

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

phone conference call
Pesaro, 4 p.m. – Feb 28th

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Biesse highlights FY 2017e

orders intake: +17%

backlog: +31%

group: nr. 4,042
(including temporary people)

net sales: € 690.3 (+11.6%)

net financial position.: positive € 30.3

ebitda: € 89 (incidence on sales 12.9%)

ebit: € 63.5 (incidence on sales 9.2%) after non recurring items

net result: € 42.3 (incidence on sales 6.1%)

€/mln

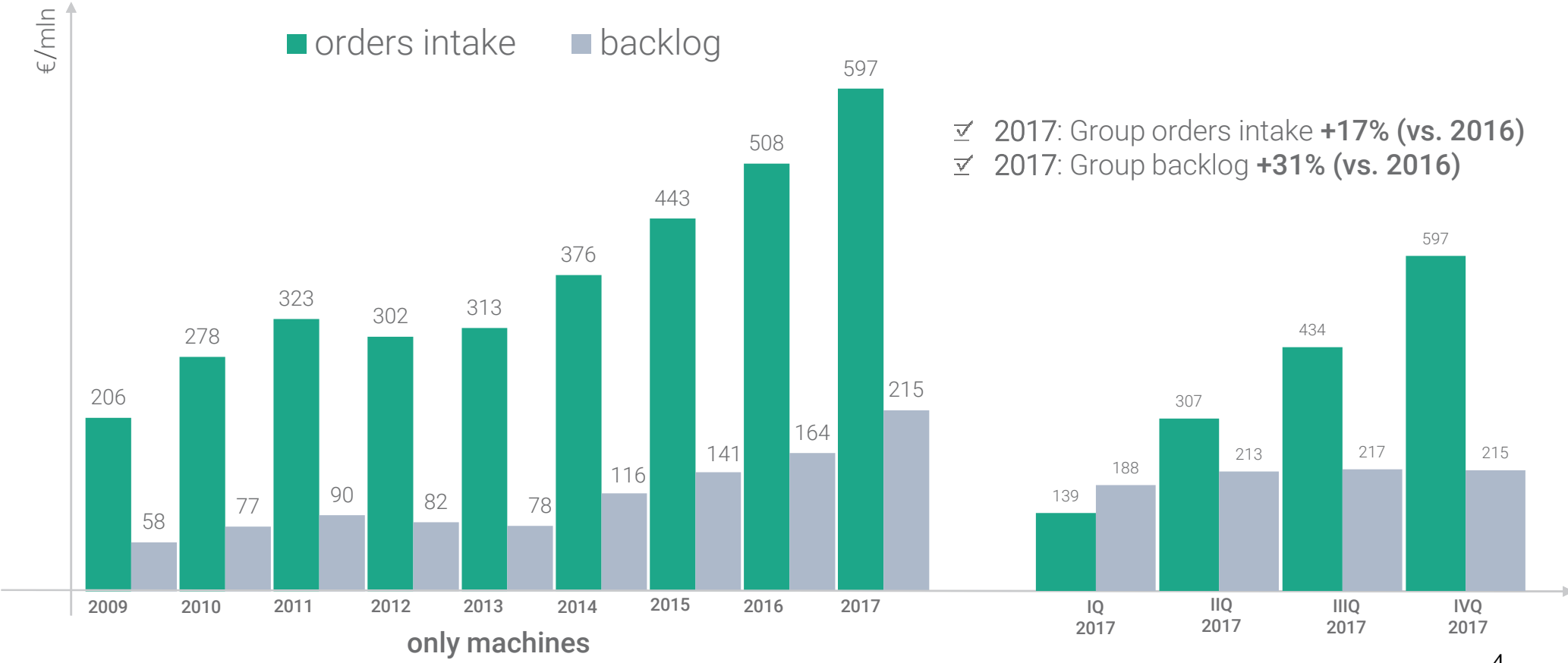
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Extract of the P&L – FY 2017e

