

Our customers define  
the shape of the world.  
**we make it  
possible.**

phone conference call recap

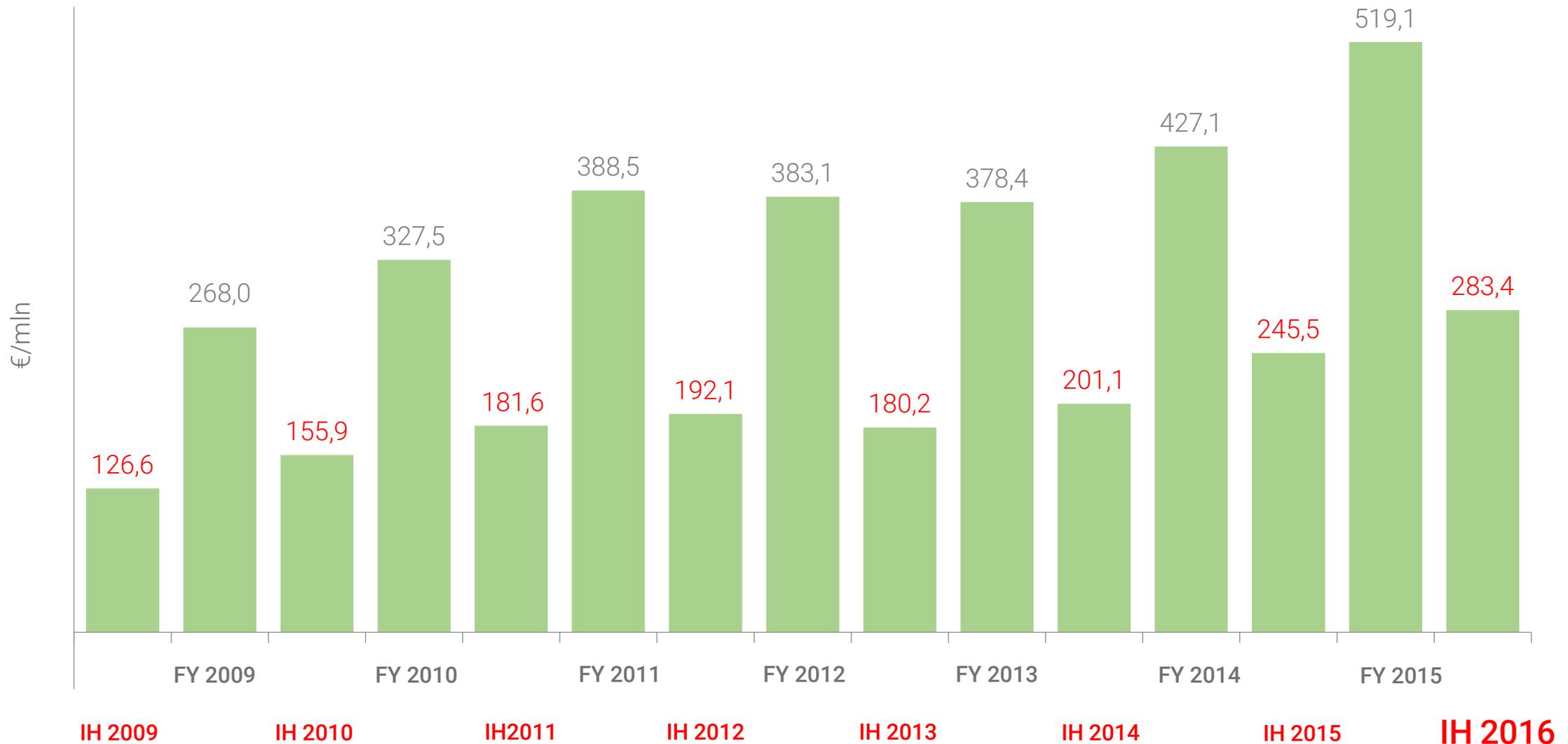
Pesaro. 4 p.m. August 3rd 2016

 **BIESSE**GROUP

# Extract of the P&L – IH 2016

€/mln	FY 2013	FY 2014	FY 2015	IH 2015	IH 2016	<i>IQ 2016</i>	<i>IIQ 2016</i>
<b>Net sales</b> year -1	378.4 -1.2%	427.1 +12.9%	519.1 +21.5%	245.5	283.4 +15.4%	117.6 +4.3%	165.8 +24.9%
<b>Value added</b> %	143.5 37.9%	169.1 39.6%	212.4 40.9%	101.9 41.5%	116.4 41.1%	50.9	65.5
<b>Labour cost</b> %	112.7 29.8%	128.2 30.0%	148.2 28.6%	73.0 29.7%	85.9 30.3%	41.2	44.7
<b>EBITDA</b> %	30.9 8.2%	40.9 9.6%	64.1 12.4%	29.0 11.8%	30.4 10.7%	9.6	20.8
<b>EBIT</b> %	18.1 4.8%	26.5 6.2%	43.8 8.4%	20.2 8.2%	20.9 7.4%	5.4	15.5
<b>Net Result</b> %	4.3 1.1%	13.8 3.2%	21.1 4.1%	10.5 4.3%	11.9 4.2%	3.1	8.8

