

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

phone conference call
Pesaro, 4 p.m. – Aug 4th

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Biesse highlights IH 2017

orders intake: +15.3%

backlog: +14.7%

net sales: € 331.2 (+16.9%)

N.F.P.: negative € 3.8

EBITDA: € 40.8 (incidence on sales 12.3%)

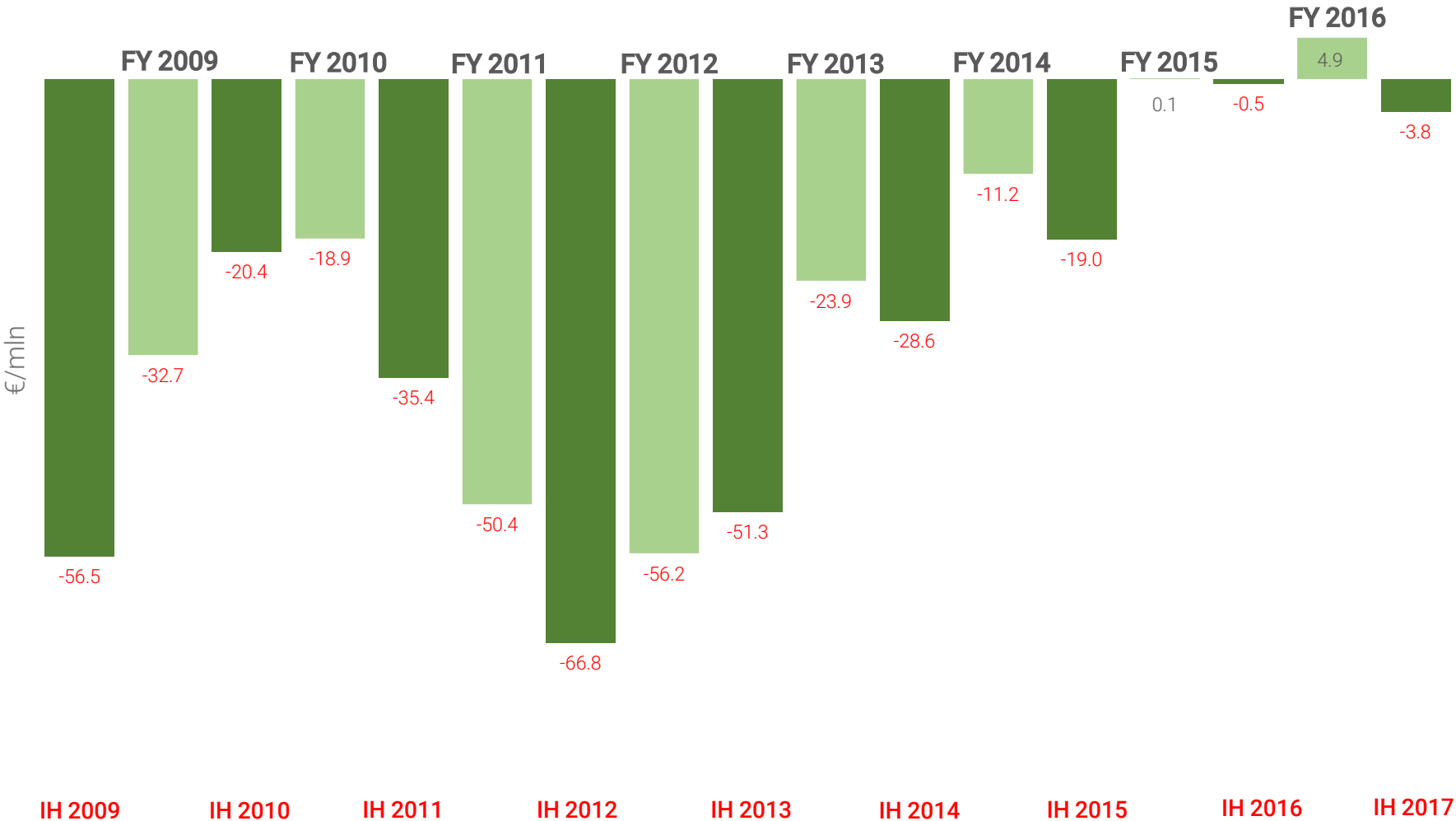
EBIT: € 29.6 (incidence on sales 8.9%)

