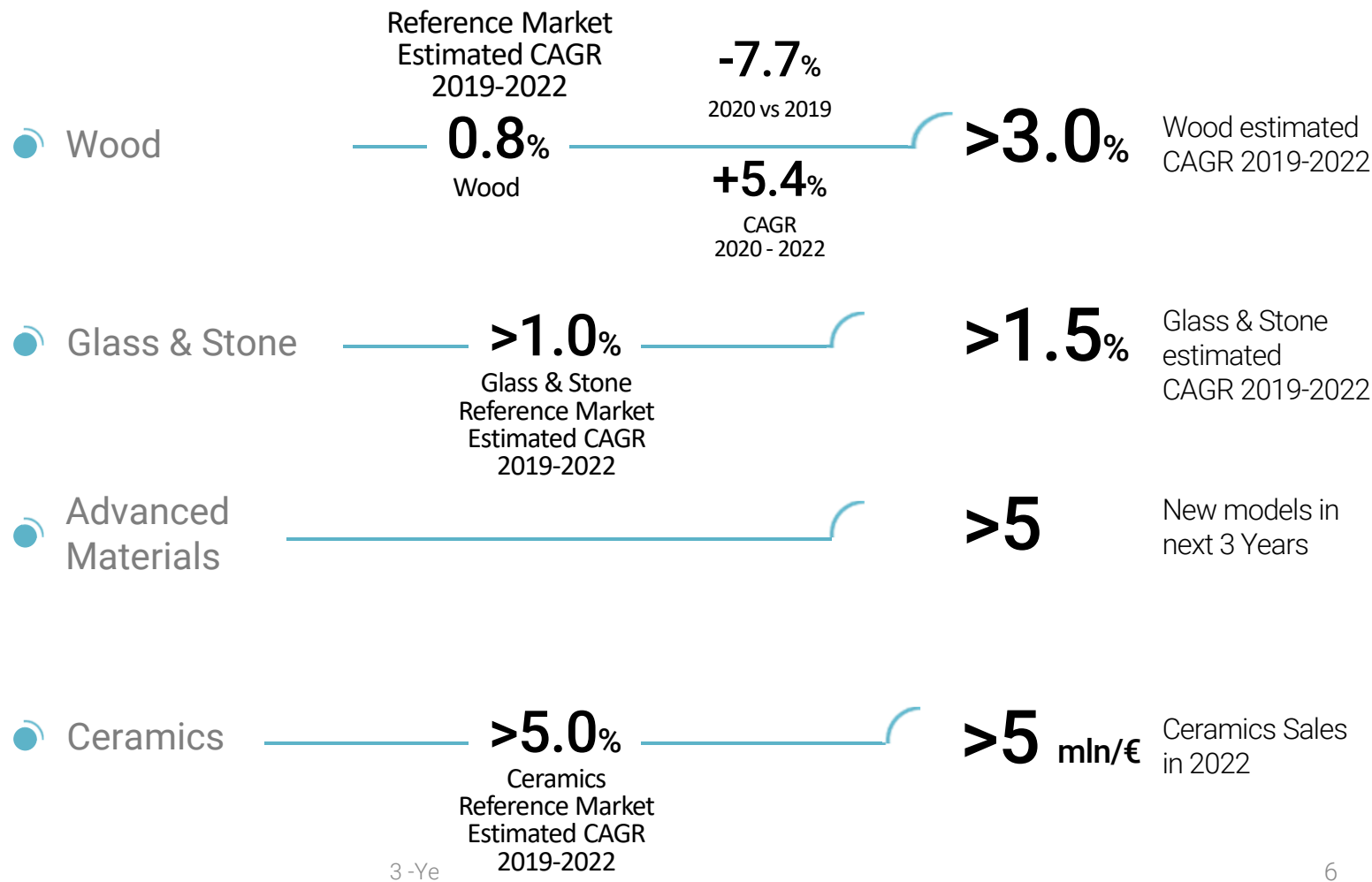
\*Tooling not included

# INNOVATION

## TARGETS



Enhance  
Product Offering

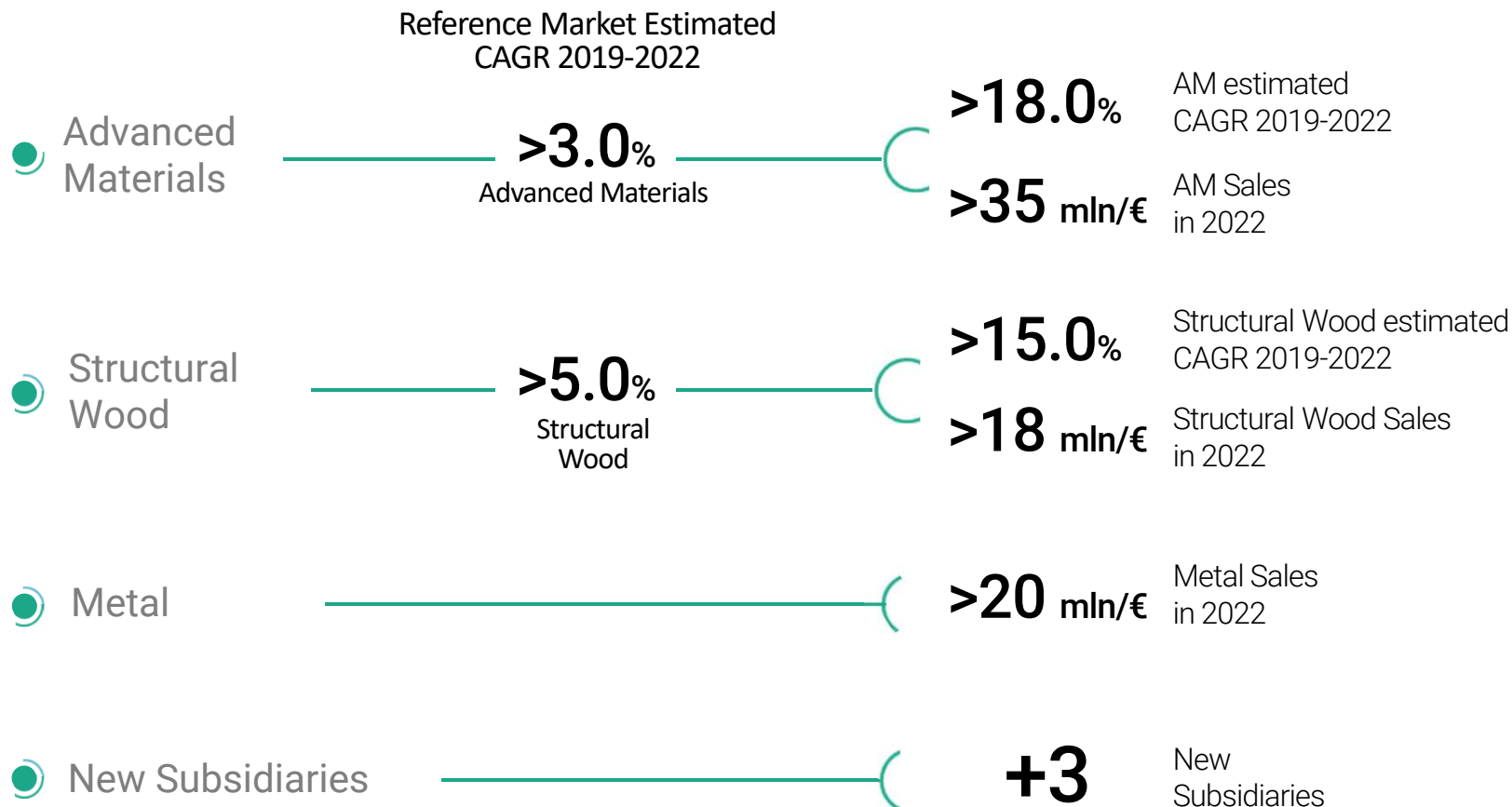


# EXPANSION

## TARGETS

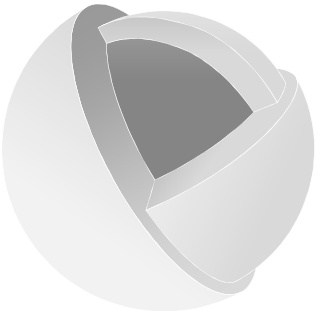


Enlarge  
Global Distribution



# ONE COMPANY

## TARGETS



*Establish a new operating model*

● Consistent management model



Implement a global management model to foster the culture of a synergy-driven enterprise, enabling cross fertilization across Headquarters, Divisions & Subsidiaries