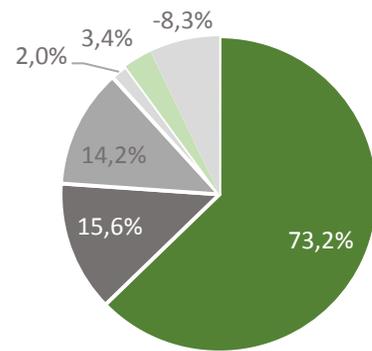
# Net Sales trend - IH



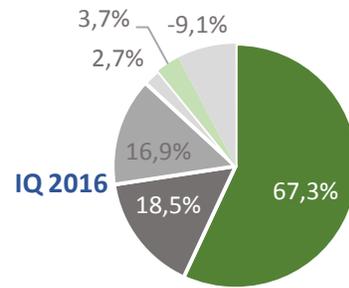
# Sales breakdown- IH

by business divisions

**FY 2015**

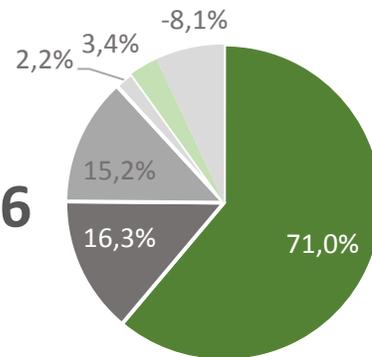


- Wood
- Glass & Stone
- Mechatronics
- Tooling
- Components
- Elisions



- Wood
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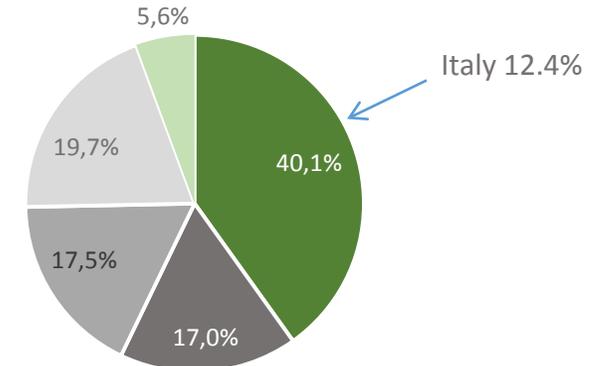
**IH 2016**



- Wood
- Glass & Stone
- Mechatronics
- Tooling
- Components
- Elisions

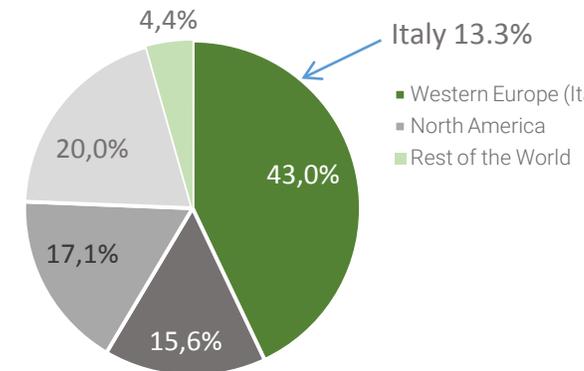
by main geo-areas

**FY 2015**



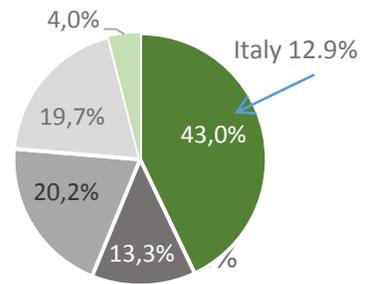
- Western Europe (Italy included)
- Eastern Europe
- North America
- Asia
- Rest of the World