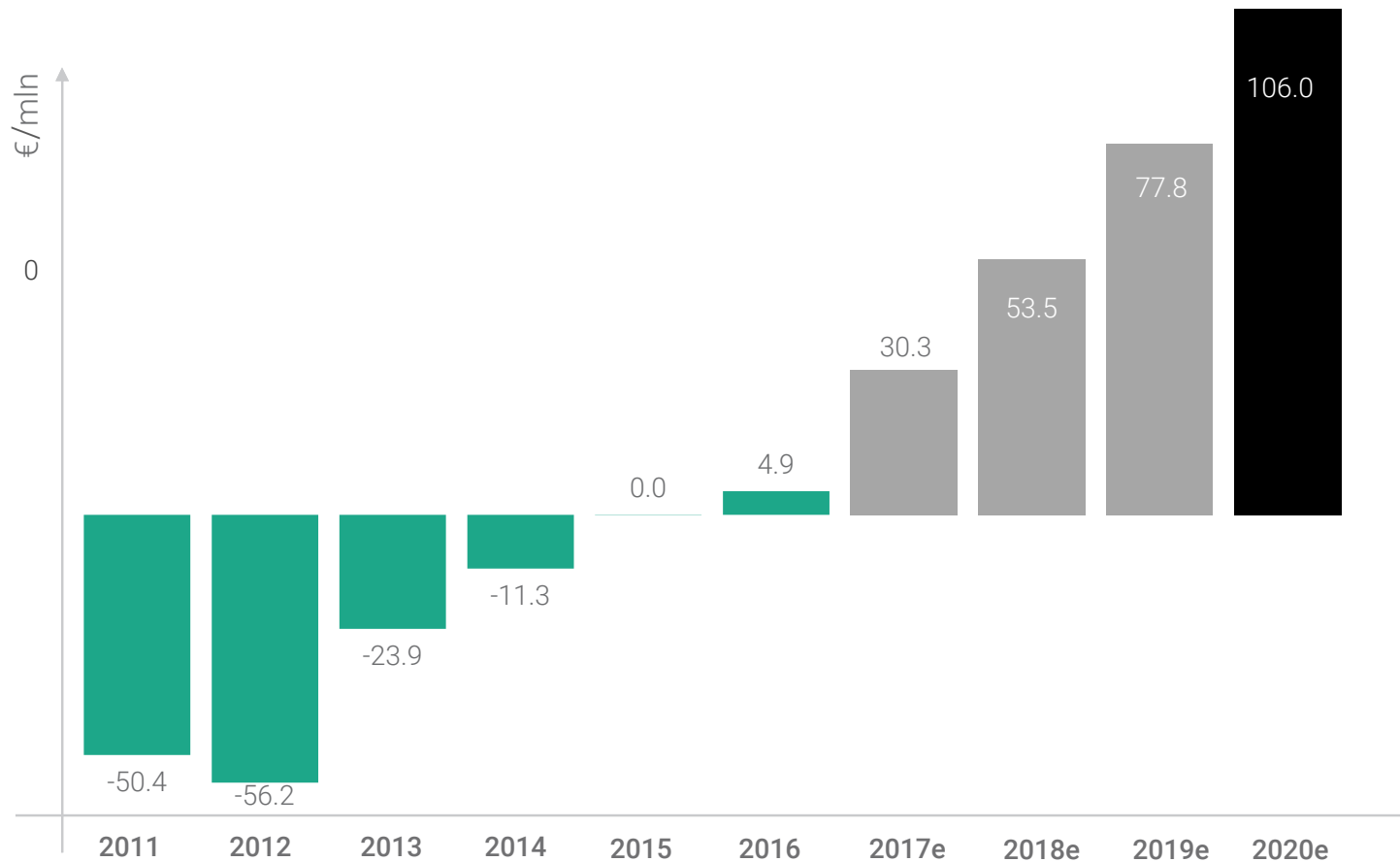
€/mln	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017e
Net sales year -1	378.4 -1.2%	427.1 +12.3%	513.1 +21.5%	618.5 +19.1%	690.3
Value added %	143.5 37.3%	163.1 33.6%	212.4 40.3%	252.4 40.8%	289.3 41.9%
Labour cost %	112.7 23.8%	128.2 30.0%	148.2 28.6%	176.6 28.6%	200.4 29%
EBITDA %	30.3 8.2%	40.3 3.6%	64.1 12.4%	75.8 12.3%	89.0 12.9%
EBIT* %	18.1 4.8%	26.5 6.2%	43.8 8.4%	55.1 8.9%	63.5 9.2%
Net Result %	4.3 1.1%	13.8 3.2%	21.1 4.1%	29.5 4.8%	42.3
				tax rate 43.8%	30.3%

*after non recurring items

GROUP ORDERS INTAKE & BACKLOG



NET DEBT



Positive cash flow.