● One Leadership



Strengthen the global leadership model to ensure a cohesive and independent Management Team

● Shared tools & processes

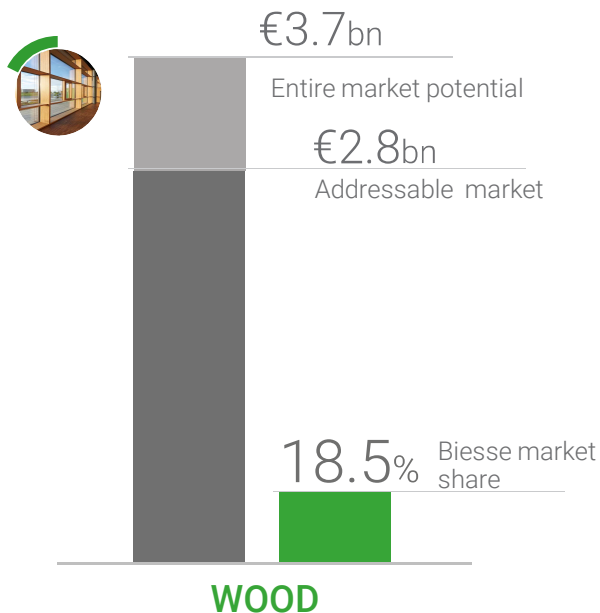


Guarantee IT solutions to support the Company's global processes

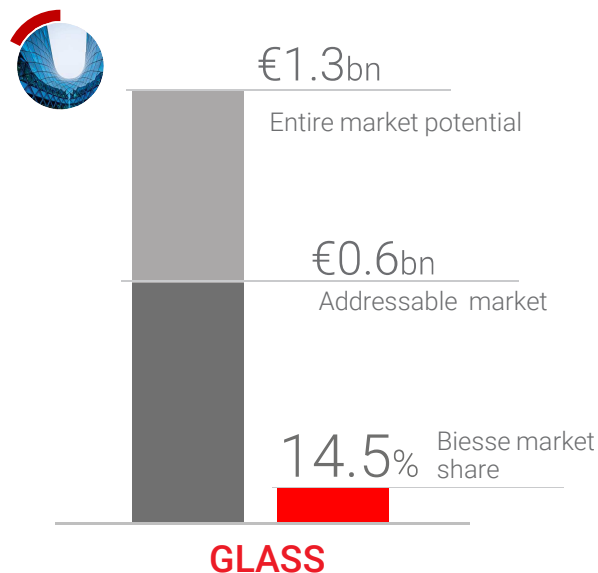


# CORE SEGMENTS MARKET 2019

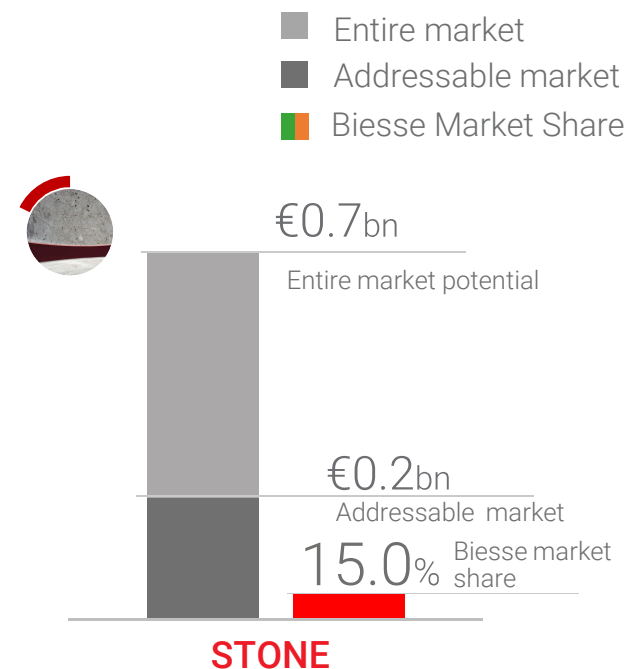
We are in leading positions in our reference markets: Wood, Glass, Stone working machines.  
We want to consolidate our positioning fostering product innovation



We are in **leading** positions in the sector.



We are the world **industry leader** in the glass processing market in which we operate.

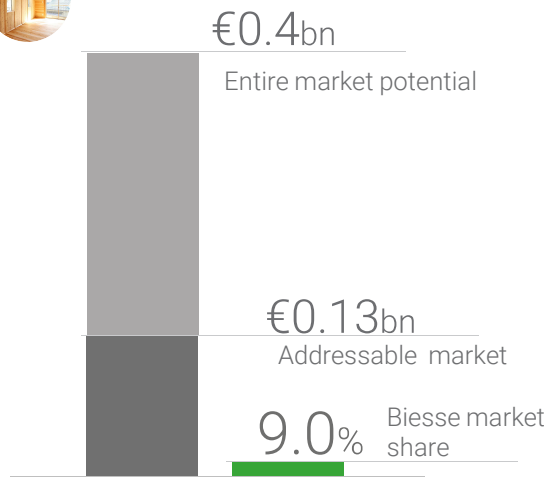


We are the world **industry leader** in the stone market in which we operate.

- Entire market
- Addressable market
- Biesse Market Share

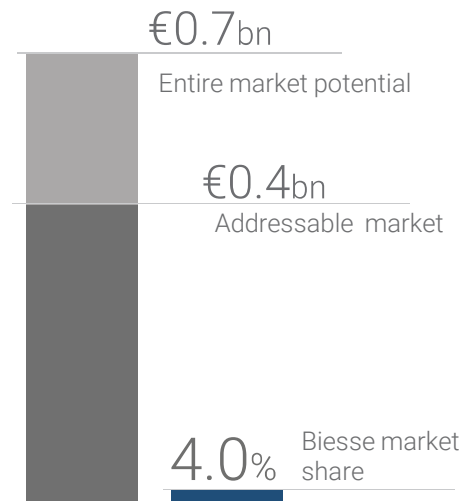
# NEW SEGMENTS MARKET 2019

We entered in new market segments, we want to continue to increase our market penetration.



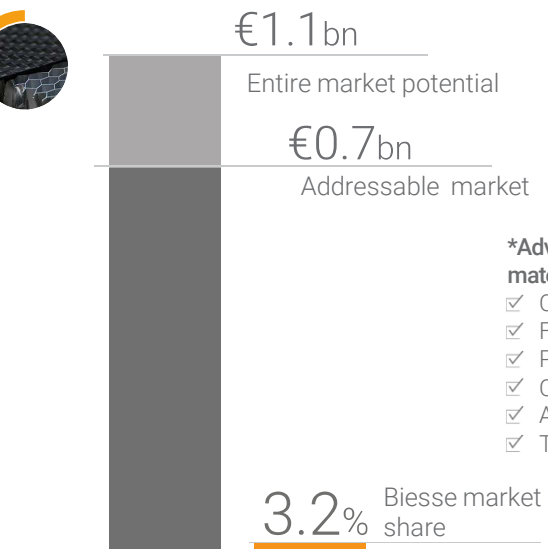
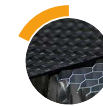
## STRUCTURAL WOOD

Our competitors are mainly located in Germany and in Italy. The most important are **Hundegger** (market leader), **HOMAG** and **Weinmann**.



## METAL (MECHATRONICS)

Our main competitors are **KESSLER**, **IBAG**, **GMN**, **WEISS** (Siemens), **FISHER** and **STEPTEC**.