**IH 2016**



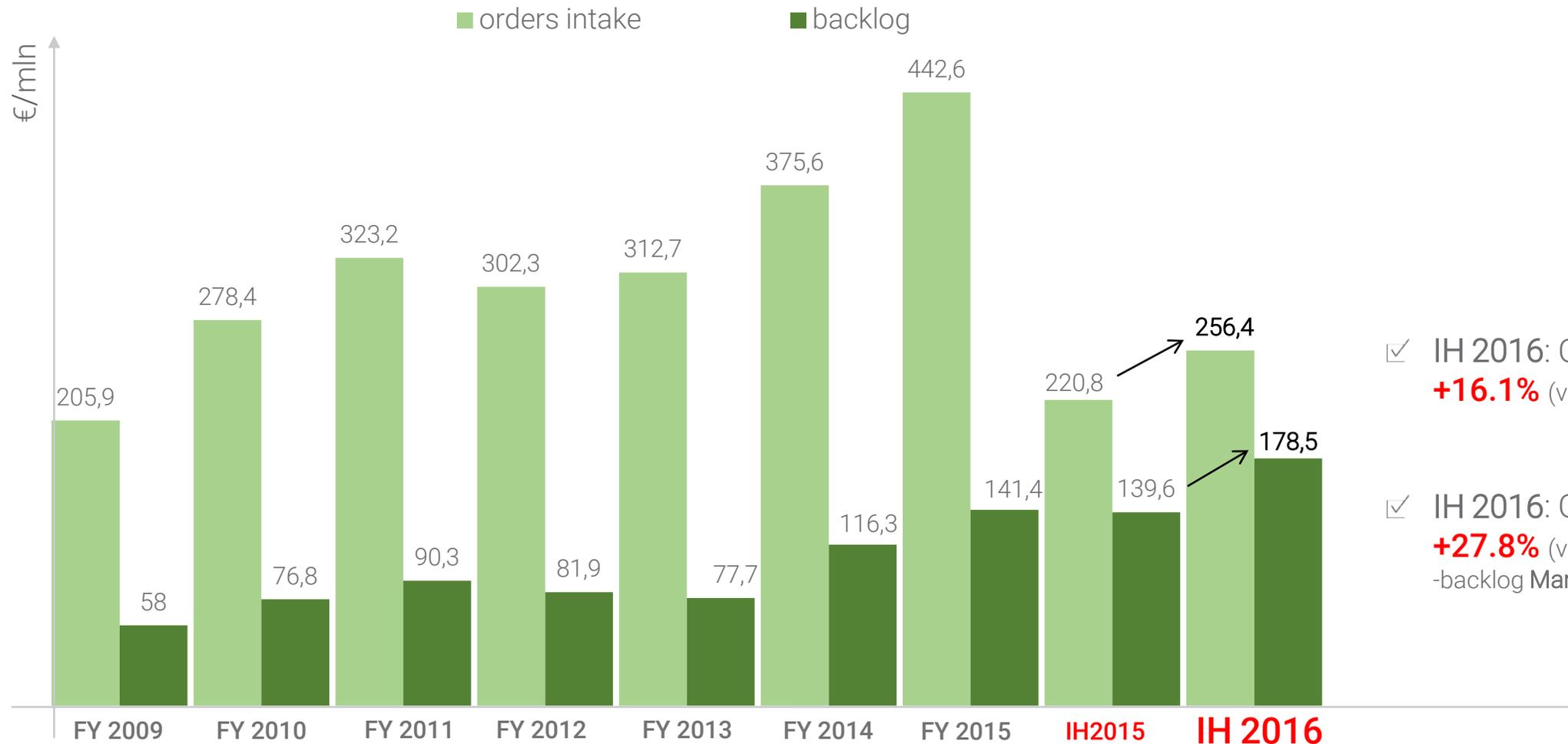
- Western Europe (Italy included)
- Eastern Europe
- North America
- Asia
- Rest of the World

**IQ 2016**



- Western Europe (Italy included)
- Eastern Europe
- North America
- Asia
- Rest of the World