- ✓ Starting point: huge, **positive Net Financial Position** at the end of 2017
- ✓ Continuing to invest in **R&D around 1.5% of Net Sales (capitalized) – effective 4%**
- ✓ **Cash Flow** finances the projected increasing CAPEX to support our growth forecast
- ✓ Paid yearly **dividends** (since 2014 for four years) for a total amount of > € 34 mln

CASHFLOW NET DEBT

€/mln

	2013	2014	2015	2016	2017e	2020e
Gross Cashflow	52.0	38.3	46.3	46.7	74.4	95.3
% net sales	13.8%	9.0%	8.9%	7,5%	10.8%	10.5%
Investments	-19.8	-20.8	-25.2	-32.0	-39.2	-50.5
% net sales	5.2%	4.9%	4.9%	5.2%	5.7%	5.6%
Net Cashflow	32.2	17.5	21.1	14.7	35.2	44.8
% net sales	8.5%	4.1%	4.1%	2.4%	5.1%	4.9%
dividends		-4.8	-9.8	-9.8	-9.8	-16.6
		0.18 per share	0.36 per share	0.36 per share	0.36 per share	30% of net profit
Δ Net Debt		12.7	11.3	4.9	25.4	
Net Debt	-23.9	-11.3	0.0	4.9	30.3	106.0

OPERATING NET WORKING CAPITAL

€/mln	2013	2014	2015	2016	2017e	2020e	Targets
Inventories % net sales	22.8%	23.0%	21.5%	21.1%	20.7%	20.0%	<21%
Receivables % net sales	20.1%	18.9%	20.3%	20.8%	17.3%	19.2%	DSO 55 days
Payables % net sales	29.4%	28.8%	29.5%	31.1%	32.3%	31.4%	DPO 120 days
Operating Net Working Capital	51.4	55.6	63.4	66.9	39.4	70.2	
% net sales	13.6%	13.0%	12.2%	10.8%	5.7%	7.7%	

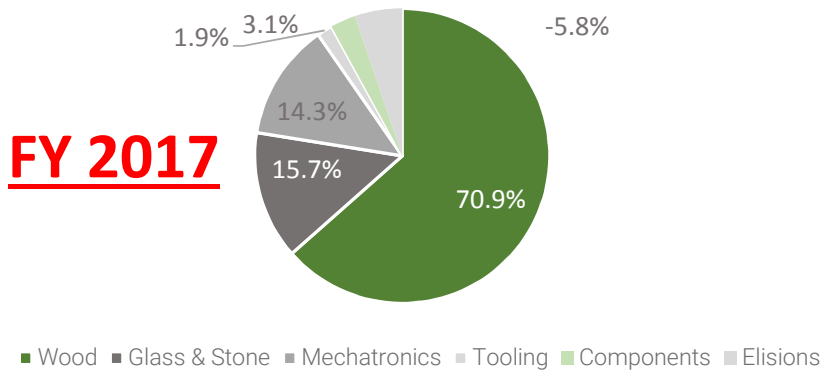
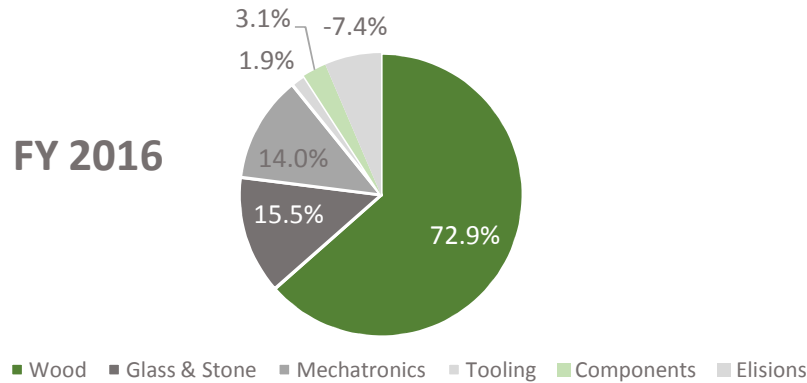
Biesse highlights FY 2017e