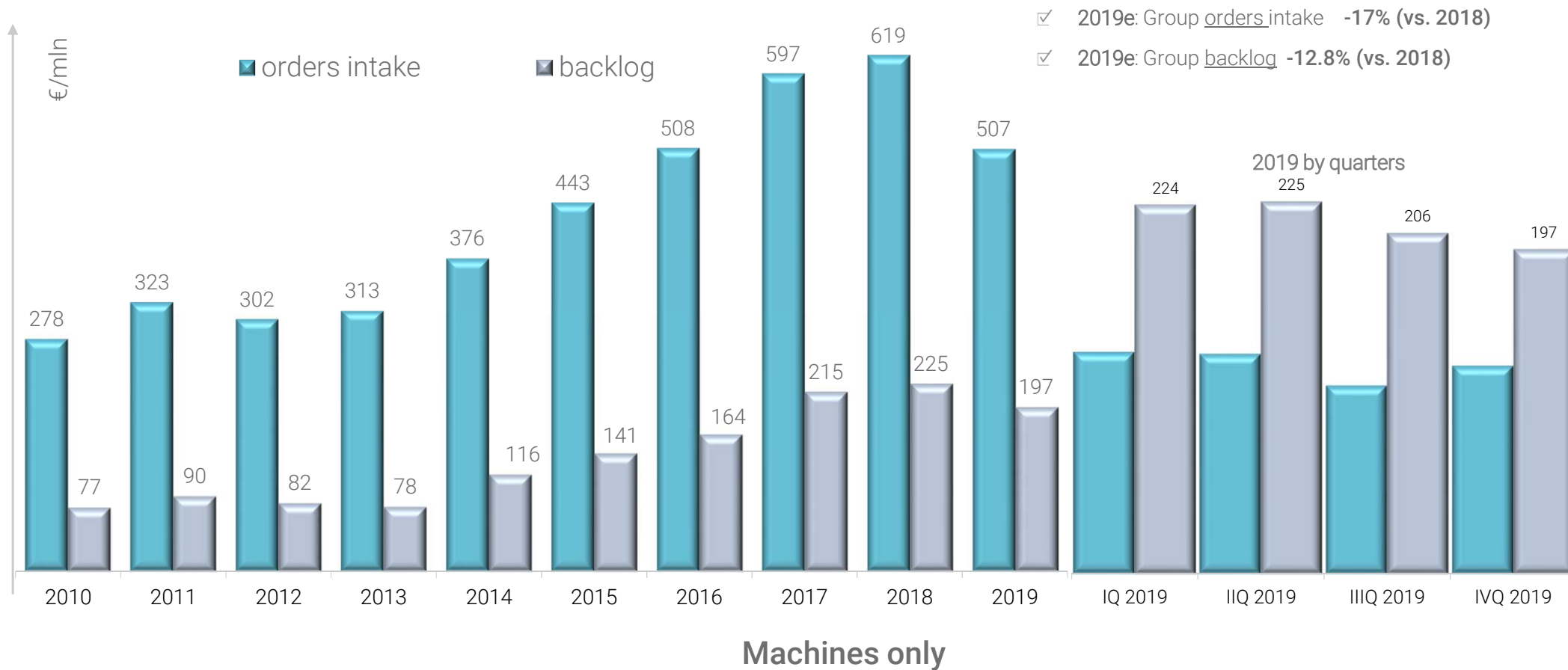
## ADVANCED MATERIALS

Highly fragmented market, our main competitors are **Geiss**, **Belotti CMS Industrie**, **Breton**, **Mecanumeric**, and **Multicam**.