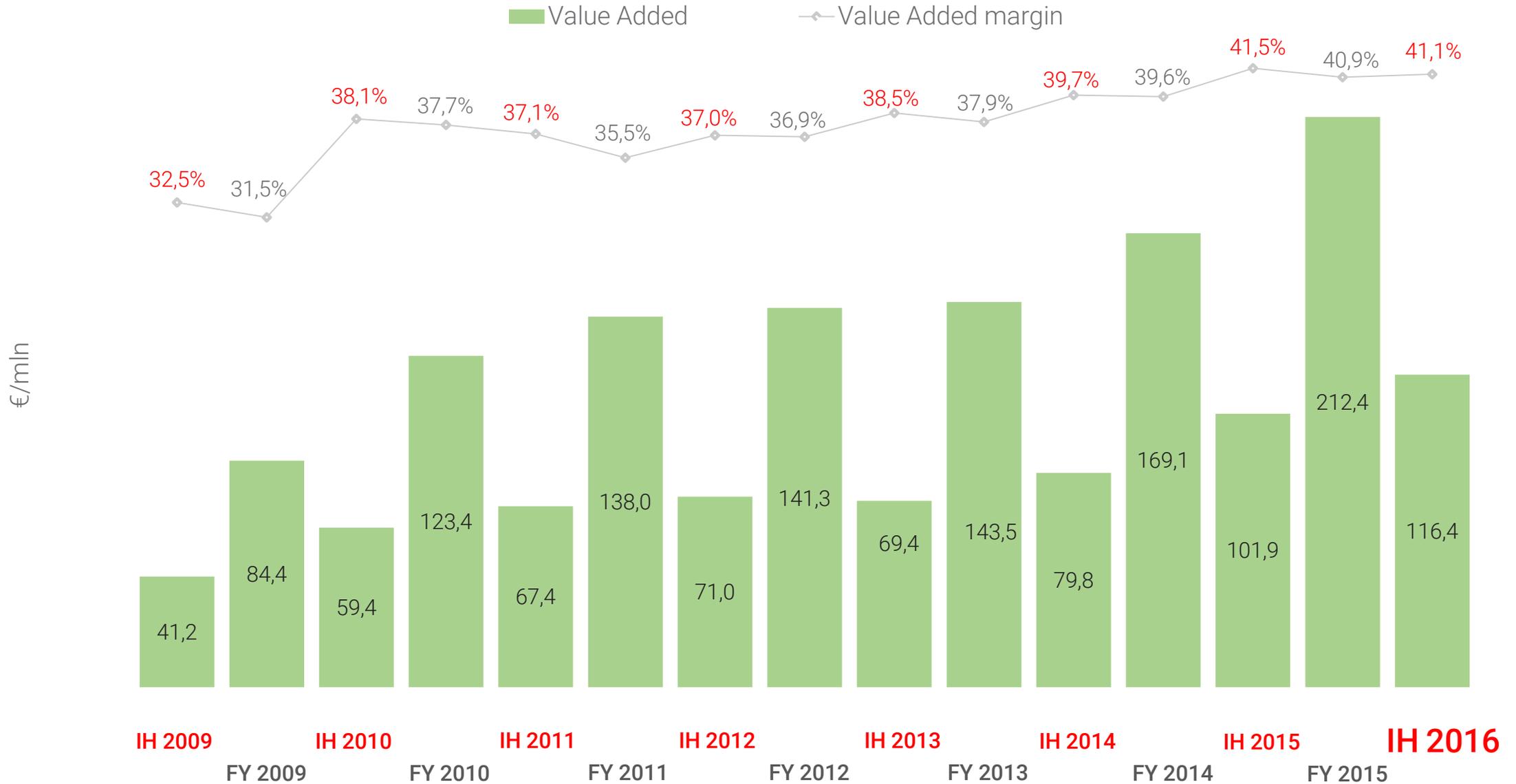
# orders intake & backlog



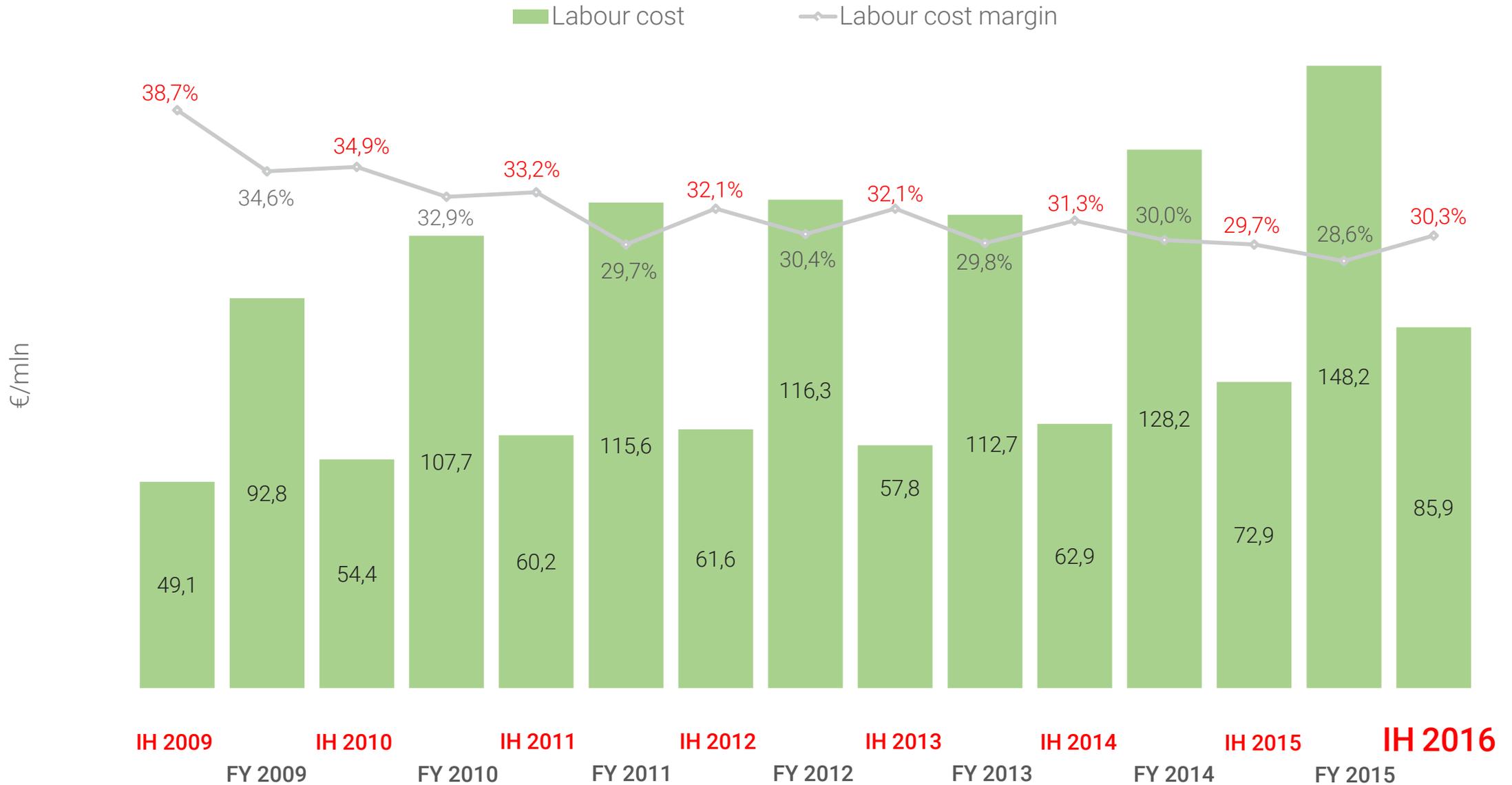
✓ IH 2016: Group orders intake  
**+16.1%** (vs. the same period 2015)