Orders & Sales breakdown

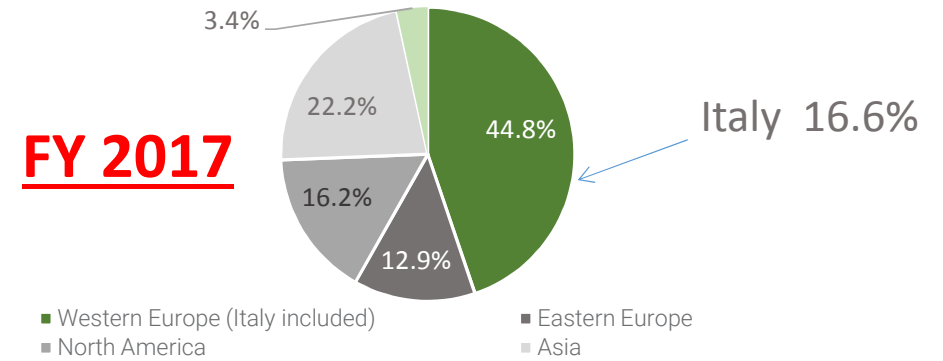
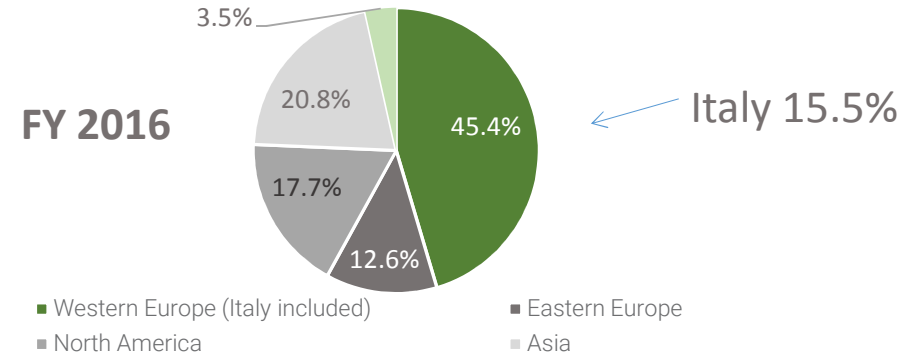