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Extract of the P&L – IH 2017

€/mln	FY 2013	FY 2014	FY 2015	FY 2016	IH 2016	IH 2017
Net sales year -1	378.4 -1.2%	427.1 +12.3%	513.1 +21.5%	618.5 +19.1%	283.4 +15.4%	331.2 +16.9%
Value added %	143.5 37.3%	163.1 33.6%	212.4 40.3%	252.4 40.8%	116.4 41.1	139.1 42.0%
Labour cost %	112.7 23.8%	128.2 30.0%	148.2 28.6%	176.6 28.6%	86.0 30.3%	98.3 29.7%
EBITDA %	30.3 8.2%	40.3 3.6%	64.1 12.4%	75.8 12.3%	30.4 10.7%	40.8 12.3%
EBIT %	18.1 4.8%	26.5 6.2%	43.8 8.4%	56.3 8.1%	20.9 7.4%	29.6 8.9%
Net Result %	4.3 1.1%	13.8 3.2%	21.1 4.1%	29.5 4.8%	12.0 4.2%	17.5 5.3%
				tax rate	43.2%	37.2%

Net Financial Position trend – first half



Cashflow IH 2017

€/mln	FY 2013	FY 2014	FY 2015	FY 2016	IH2016	IH 2017
Gross Cashflow % net sales	52.1 13.8%	38.3 3.0%	46.3 8.3%	46.6 7.5%	22.4	18.1
Investments % net sales	-13.3 5.2%	-20.8 4.3%	-25.2 4.3%	-32.0 5.2%	-13.2	-16.5
Net Cashflow %	32.3 8.5%	17.5 4.1%	21.1 4.0%	14.6 2.4%	9.2	1.6
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	-9.8	-10.3
delta Net debt	+32.3	+12.7	+11.3	4.8	-0.6	-8.7
NET FINANCIAL POSITION	-23.3	-11.2	0.1	4.9	-0.5	-3.8

Operating Net Working Capital IH 2017

€/mln	FY 2013	FY 2014	FY 2015	FY 2016	IH 2016	IH 2017	
Inventories % net sales	22.8%	23.0%	21.5%	21.1%	48.1%	43.8%	DSI 171 days
Receivables % net sales	20.1%	18.3%	20.3%	20.8%	41.3%	35.7%	DSO 54 days
Payables % net sales	23.4%	28.8%	23.5%	31.1%	68.7%	62.0%	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%	71.6 20.7%	72.7 17.5%	target incidence <12%

half year

IH 2017 vs IH 2007

€/mIn

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017e
net sales	466.0	454.3	268.0	327.5	388.5	383.1	378.4	427.1	519.1	618.5	676.3
	17.5%	-2.5%	-41.0%	22.2%	18.6%	-1.4%	-1.2%	12.9%	21.5%	19.1%	9.3%
labour cost	-103.9	-110.9	-92.8	-107.7	-115.6	-116.3	-112.7	-128.2	-148.2	-176.6	-201.0
	-22.3%	-24.4%	-34.6%	-32.9%	-29.7%	-30.4%	-29.8%	-30.0%	-28.6%	-28.6%	-29.7%
EBITDA	79.1	57.3	-8.4	15.7	22.4	25.0	34.3	39.6	64.1	75.8	83.3
	17.0%	12.6%	-3.2%	4.8%	5.8%	6.5%	9.1%	9.3%	12.4%	12.3%	12.3%
EBIT	65.4	35.7	-32.9	0.1	5.7	0.3	18.1	24.8	43.7	55.1	60.6
	14.0%	7.9%	-12.3%	0.0%	1.5%	0.1%	4.8%	5.8%	8.4%	8.9%	9.0%
net result	41.7	20.2	-27.3	-5.7	-2.4	-6.5	6.4	13.8	21.1	29.5	37.8

Net sales
year -1

Value added
%

Labour cost
%

EBITDA
%

EBIT
%

Net Result
%

	IH 2017	IH 2007
Net sales	331.2 +16.9%		226.6 +28.2%
Value added	139.1 42.0%		92.4 40.8%
Labour cost	98.3 29.7%		53.0 23.4%
EBITDA	40.8 12.3%		41.0 18.1%
EBIT	29.6 8.9%		33.5 14.8%
Net Result	17.5 5.3%		19.4 8.6%