✓ IH 2016: Group backlog  
**+27.8%** (vs. the same period 2015)  
 -backlog March 2016 € 162.8 mln-

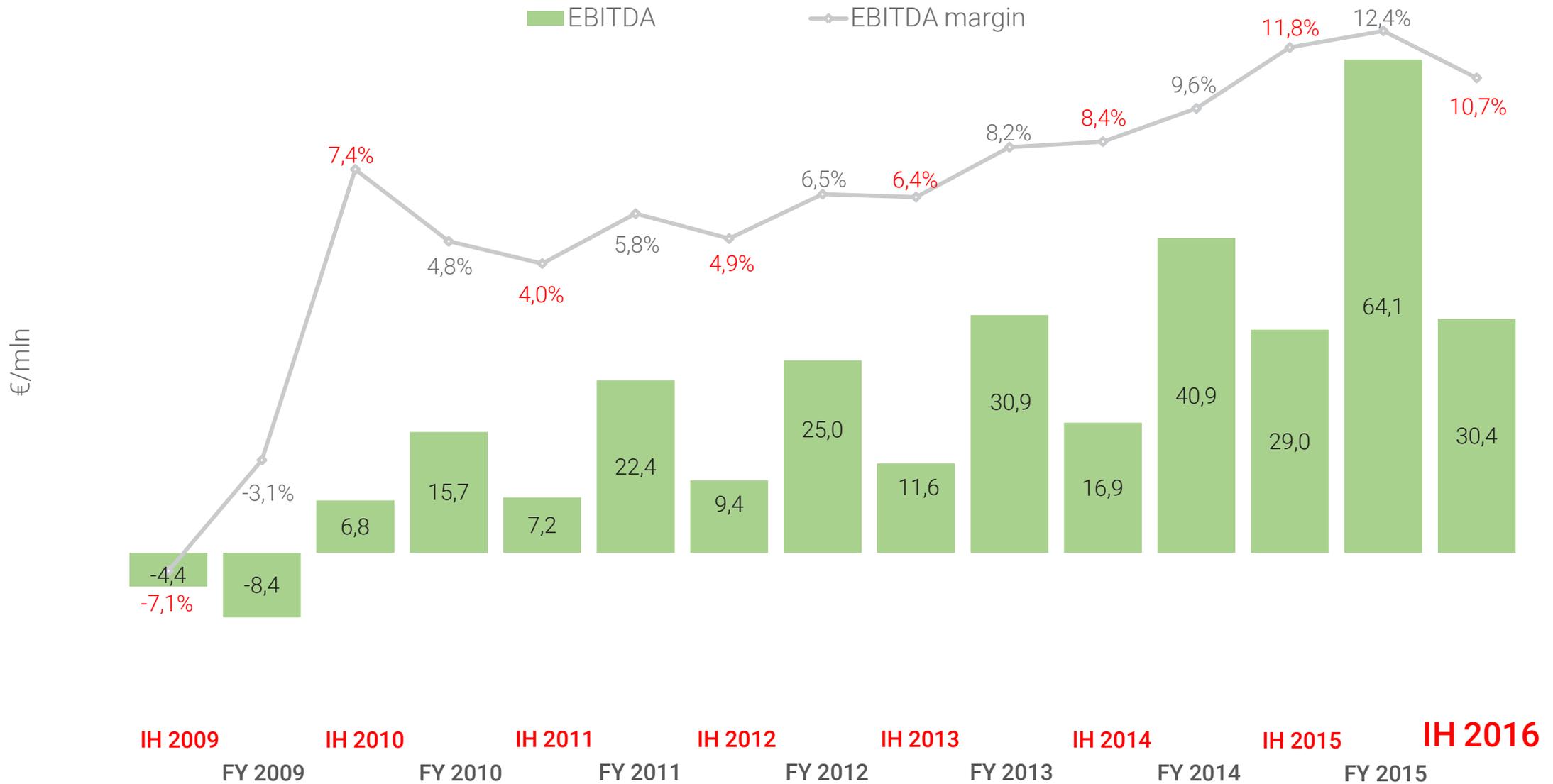
# Value added trend - IH



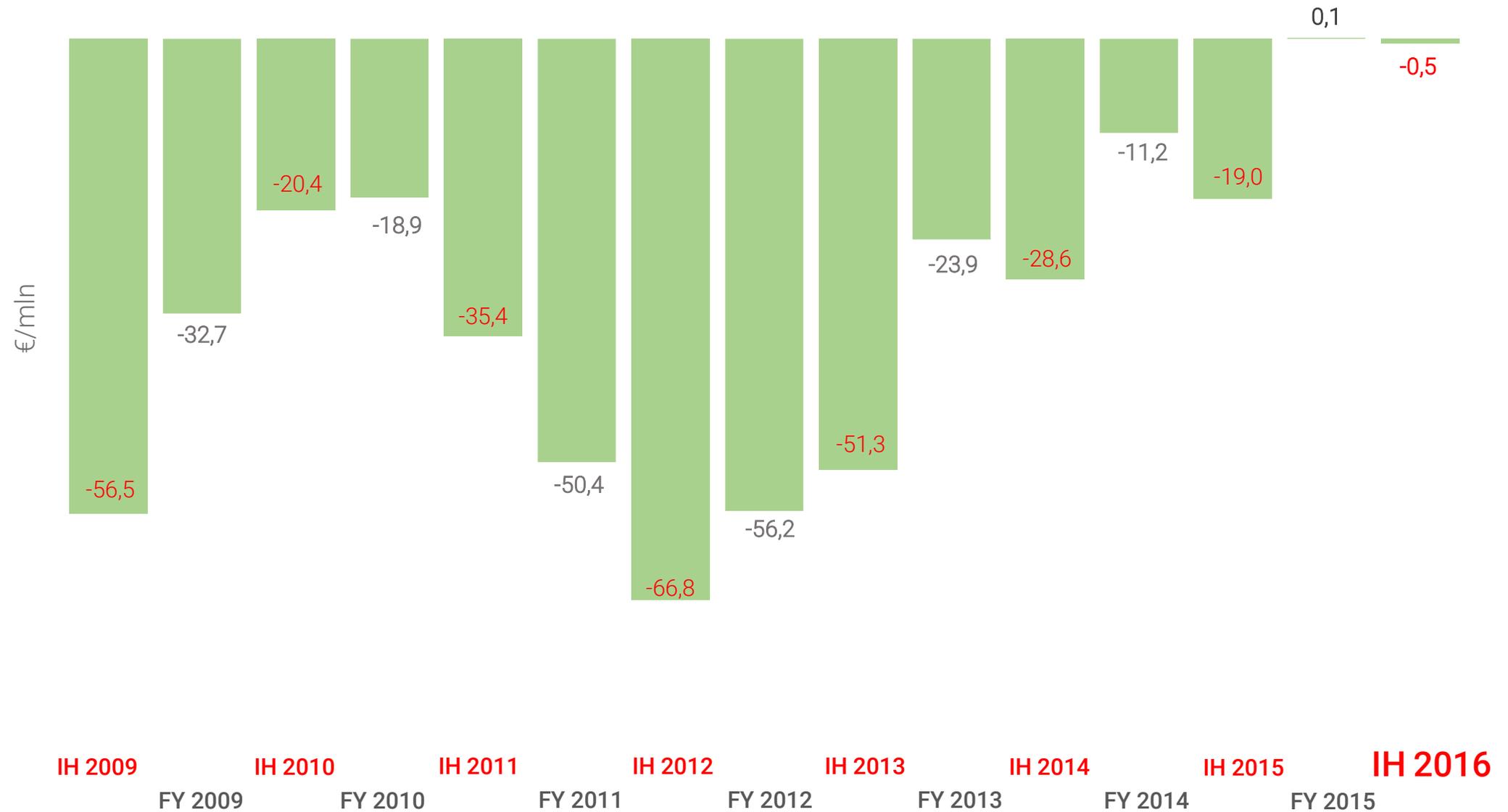
# Labour cost trend - IH



# EBITDA trend - IH



# Net Debt trend - IH



# Cashflow IH 2016

€/mln	FY 2013	FY 2014	FY 2015	IH 2015	IH 2016	IQ 2016
<b>Gross Cashflow</b> % net sales	52.1 <b>13.8%</b>	38.3 <b>9.0%</b>	46.3 <b>8.9%</b>	<b>+8.9</b>	<b>+24.5</b>	
Investments % net sales	-19.9 5.2%	-20.8 4.9%	-25.2 4.9%	-10.5	-13.1	
<b>Net Cashflow</b> %	<b>32.3</b> <b>8.5%</b>	<b>17.5</b> <b>4.1%</b>	<b>21.1</b> <b>4.0%</b>	<b>-1.6</b>	<b>11.4</b>	
not ordinary items (dividends/treasury shares activity balance /acquisitions payment)	--	-4.8 div. paid € 0.18 per share	-9.8 div. paid € 0.36 per share	-6.2 div. paid € 0.36 per share	-12.0 div. paid € 0.36 per share	
delta Net debt	+32.3	+12.7	+11.3	-7.8	-0.6	-11.9
<b>NET FINANCIAL POSITION</b>	<b>-23.9</b>	<b>-11.2</b>	<b>0.1</b>	<b>-19.0</b>	<b>-0.5</b>	<b>-11.8</b>