Sales breakdown- December 2017

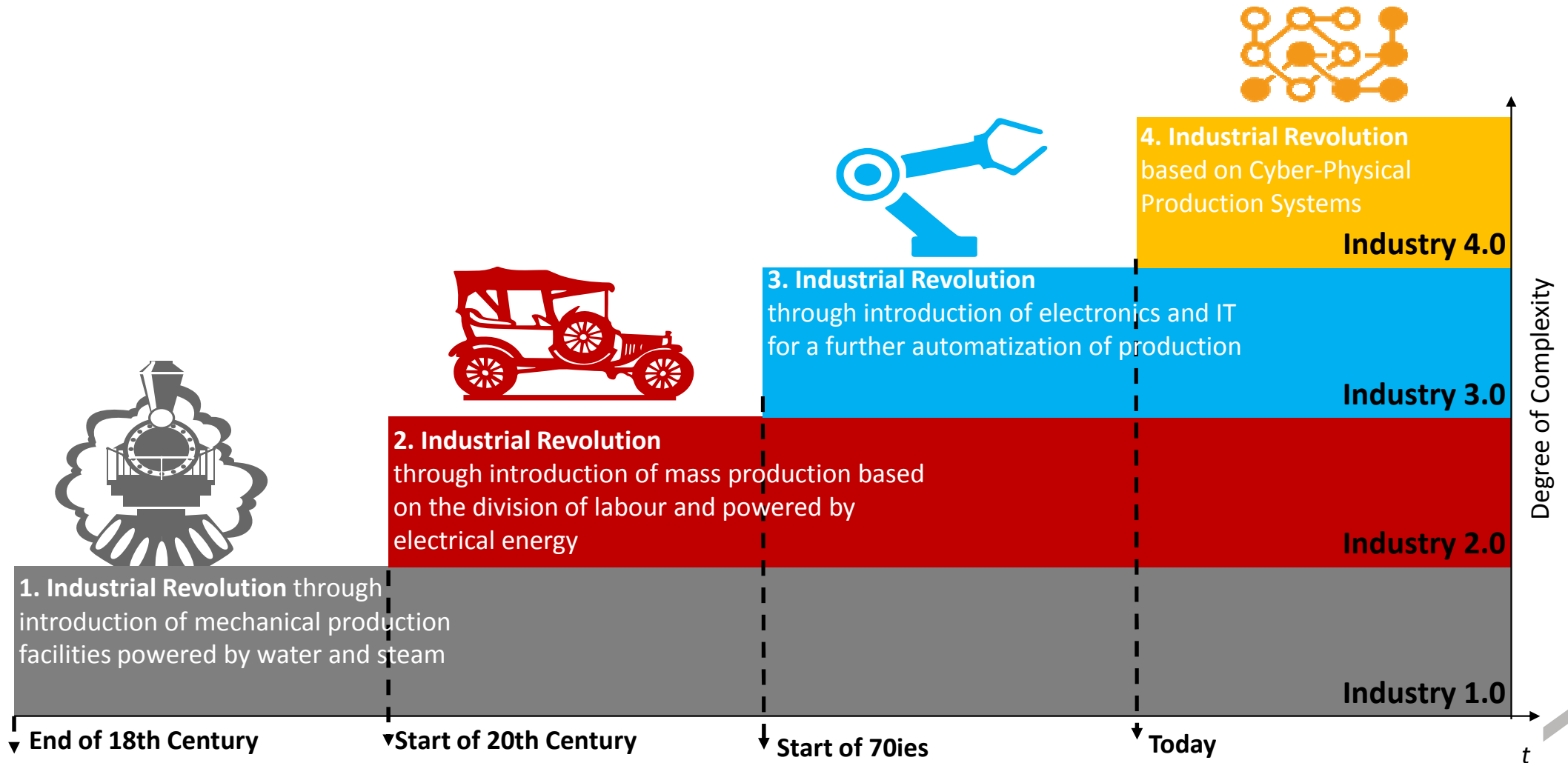
by business divisions



by main geo-areas



THE FOURTH INDUSTRIAL REVOLUTIONS



SOPHIA IS BORN

BIESSE CHOSE ACCENTURE'S INDUSTRY X.0 TO LEAD IN THE NEW



SOPHIA is the IoT platform, created by Biesse in collaboration with Accenture, which enables its customers to access a wide range of services to streamline and rationalise their work management processes.



Smart Products



Smart Services



New Customer Experiences

IIOT - SOPHIA

IoT Biesse Service Pack

- Priority service and extended coverage
- Continuous connection with the Biesse control center
- Direct monitoring of machine performance through a dedicated app
- Analysis of machine downtime, remote diagnostics and fault prevention
- On-site functional checks and technical inspections within the warranty period
- Proactive call after machine downtime notification
- Extended hours for service coverage from 8 to 12 hours per day

SOPHIA



SOPHIA IS STILL EVOLVING

3-Year Business Plan

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Biesse Customer Experience



S O P H I A

SERVICES

Biesse supports its customers, offering technological connectivity, sharing of expertise, professional consulting services, training and ongoing assistance.