..10 years later

tax rate

37.2%

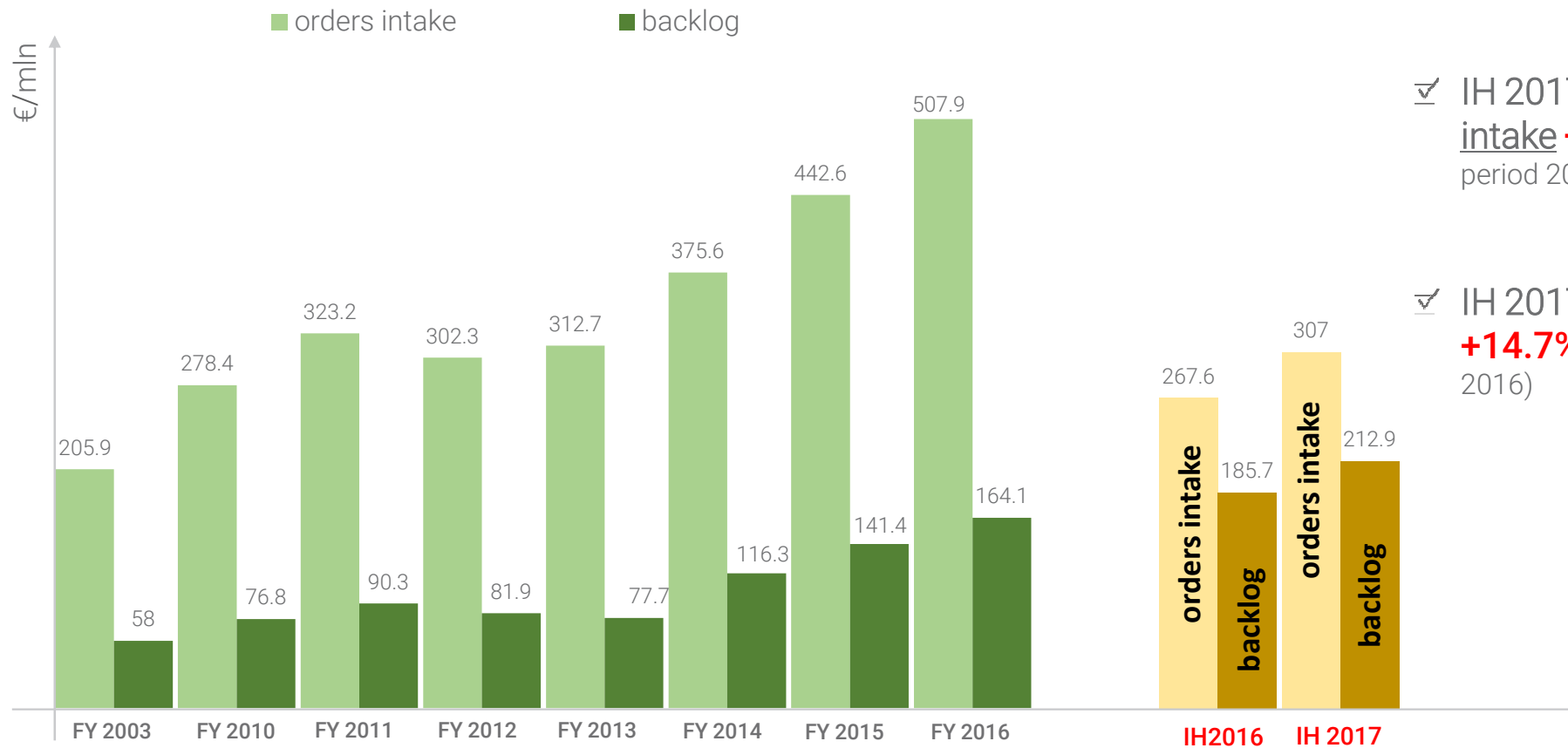
42.0%

Biesse highlights IH 2017

Orders & Sales breakdown

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orders intake & backlog