### \*Advanced materials

- Carbon Fiber
- Foam
- Plastics
- Composite
- Aluminium
- Titanium

# GROUP ORDERS INTAKE & BACKLOG



# RECOVER PROFITABILITY

EBITDA  
Margin  
**>13%**

2022 Target

EBITDA  
**103**

2022 Target  
€/mln

Net Sales

Cost of good sold

Labour &  
Overhead cost

3.2%

Net sales  
CAGR 2019e-2022

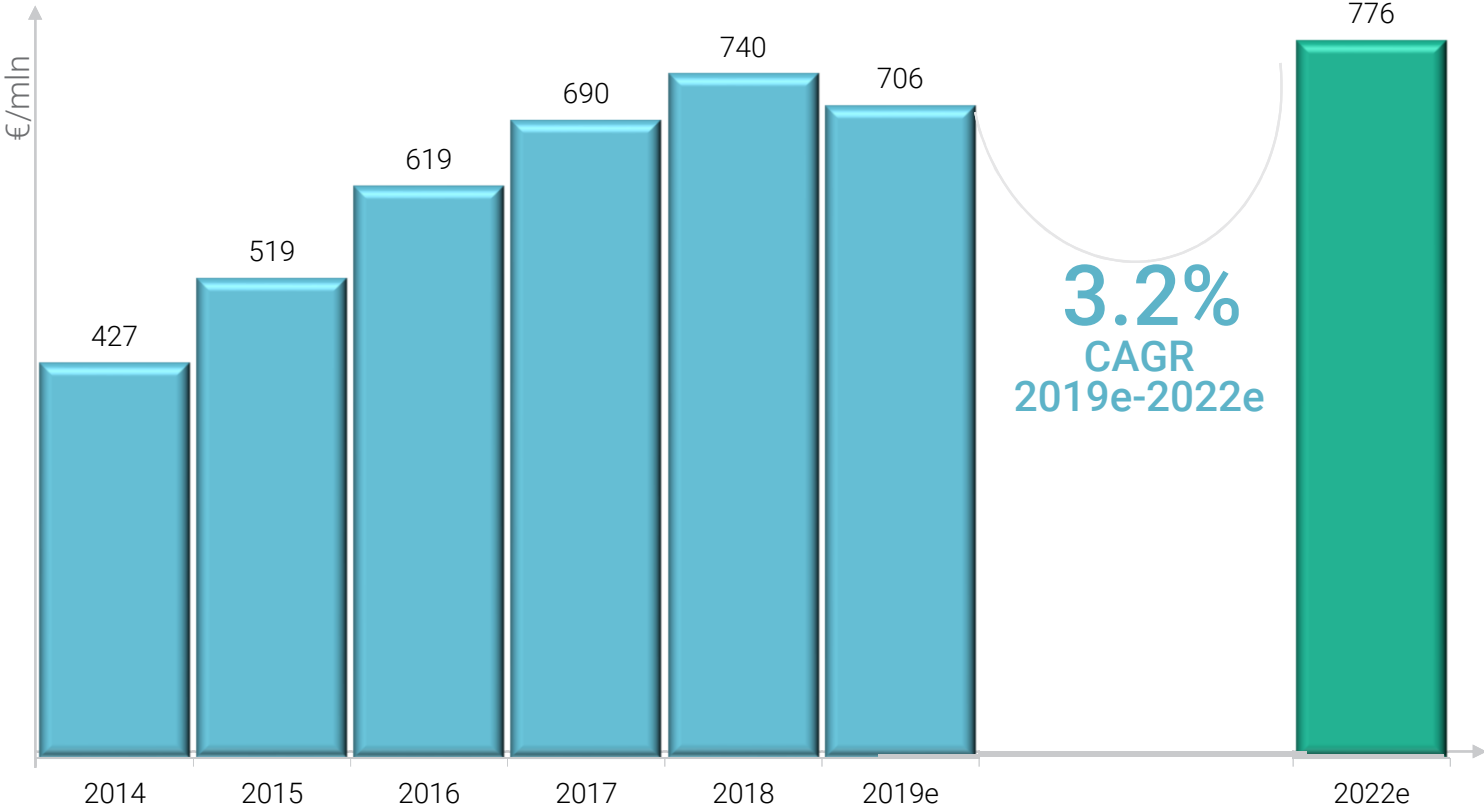
40%

Target COGS  
incidence on Net Sales

<47%

Target labour & Overhead  
Cost incidence on Net Sales

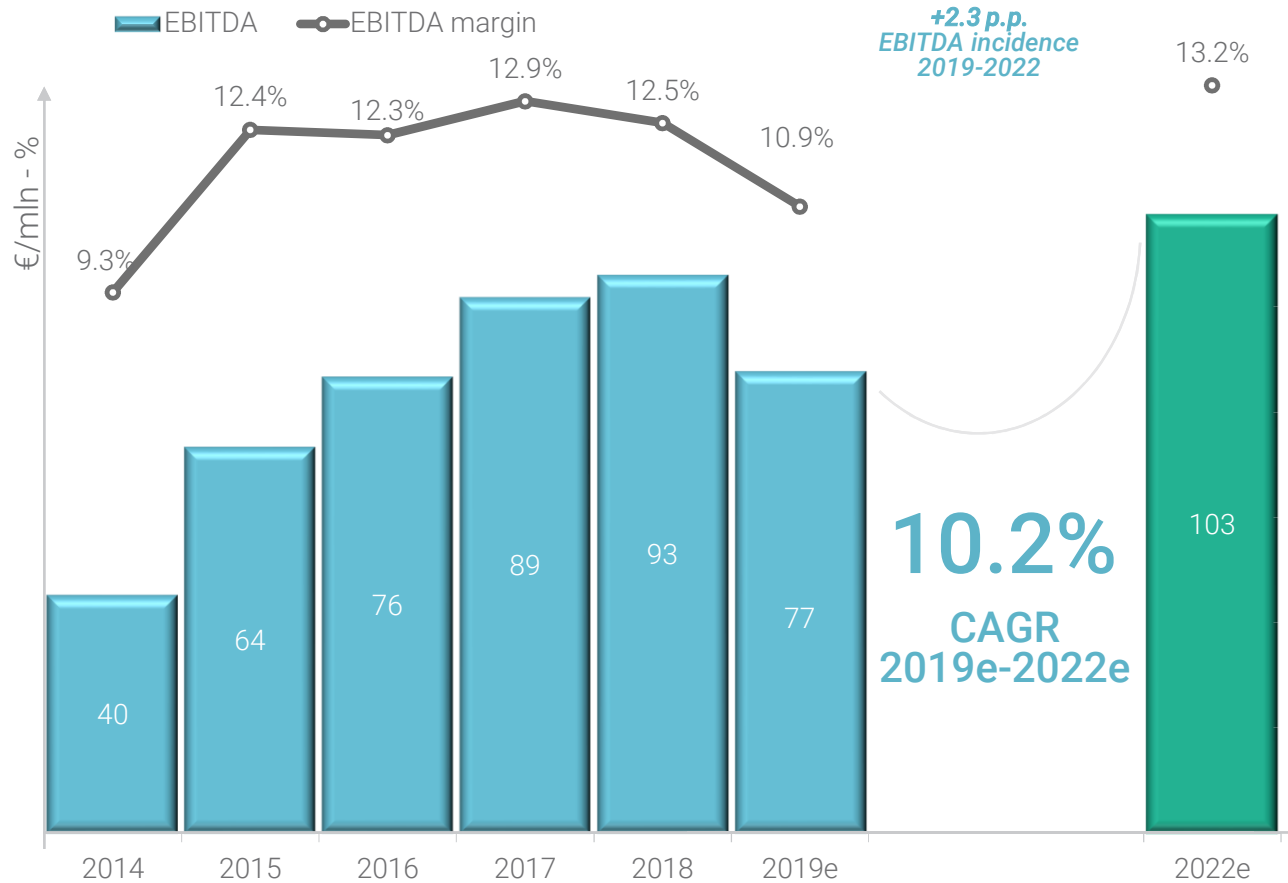
# NET SALES



### organic growth only

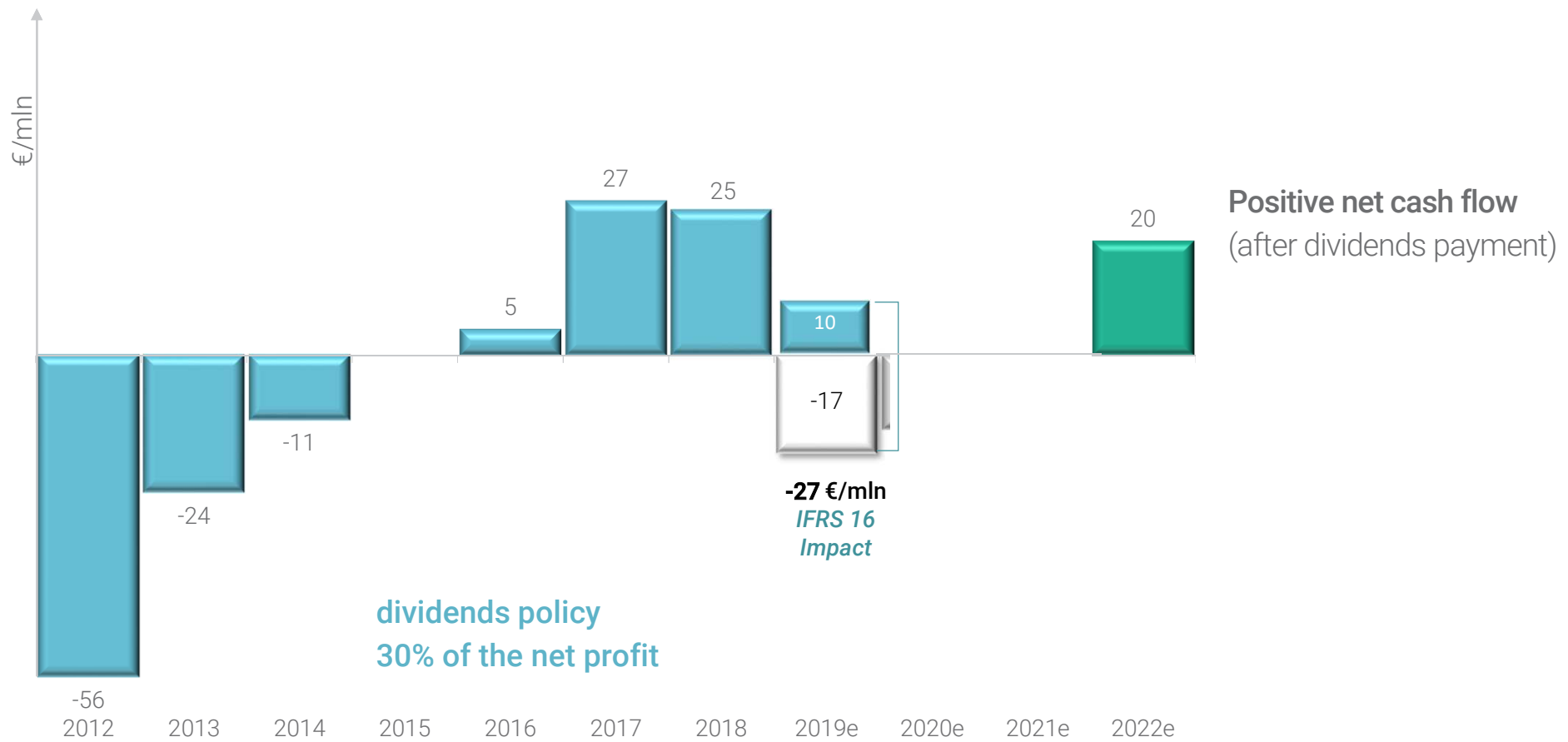
- ✓ 19% Expected Service Contribution to Net Sales
- ✓ >3% CAGR '19-'22 – Wood products sales estimated
- ✓ >1.5% CAGR '19-'22 – Glass & Stone products sales estimated