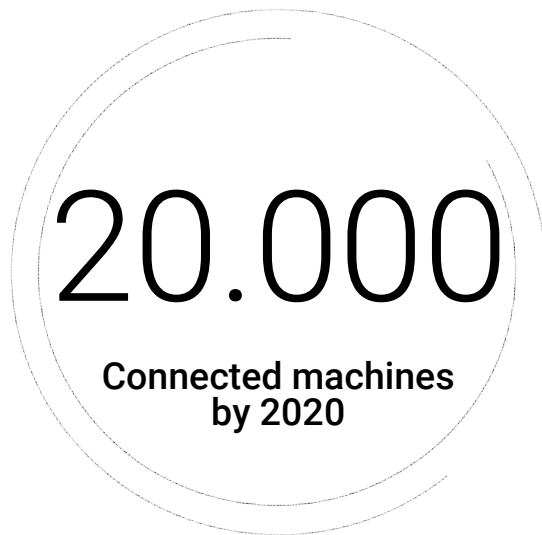
PREDICTIVE

SOPHIA helps to prevent problems that could damage customer production. Biesse takes proactive steps to contact customers, reducing machine downtime and inefficient wasted time.

ANALYSIS

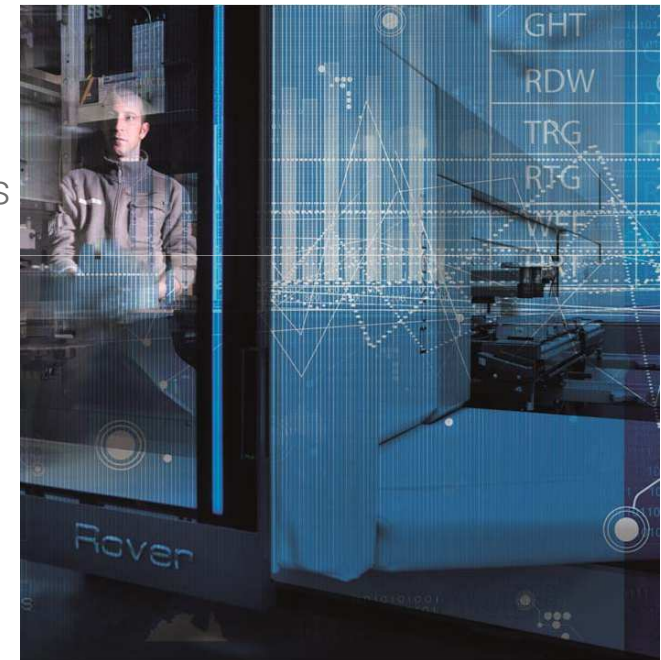
The information gathered and analysed is transformed into useful indications for optimising customer production and product quality, providing extremely opportunities for growth.

TO ACHIEVE GREAT RESULTS



Route to new services

With its new IIOT platform, Biesse is transforming itself from product-oriented manufacturer to a digital business offering to its customers value added services



Biesse highlights FY 2017e

Group people distribution



PEOPLE DISTRIBUTION

(without interim people)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2016	FY 2016	FY 2017
Production % of total people	965 41%	1.250 46%	1.265 45%	1.175 44%	1.201 42%	1.335 42%	1.482 41%	1.494 39%
Service & After sale % of total people	568 24%	577 21%	574 21%	613 22%	628 22%	690 22%	803 22%	894 23%
R&D % of total people	293 12%	316 12%	338 12%	321 12%	361 13%	383 13%	436 12%	479 12.5%
Sales & Marketing % of total people	340 13%	361 13%	364 13%	351 13%	439 15%	495 15%	587 16%	641 17%
G & A % of total people	202 9%	233 9%	242 9%	235 9%	252 9%	273 9%	310 8.5%	338 8.8%
ITALY % of total people	1.660 70%	1.656 61%	1.646 59%	1.547 57%	1.605 56%	1.780 56%	2.009 56%	2.176 56%
OUTSIDE ITALY** % of total people	708 30%	1.081 39%	1.136 41%	1.148 43%	1.276 44%	1.396 44%	1.609 44%	1.670 44%
TOTAL	2.368	2.737	2.782	2.695	2.881	3.176	3.618	3.846

PEOPLE DISTRIBUTION

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ITALY % of total people	1.660 70%	1.656 61%	1.646 59%	1.547 57%	1.605 56%	1.780 56%	2.009 56%	2.176 57%
OUTSIDE ITALY** % of total people	708 30%	1.081 39%	1.136 41%	1.148 43%	1.276 44%	1.396 44%	1.609 44%	1.670 43%
TOTAL	2.368	2.737	2.782	2.695	2.881	3.176	3.618	3.846

vs Dec 2016: **+228** (6.3%)

vs Dec 2016: **+670** (18.5%)

vs Dec 2014: **+965** (26.7%)

interim people at the end of Dec 2017: 196
(181 at the end of 2016)