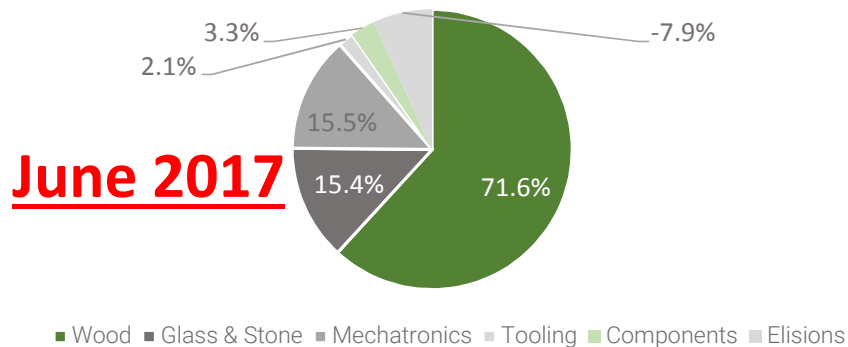
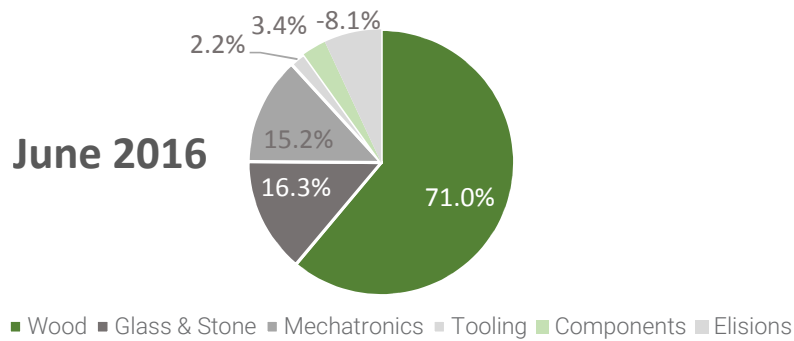
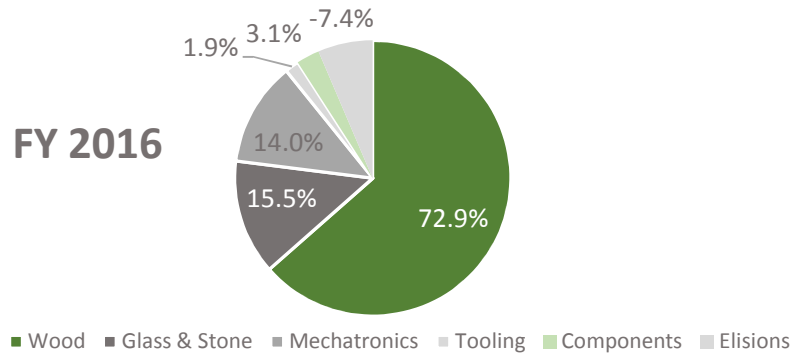
✓ IH 2017: Group orders intake **+15.3%** (vs. the same period 2016)

✓ IH 2017: Group backlog **+14.7%** (vs. the same period 2016)