# EBITDA

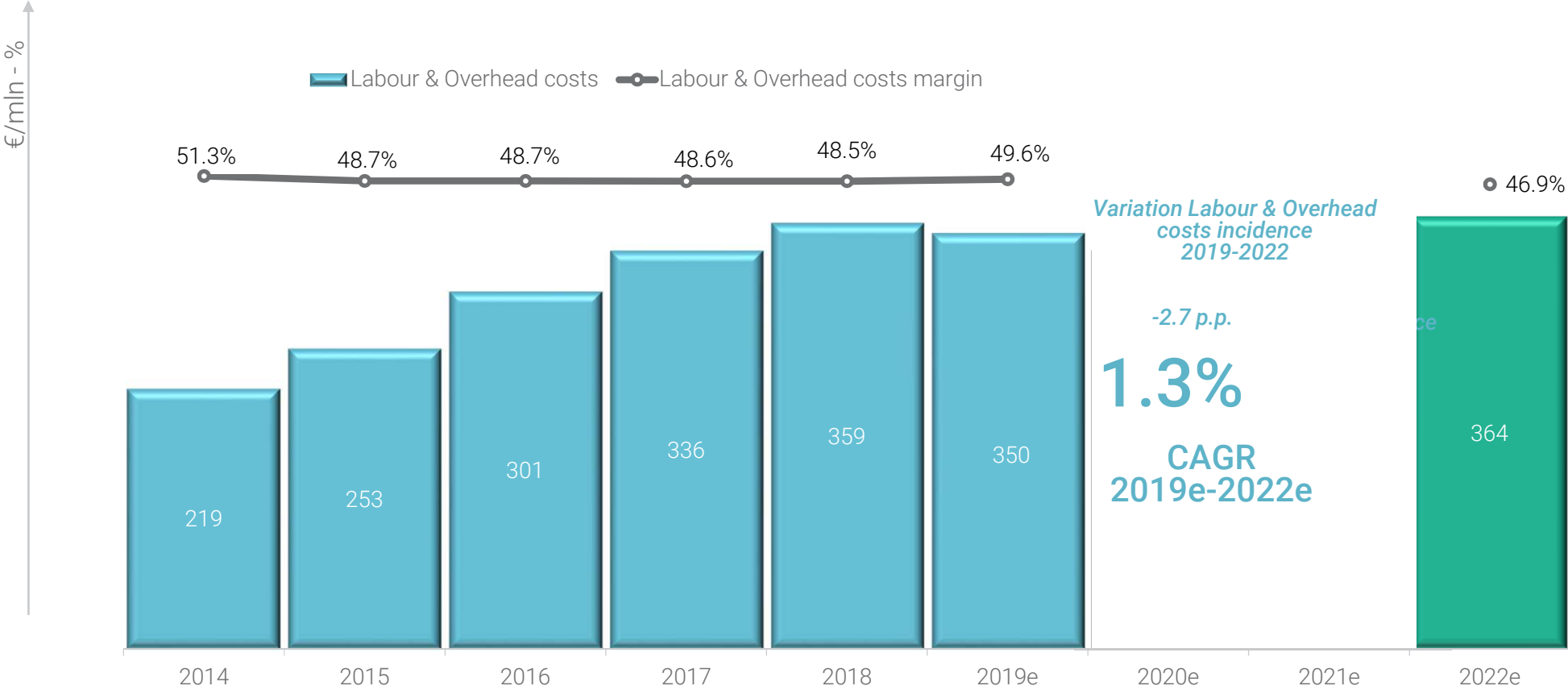


- ✓ **COGS** on Net Sales approximately **40%**
- ✓ **Labour & Overhead Cost** on Net Sales less than **47%**