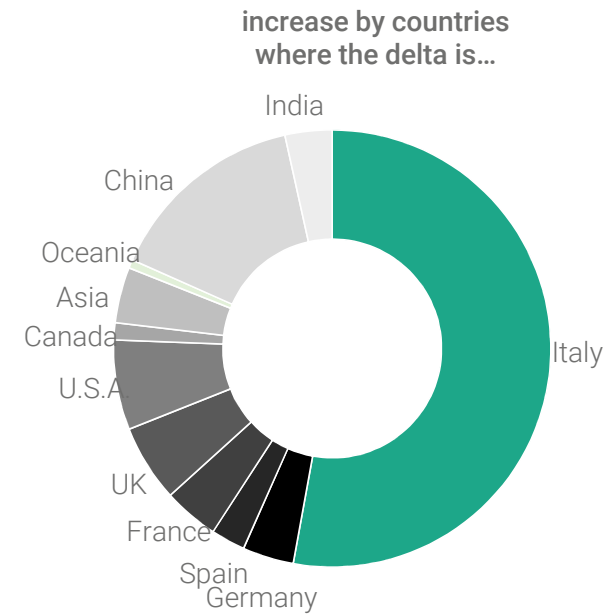


4,042

PEOPLE EVOLUTION

	FY 2016	FY 2017	%
Production	1,482	1,494	+0.8
Service & After sale	803	894	+11.3
R&D	436	479	+9.8
Sales & Marketing	587	641	+9.2
G & A	310	338	+9.0
ITALY	2,009	2,176	+ 8.3
OUTSIDE ITALY	1,609	1,670	+ 3.8
TOTAL	3,618	3,846	+6.3

the labour cost increase is EURO 23.8 mln vs 2016 (29.0% 2017 incidence against net sale vs 28.6% in 2016)