0.1

-19.0

-0.5

-11.8

# Operating Net Working Capital IH 2016

€/mln	FY 2013	FY 2014	FY 2015	IH 2015	IH 2016	FY 2016e	
Inventories % net sales	22.8%	23.0%	21.5%	50.6%	48.1%		DSI 196 days
Receivables % net sales	20.1%	18.9%	20.3%	40.6%	41.3%		DSO 64 days
Payables % net sales	29.4%	28.8%	29.5%	64.0%	68.7%		DPO 122 days
<b>Operating Net Working Capital % net sales</b>	<b>51.4 13.6%</b>	<b>55.6 13.0%</b>	<b>63.4 12.2%</b>	<b>66.8 27.2%</b>	<b>58.3 20.7%</b>	<b>72.0 12.6%</b>	

# People Distribution

\* including Uniteam people nr. 57

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	IH 2016
<b>Production</b> % of total people	965 41%	1.250 46%	1.265 45%	1.175 44%	1.201 42%	1.335 42%	1.414 41%
<b>Service &amp; After sale</b> % of total people	568 24%	577 21%	574 21%	613 22%	628 22%	690 22%	777 22%
<b>R&amp;D</b> % of total people	293 12%	316 12%	338 12%	321 12%	361 13%	383 13%	416 12%
<b>Sales &amp; Marketing</b> % of total people	340 13%	361 13%	364 13%	351 13%	439 15%	495 15.6%	548 16%
<b>G &amp; A</b> % of total people	202 9%	233 9%	242 9%	235 9%	252 9%	273 9%	304 9%
<b>ITALY</b> % of total people	1660 70%	1.656 61%	1.646 59%	1.547 57%	1.605 56%	1.780 56%	1.903 55%
<b>OUTSIDE ITALY</b> % of total people	708 30%	1.081 39%	1.136 41%	1.148 43%	1.276 44%	1.396 44%	1.556 45%
<b>TOTAL</b>	<b>2.368</b>	<b>2.737</b>	<b>2.782</b>	<b>2.695</b>	<b>2.881</b>	<b>3.176</b>	<b>3.459*</b>

delta 283 +8.9%  
temporary workers  
not included

# Tax rate comments

€/mln	FY 2015	IH 2015	IH 2016	<i>IQ 2016</i>
taxes	17.4	7.9	9.1	2.8
Net Result	21.1	10.5	11.9	3.1
tax rate	<b>45.3%</b>	<b>43.0%</b>	<b>43.2%</b>	47.1%

projected tax rate for the plan **34%**

Patent Box impact not relevant

conservative approach to the D.T.A. use

the positive effect of the IRAP decrease still not relevant in Italy during the first half

# Forecast

3 years business plan source

€/mln	IH 2015	FY 2015	IH 2016	FY 2016e
<b>net sales</b> year -1	245.6	519.1 + 21.5%	283.4 +15.4%	572.1 +10.2%
<b>ebitda</b> %	29.0 <b>11.8%</b>	64.1 <b>12.4%</b>	30.4 <b>10.7%</b>	73.6 <b>12.9%</b>
<b>ebit</b> %	20.2 <b>8.2%</b>	43.8 <b>8.4%</b>	20.9 <b>7.4%</b>	51.1 <b>8.9%</b>
<b>net financial position</b>	<b>-19.0</b>	<b>+0.1</b>	<b>-0.5</b>	<b>+3.5</b>

# Uniteam S.p.A. acquisition

- **May 19<sup>th</sup> 2016:** acquisition 100% Uniteam S.p.A. Thiene (Vicenza)
- **cost (paid by cash):** € 2.1 Euro mln
- **2015 Uniteam turnover:** 11.4 Euro mln
  
- **main activities:** 3.4.5 axis CNC centers for the processing of furniture. doors. windows and stairs (wood) – 5 axis CNC centers for the processing of carpentry and wood structure (xlam/CLT wood/house) – 3.4.5 axis CNC centers for the processing of plastics. composites. aluminum and special alloys (automotive. bio-medical . aerospace and nautical sector)
- **Orders backlog:** order (already signed) for a line in England (estimated value 10.1 Euro mln) dedicated for structural wood/houses

IH update

# Advanced Materials\*

Targets



**\*Advanced materials**

- ✓ Carbon Fiber
- ✓ Foam
- ✓ Composite
- ✓ Aluminium
- ✓ Titanium

IH 2016 update:

€ 4 mln sales (€ 1.5 mln in 2015)

“already done” 54% of the annual budget

# Advanced Materials\*

Business plan reminder  
Think4ward  
Strategy in actions  
Adv. Mat.