# NET DEBT

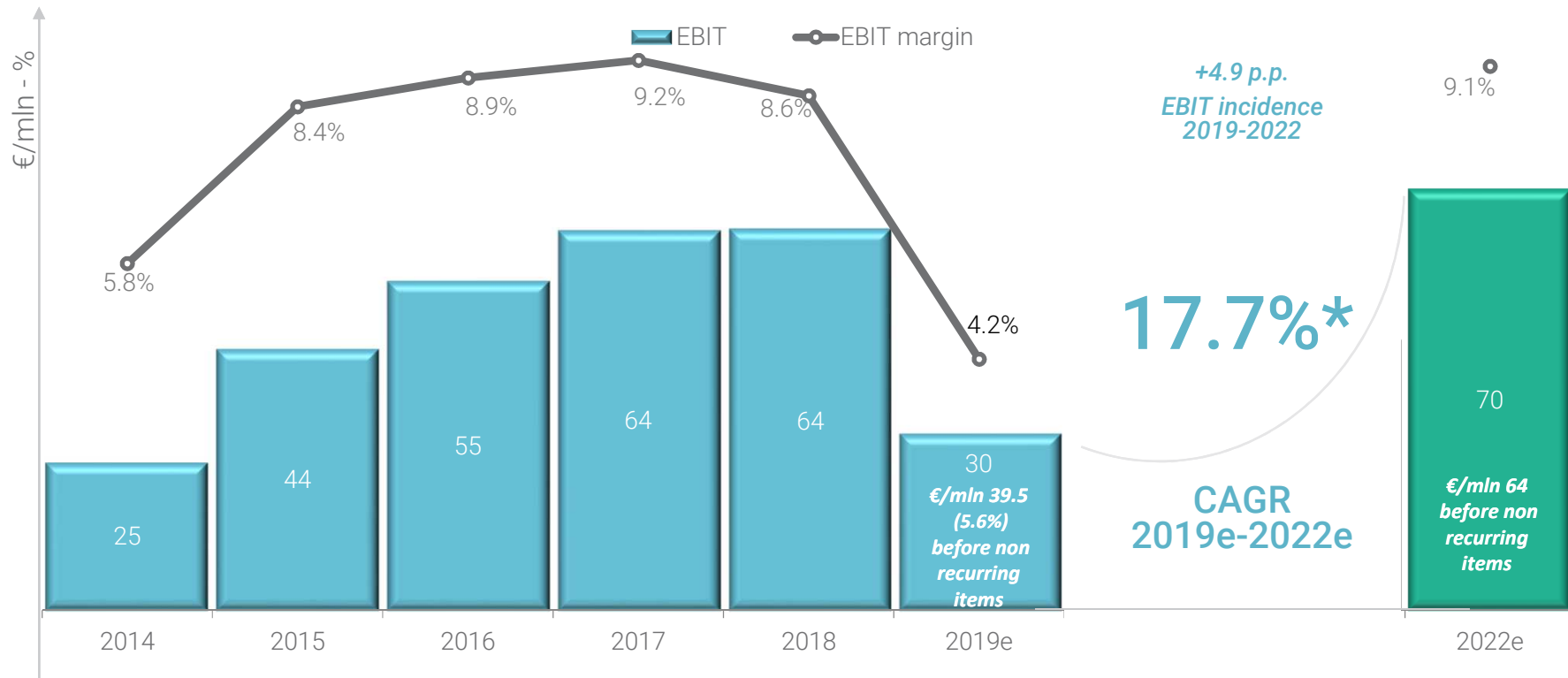


# LABOUR & OVERHEAD COSTS





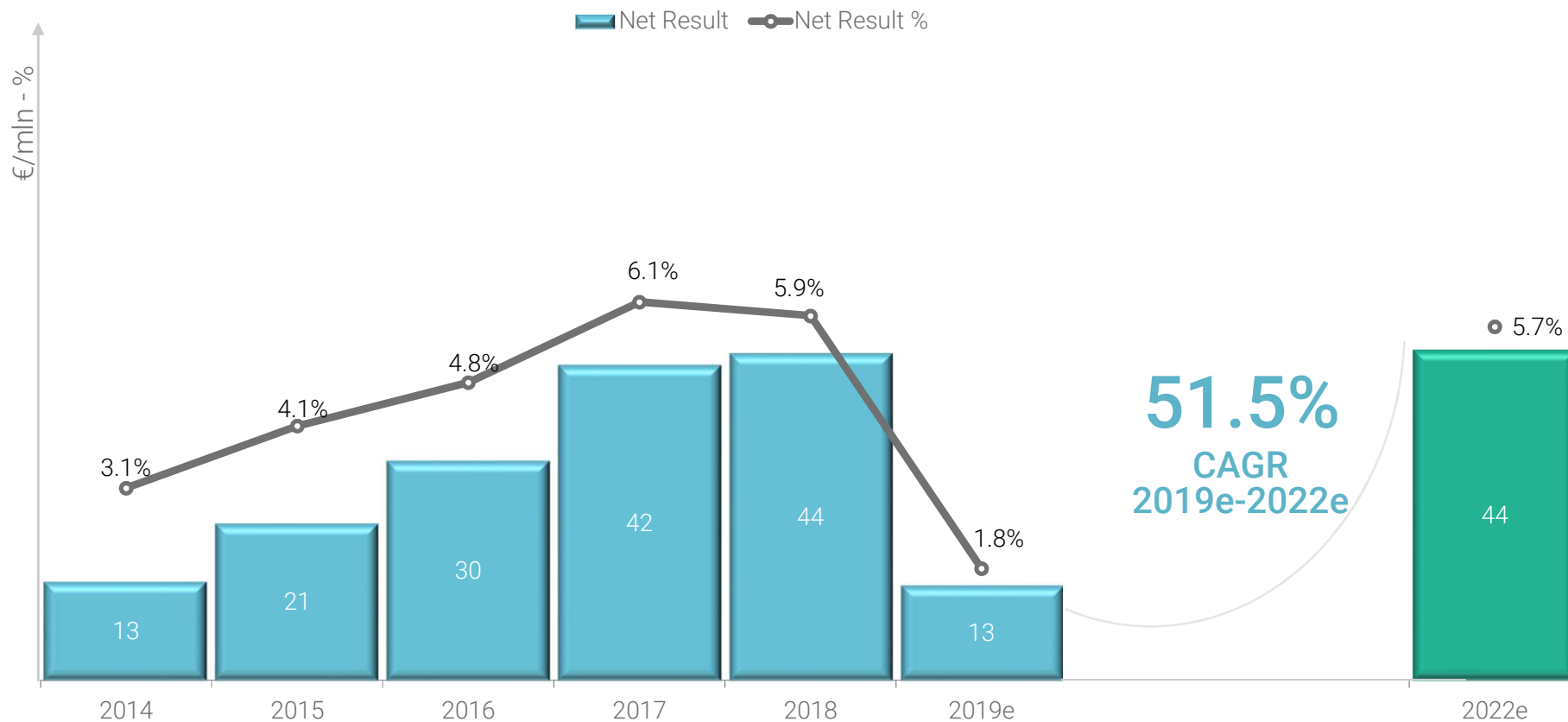
# EBIT



2019e results are expected to be impacted negatively by 9.5 €/mln of non recurring items  
 2022 results are expected to be impacted positively by Chinese plant divestment

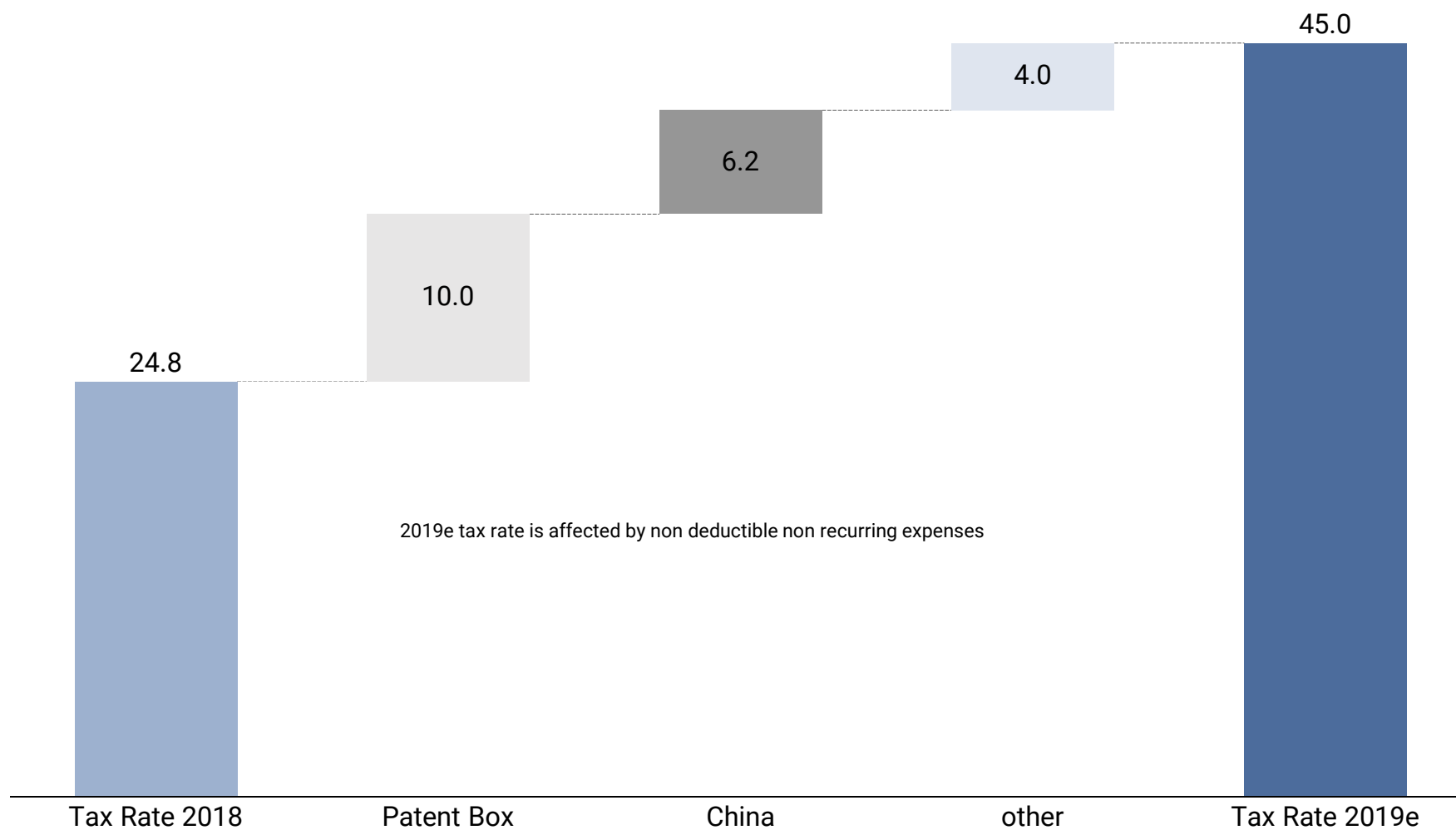
\*Before Non Recurring in 2019e and 2022

# NET RESULT



2019e results are expected to be impacted negatively by 9.5 €/mln of non recurring items  
 2022 results are expected to be impacted positively by Chinese plant divestment

# TAX RATE EVOLUTION



# EXTRACT OF THE P&L

€/mIn	2014	2015	2016	2017	2018	2019e		2022e	
<b>Net sales year -1</b>	427 +12.9%	519 +21.5%	618 +19.1%	690 +11.6%	740 +7.2%	706 -4.6%	CAGR 2014-2019 10.6%	<b>776</b>	
Cost of goods sold	171 40.1%	206 39.7%	245 39.6%	270 39.1%	295 39.9%	287 40,6%		316 40.7%	
Labour & Overhead cost	219 51.3%	253 48.7%	301 48.7%	335 48.6%	359 48.5%	350 49.6%		364 46.9%	<b>&lt;47.0%</b> incidence on Net Sales
<b>EBITDA %</b>	<b>40 9.3%</b>	<b>64 12.4%</b>	<b>76 12.3%</b>	<b>89 12.9%</b>	<b>93 12.5%</b>	<b>77 10.9%</b>		<b>103 13.2%</b>	
<b>EBIT %</b>	<b>25 5.8%</b>	<b>44 8.4%</b>	<b>55 8.9%</b>	<b>64 9.2%</b>	<b>64 8.6%</b>	<b>30* 4.2%</b>		<b>70 9.1%</b>	

2019e results are expected to be impacted negatively by 9.5 €/mIn of non recurring items  
2022 results are expected to be impacted positively by Chinese plant divestment