Biesse three years plan 2018-2020: targets

net sales c.a.g.r.: 9.5%

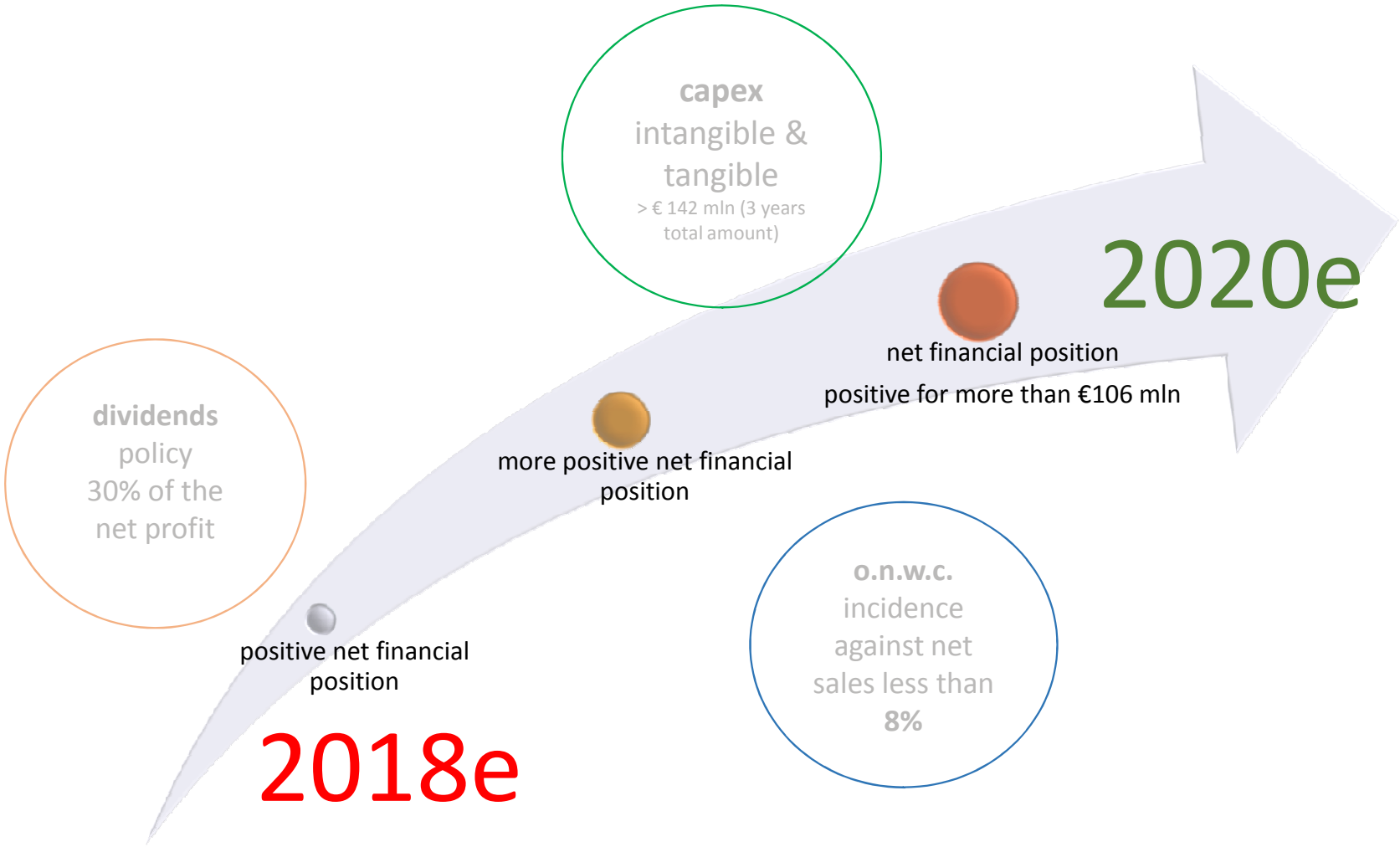
ebitda c.a.g.r.: 12.8%

ebit c.a.g.r.: 14.9%

net profit c.a.g.r.: 14.3%

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Biesse three years plan 2018-2020: targets



growth driver: main factors



- ✓ urbanization factor (China)
- ✓ substitution cycle (western economies)
- ✓ digitalization demand - energy efficiency (worldwide)
- ✓ software integration increase – Industry 4.0 capabilities and incentives
- ✓ diversification into new segments

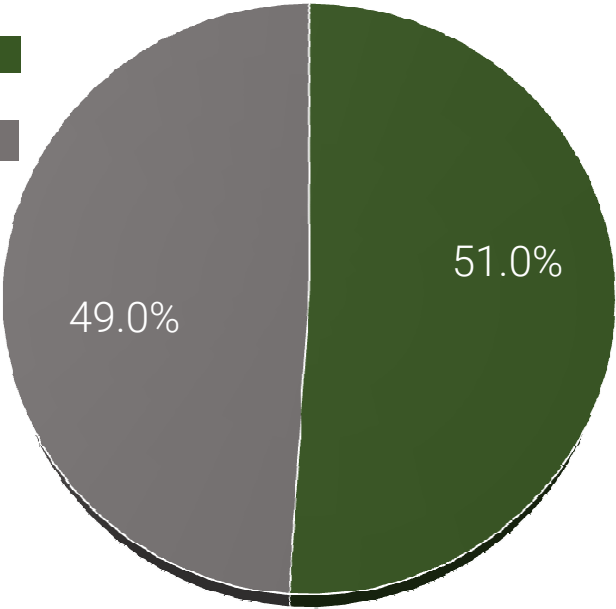
Shareholders & Shares

shareholders and B.o.D. structure
share analysys

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Shareholders breakdown by ownership – Board of Directors

Bi.Fin s.r.l (Selci family) 
free float 



Biesse B.o.D.:

- Giancarlo Selci (founder & C.E.O.)
- Roberto Selci (President)
- Stefano Porcellini (Group Director)
- Alessandra Parpajola
- Cesare Tinti
- Salvatore Giordano (independent)
- Elisabetta Righini (independent)

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