**\*Advanced materials**

- ✓ Carbon Fiber
- ✓ Foam
- ✓ Composite
- ✓ Aluminium
- ✓ Titanium

3 mln/€  
2015 target

3.5 mln/€  
2015e result

+16.7%  
On target

Our successful entry into the plastic & advanced materials sector confirms our **capability to diversify** into new sectors through our innovative **Mechatronics Division** and our **consolidated expertise**.

20 mln/€  
2018e target

In the future, we will expand our product offering in order to meet the needs of the entire market.

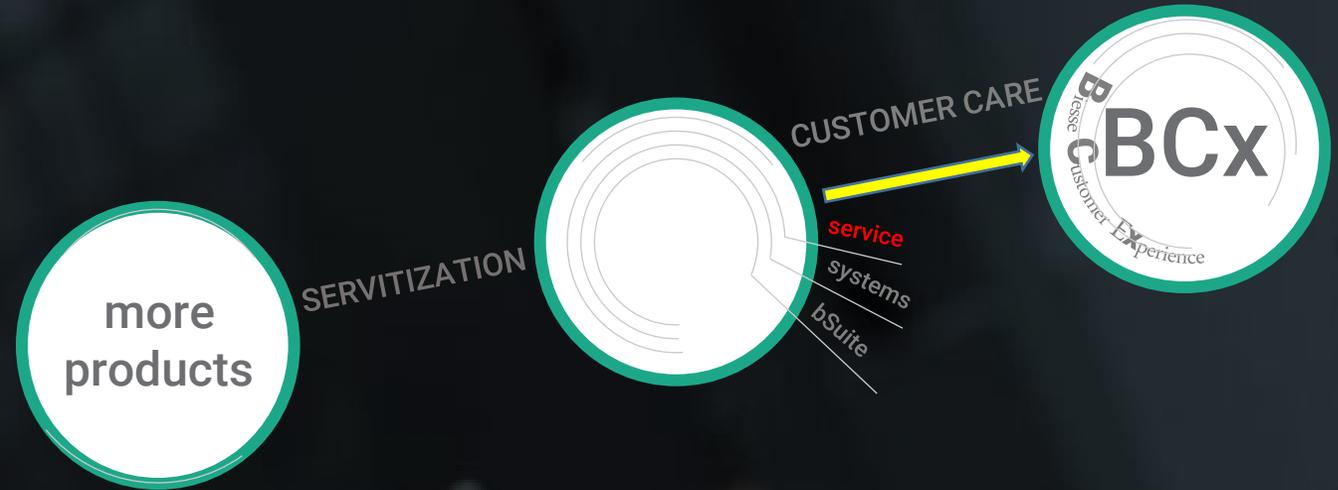
# Service revenues:

IH update

Targets



*extract from the 3 years business plan*



IH update

€ 43.1 mln sales (€ 38.6 mln in 2015)

incidence <sub>vs</sub> the consolidated turnover: 15.2%  
(same in 2015)

# Service revenues:

(17% incidence on the net consolidated sales at the end of 2015)

Service  
Think4ward  
Strategy in actions  
Business plan reminding

Our network supports **our customers worldwide**.  
Through Biesse service and Biesse parts, we offer **technical services and machine/component spares to businesses** anywhere in the world on-site, as well as on-line - 24/7.

## Our Service will evolve to **Service 2.0**

- ✓ **Proactivity:** leave "break & fix" service logics in the past and move onto **predictive services**
- ✓ **Spare Parts:** encourage a 24/7 assistance / no **down-time approach** with maintenance contracts
- ✓ Maintain **excellence** in terms of service levels

18.5%  
**2018 Target**  
incidence on Net Sales

# Press release extract

..... *“It is worth highlighting the extraordinary ability of the Biesse Group to generate organic revenue growth (+15.4% year-on-year in the first semester 2016) despite the existing political and economic turbulenc “ commented Mr. Stefano Porcellini Executive member of the Biesse Board of Directors and Group General Manager. “ The problems in Turkey and the negative implications – in terms of volatility – of Brexit have now been added to those caused by the recessions in Brazil and Russia. Nevertheless”, continued Mr Porcellini, “we have achieved an increase of 16.1% in order intake (compared to 30 June 2015) and a record order backlog (of over Euro 178 million). This is largely due to the untiring efforts made to improve the distribution network in recent years and to our reputation, which has never been stronger, for product innovation and reliability.*

*Biesse has reconfirmed its position as the leading Italian group in machinery for working wood, glass and stone and the second largest company in the sector worldwide in terms of revenues with growth that is significantly higher than that of our German competitor.*

*The sharp increase in revenues in the second quarter of 2016 (+24.9% year-on-year) has meant a similar increase in investments in personnel to manage this sudden growth. Therefore, the investments scheduled for the next two years have been brought forward. This decision will lead to an increase in personnel costs in 2016 as 150 new jobs planned for 2017 in the industrial and services areas have been brought forward. This could imply a small downgrade to profit forecasts for the current financial year but they remain in line with the medium-term targets in the three-year industrial plan.”.....*