\*after non recurring items  
**before € 39.5 (5.6%)**

# CASH FLOW

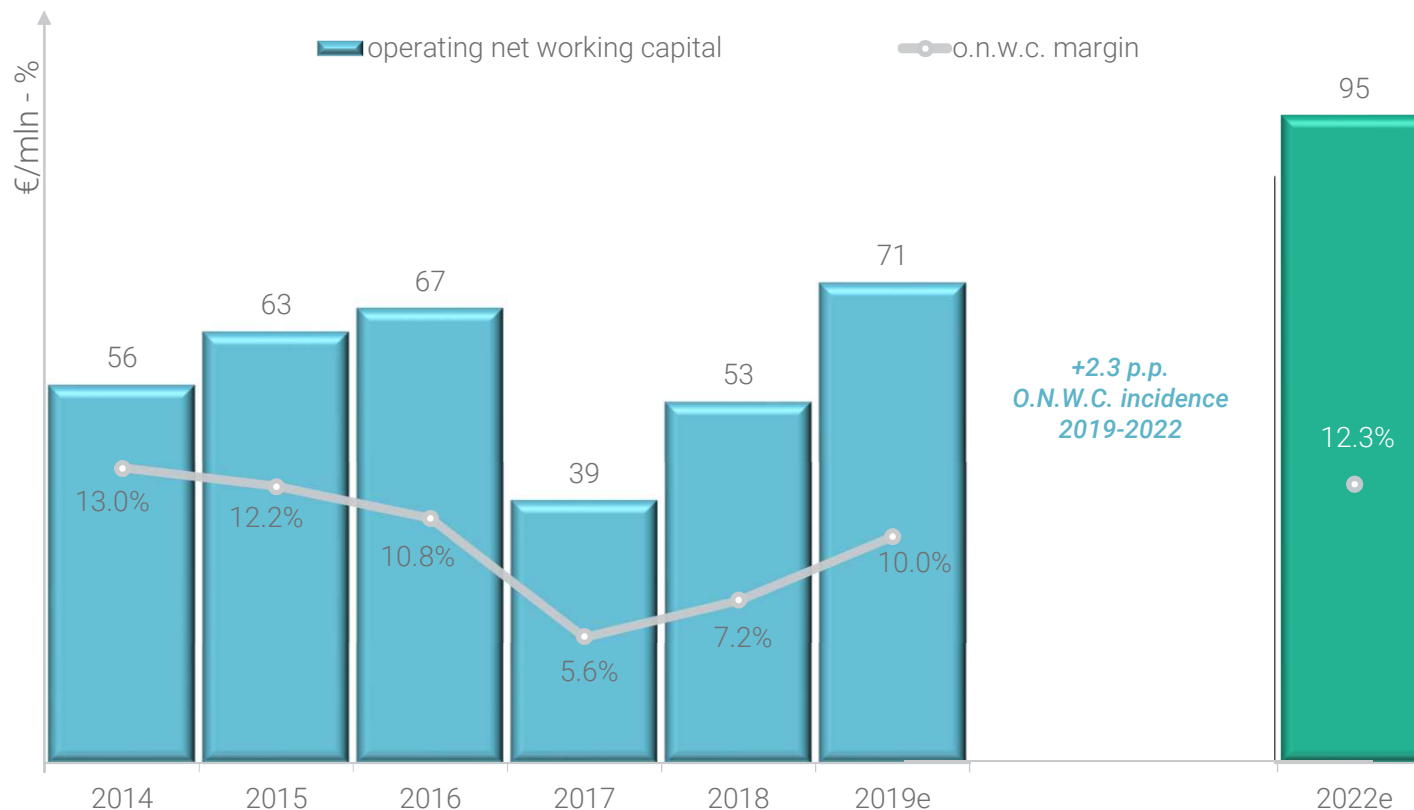
€/mln	2014	2015	2016	2017	2018	2019e	2022e
<b>Gross Cashflow</b> % net sales	38 9.0%	46 8.9%	47 7.4%	74 10.9%	53 7.1%	42 5.9%	<b>68</b> 8.8%
Investments % net sales	-21 4.9%	-25 4.9%	-32 5.2%	-39 5.7%	-45 6.1%	-71* 10.1%	<b>-31**</b> 4.0%
<b>Net Cashflow</b> % net sales	17 4.1%	21 4.1%	15 2.2%	35 5.2%	8 1.1%	-29 -4.2%	<b>38</b> 4.8%
Dividends	-4.8 0.18 per share	-9.8 0.36 per share	-9.8 0.36 per share	-9.9 0.36 per share	-13.1 0.48 per share	-13.1 0.48 per share	

\* 34 €/mln IFRS 16 effect

\*\* Included Chinese plant divestment

*IFRS 16 effect  
IAS 17 effect*

# OPERATING NET WORKING CAPITAL



- ✓ **inventories** below **23%** incidence on Net Sales
- ✓ Group **DSO** approx. **50 -60 days max**
- ✓ Group **DPO** approx. **105-110 days**

# OPERATING NET WORKING CAPITAL ELEMENTS

3 -Year Business Plan

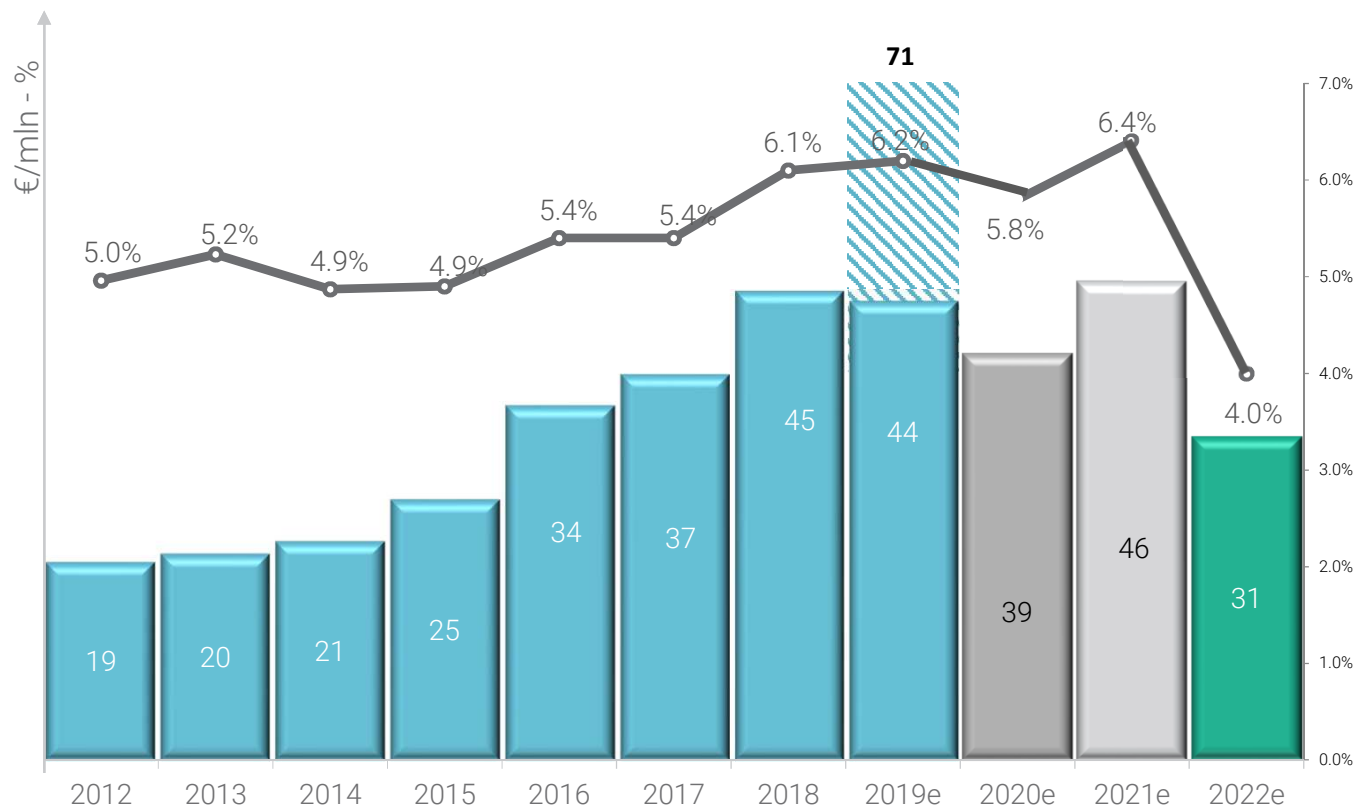
€/mln	2014	2015	2016	2017	2018	2019e	2022e
Inventories % net sales	23.0%	21.5%	21.1%	20.7%	22.0%	22.0%	22.0%
Receivables % net sales	18.9%	20.3%	20.8%	17.3%	18.1%	6.7%	9.2%
Payables % net sales	28.8%	29.5%	31.1%	32.4%	33.0%	18.8%	19.1%
<b>Operating Net Working Capital % net sales</b>	<b>56 13.0%</b>	<b>63 12.2%</b>	<b>67 10.8%</b>	<b>39 5.6%</b>	<b>53 7.2%</b>	<b>71 10.0%</b>	<b>95 12.3%</b>

*IFRS 15 effect*

According to IFRS 15 Advanced Payments from Clients are reclassified from Account Payables to Account Receivables. In 2019e advanced payments are approx. euro 65 million

# CAPEX

■ total capex value    ● total capex % on sales



2022e includes China restructuring effects (cash-in)