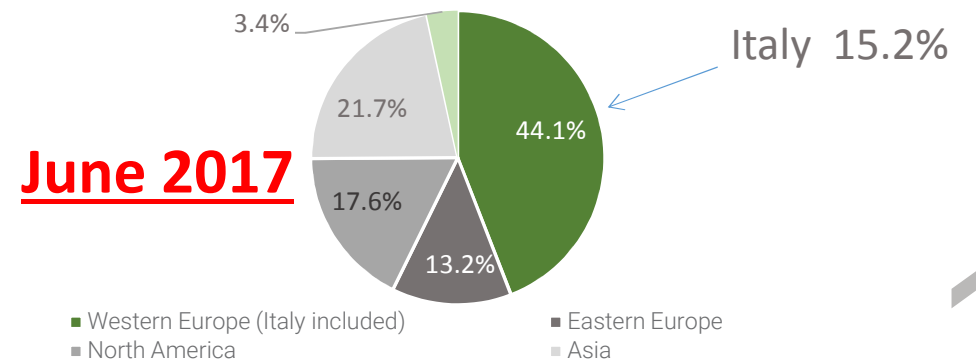
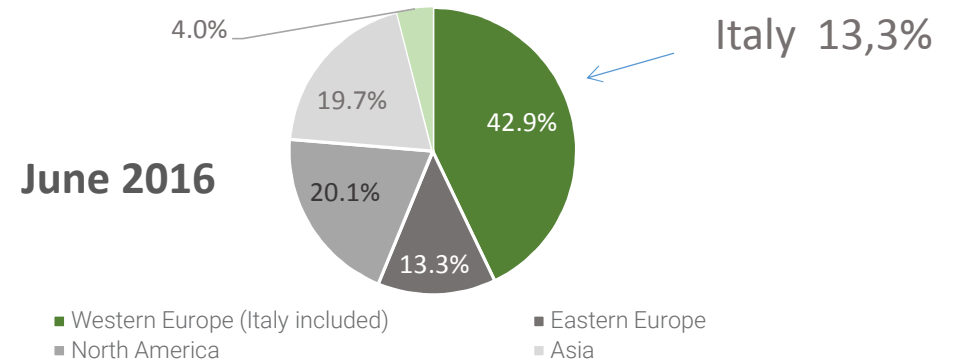
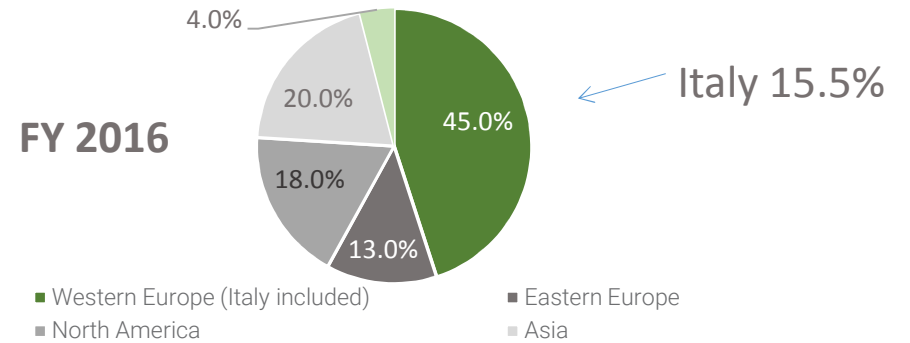
Sales breakdown- June 2017

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by business division



by main geo-area



Biesse highlights IH 2017

Service project

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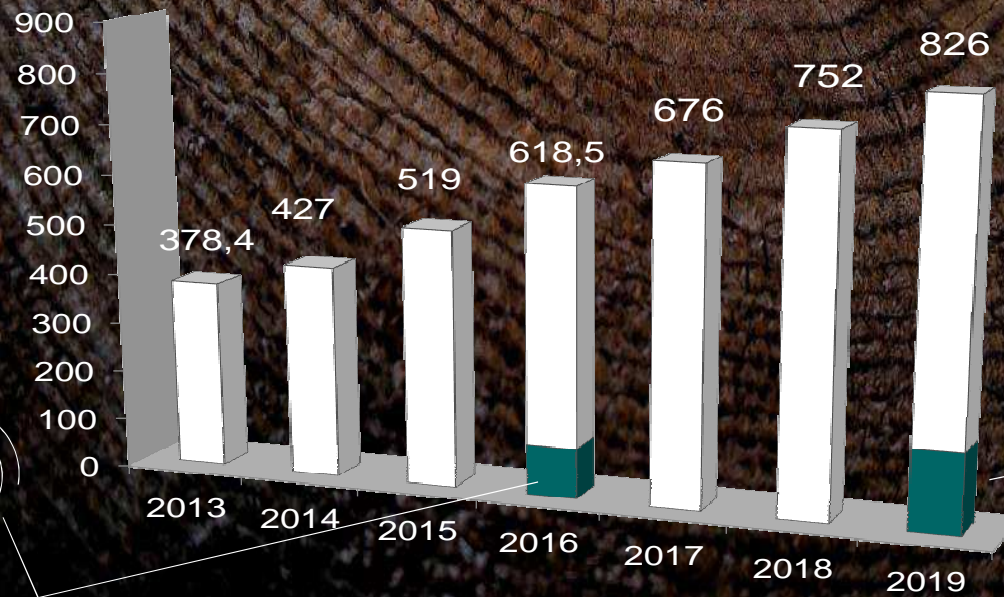
Service

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

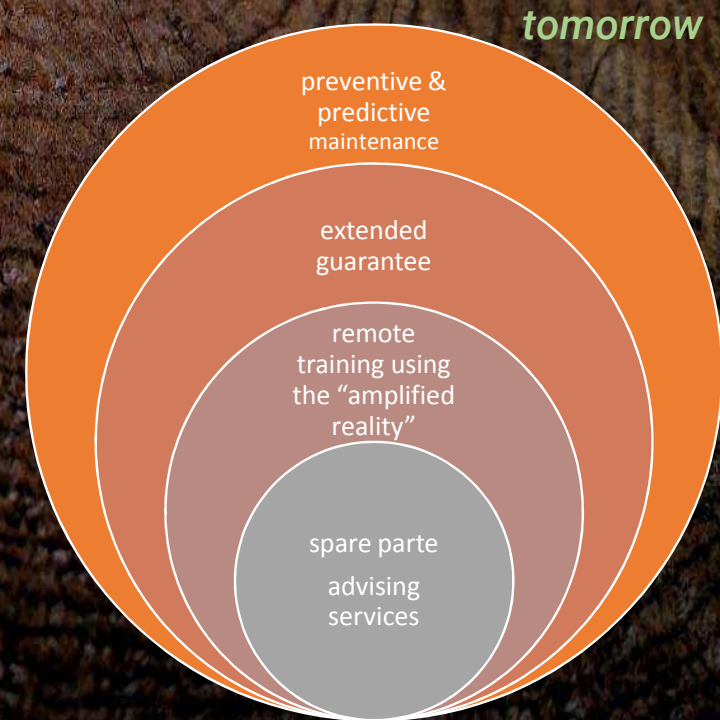
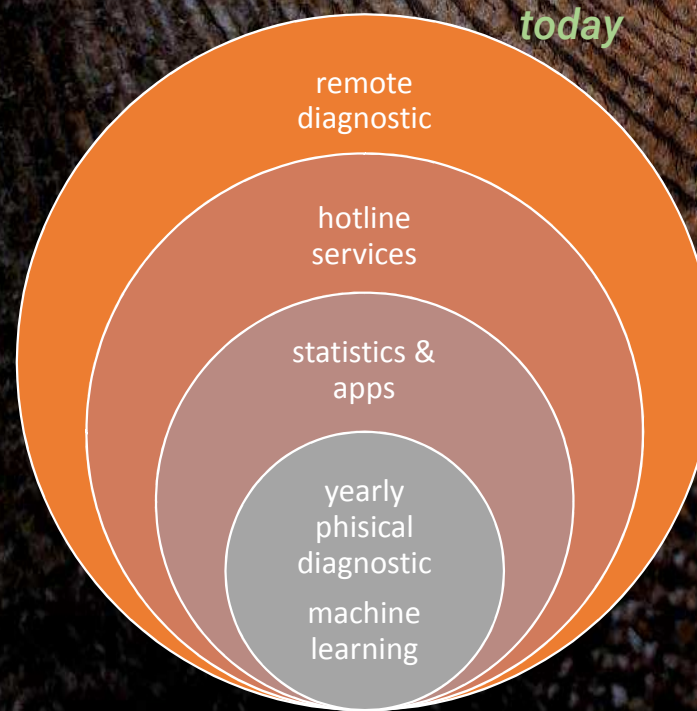


Sophia

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**.