**Main investments** items in the plan period 2020-2022: (tangible average 55.9%)

- ✓ **Components** Cosmec (mechanical components) new plant and working centers
- ✓ **India** – expansion of the manufacturing plant
- ✓ **Subsidiary** Biesse America campus
- ✓ **Supply chain** – investments in the logistics network
- ✓ **R&D** capitalized
- ✓ **Divestment of the Chinese plant**



# EMPLOYEES DISTRIBUTION

(without interim people)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Production</b> % of total people	1,265 45%	1,175 44%	1,201 42%	1,335 42%	1,482 41%	1,494 39%	1,621 38%	1,385 35%
<b>Service &amp; After sale</b> % of total people	574 21%	613 22%	628 22%	690 22%	803 22%	894 23%	1,001 24%	992 25%
<b>R&amp;D</b> % of total people	338 12%	321 12%	361 13%	383 13%	436 12%	479 12,5%	501 12%	482 12%
<b>Sales &amp; Marketing</b> % of total people	364 13%	351 13%	439 15%	495 15%	587 16%	641 17%	715 17%	685 17%
<b>G&amp;A</b> % of total people	242 9%	235 9%	252 9%	273 9%	310 8,5%	338 8,8%	389 9%	382 10%
<b>ITALY</b> % of total people	1,646 59%	1,547 57%	1,605 56%	1,780 56%	2,009 56%	2,176 56%	2,483 59%	2,417 62%
<b>OUTSIDE ITALY</b> % of total people	1,136 41%	1,148 43%	1,276 44%	1,396 44%	1,609 44%	1,670 44%	1,744 41%	1,509 38%
<b>TOTAL</b>	2,782	2,695	2,881	3,176	3,618	3,846	4,227	3,926

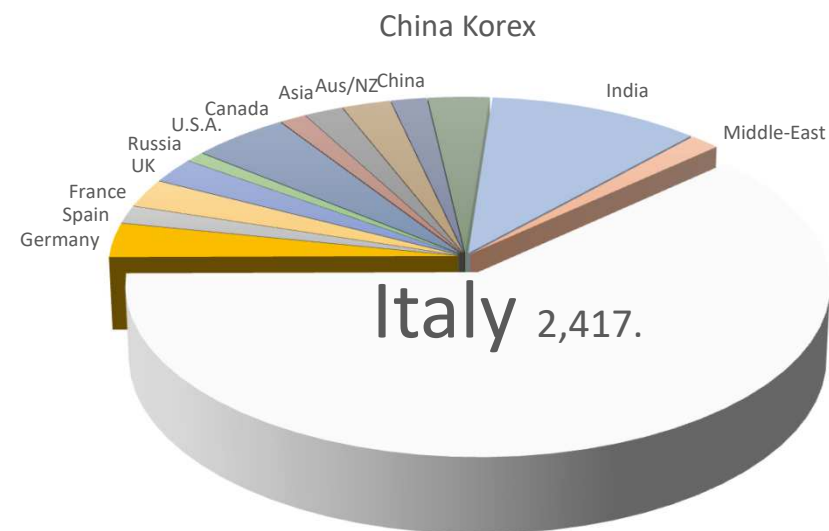
# EMPLOYEES DISTRIBUTION (GEO)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>ITALY</b> % of total people	1,646 59%	1,547 57%	1,605 56%	1,780 56%	2,009 70%	2,176 57%	2,483 59%	2,417 62%
<b>OUTSIDE ITALY</b> % of total people	1,136 41%	1,148 43%	1,276 44%	1,396 44%	1,609 44%	1,670 43%	1,744 41%	1,509 38%
<b>TOTAL</b>	2,782	2,695	2,881	3,176	3,618	3,846	4,227	3,926

interim people at the end of Dec. 2019: 207

4,133

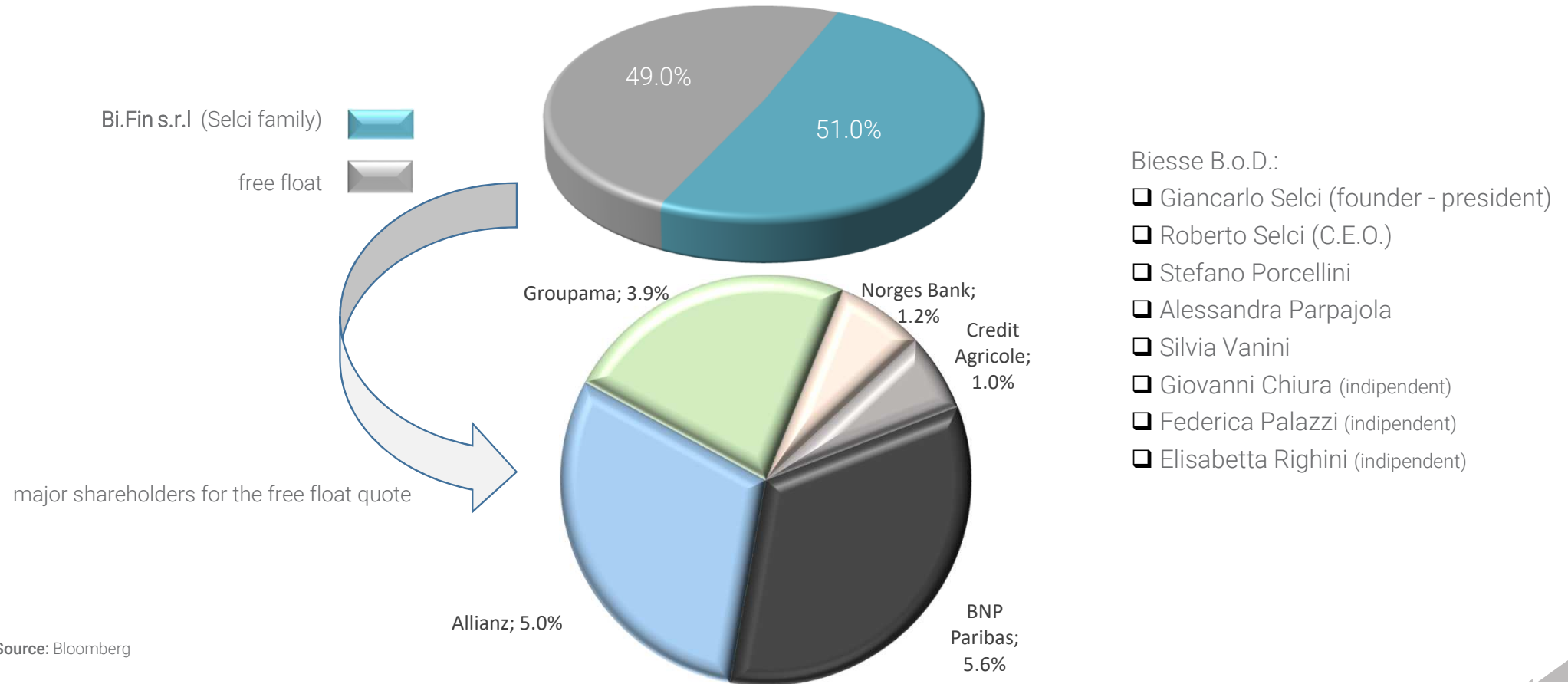
	FY 2018	FY 2019	%
Production	1,621	1,385	-14,6%
Service & After Sales	1,001	992	-0,9%
R&D	501	482	-3,8%
Sales & Marketing	715	685	-4,2%
G&A	389	382	-1,8%
<b>ITALY</b>	<b>2,483</b>	<b>2,417</b>	<b>-2,7%</b>
<b>OUTSIDE ITALY</b>	<b>1,744</b>	<b>1,509</b>	<b>-13,5</b>
<b>TOTAL</b>	<b>4,227</b>	<b>3,926</b>	<b>-7,1%</b>



# SHAREHOLDERS - B.O.D.

 BIESSEGROUP

# SHAREHOLDERS BREAKDOWN BY OWNERSHIP BOARD OF DIRECTORS



# FINANCIAL CALENDAR

 **BIESSE**GROUP

# FINANCIAL CALENDAR

**13 March 2020**

approval of the 2019 financial statement project



**21-22 April 2020**

general shareholders meeting (first and second convocation - Pesaro)

**12 May 2020**

approval of the 2020 IQ results

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