SERVICES
OPTIMIZATION
PREDICTIVITY
HUMAN
INNOVATION
ANALYSIS

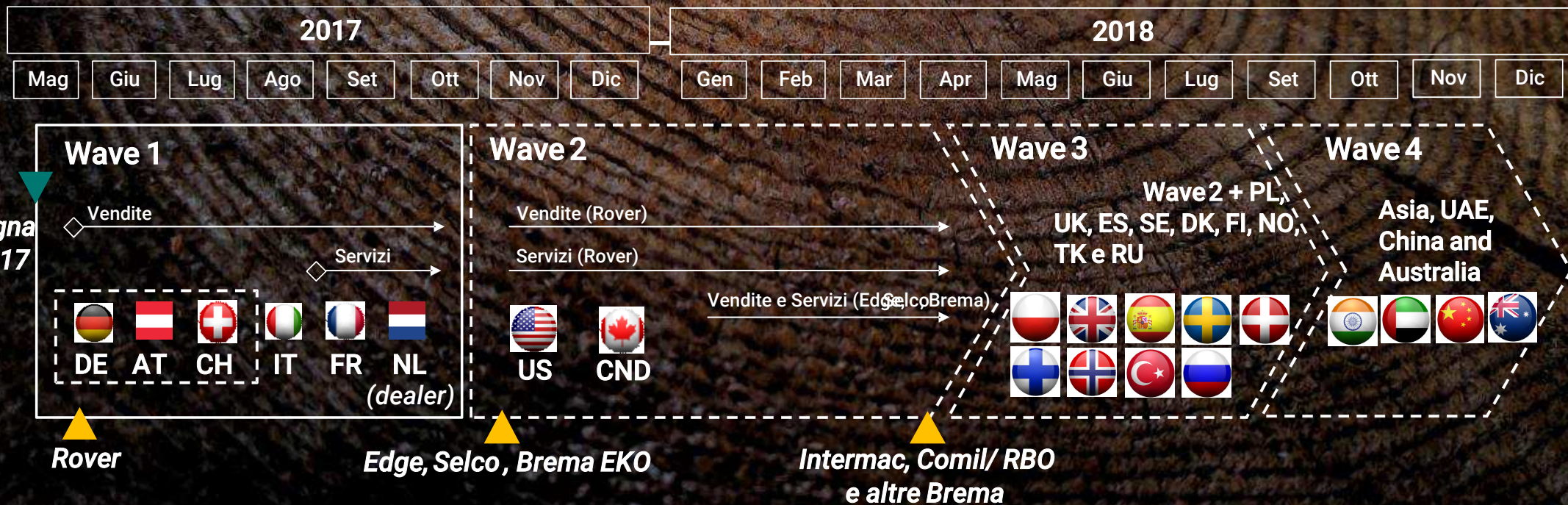


Roadmap

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 IH 2017

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	June 2016	June 2017
Production <small>% of total people</small>	365 41%	1250 46%	1265 45%	1175 44%	1201 42%	1335 42%	1482 41%	1414 41%	1494 40%
Service & After sale <small>% of total people</small>	568 24%	577 21%	574 21%	613 22%	628 22%	630 22%	803 22%	777 22%	867 23%
R&D <small>% of total people</small>	233 12%	316 12%	338 12%	321 12%	361 13%	383 13%	436 12%	416 12%	447 11.8%
Sales & Marketing <small>% of total people</small>	340 13%	361 13%	364 13%	351 13%	433 15%	435 15.6%	587 16%	548 16%	631 16.7%
G & A <small>% of total people</small>	202 3%	233 3%	242 3%	235 3%	252 3%	273 3%	310 8.5%	304 9%	332 8.8%
ITALY <small>% of total people</small>	1660 70%	1656 61%	1646 53%	1547 57%	1605 56%	1780 56%	2.009 56%	1903 55%	2108 55%
OUTSIDE ITALY** <small>% of total people</small>	708 30%	1081 33%	1136 41%	1148 43%	1276 44%	1336 44%	1.609 44%	1556 45%	1663 45%
TOTAL	2368	2737	2782	2635	2881	3176	3.618	3,459	3,771 <small>+9%</small>

People distribution

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	June 2016	June 2017
ITALY % of total people	1660 70%	1656 61%	1646 53%	1547 57%	1605 56%	1780 56%	2009 56%	1903 55%	2108 56%
OUTSIDE ITALY** % of total people	708 30%	1081 33%	1136 41%	1148 43%	1276 44%	1336 44%	1609 44%	1556 45%	1663 44%
TOTAL	2368	2737	2782	2635	2881	3176	3618	3,459	3,771

vs dec 2016: **+153** without interim people (+4.2%)
(+90 Italy +54 Subsidiaries)

interim people at the end of December 2016: **191**
interim people at the end of June 2017: 193

IH 2017: 3,771

without interim people

IH 2017: 3,964

with interim people

Biesse three years plan remind

C.A.G.R. 2017-2018-2019:
net sales 10.1%
ebitda 11.6%
ebit 12.6%

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growth driver: main factors

- ✓ urbanization factor
- ✓ substitution cycle
- ✓ digitalization demand - energy efficiency
- ✓ software integration increase – Industry 4.0 capabilities and incentives
- ✓ diversification into new segments

CSIL latest update:

- ✓ the furniture world consumption is close to 410 USD billions
- ✓ production growing countries: Asia Pacific
- ✓ furniture import countries: U.S.A. Germany U.K. France & Canada
- ✓ China production: 39% of the world furniture production is “made in China”

Shareholders & Shares

shareholders and B.o.D. structure
share analysys

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Shareholders breakdown by ownership – Board of Directors

