BIESSEGROUP

technology for shaping everyday life materials

Star Conference London, Friday 3 October 2014

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Company view

1.1

Biesse Group

Biesse Group is a multinational leader in the technology for processing wood, glass, stone, plastic and metal.

Founded in Pesaro in 1969, by Giancarlo Selci, the company has been listed on the Stock Exchange (STAR segment) since June 2001.

BIESSEGROUP

BIESSE / INTERMAC / DIAMUT / MECHATRONICS

In / 1 industrial group, 4 business areas and 8 production sites

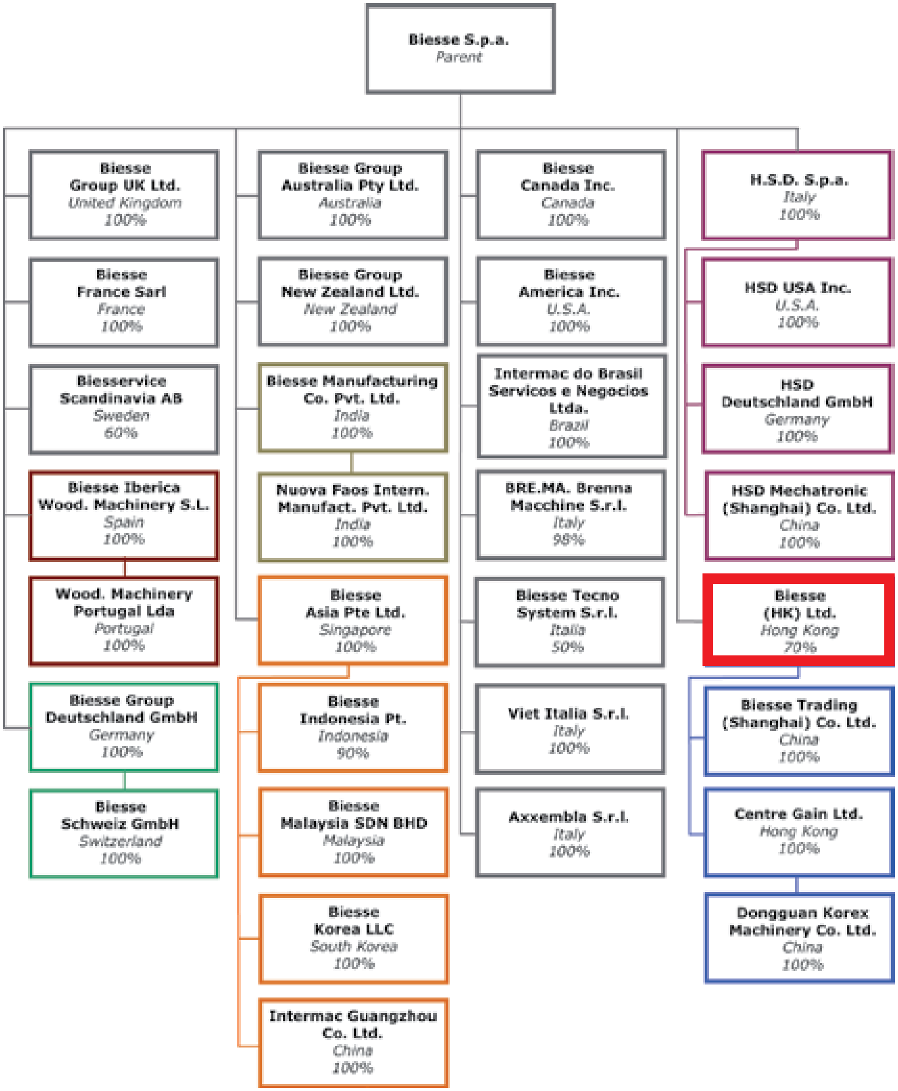
How / around € 14 million p/y (real) in R&D and more than 200 patents registered

Where / 30 branches and 300 agents/selected dealers

With / customers in 120 countries: manufacturers of furniture, design items and door/window frames, producers of elements for the building, nautical and aerospace industries

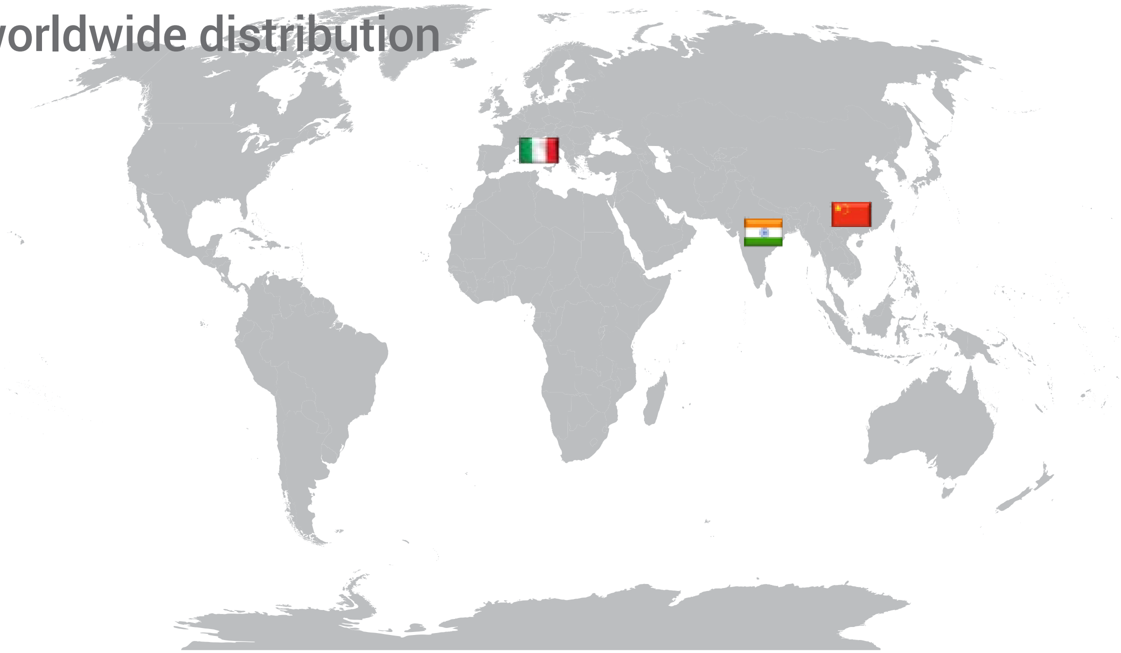
We / more than 2800 employees all over the world

Biesse Group structure



Made In Biesse

for worldwide distribution



Italy: production
(wood - glass - stone - tools - mechatronic)

India: production & sourcing (wood)

China: production & sourcing
(wood - glass - stone)

Worldwide distribution

Subsidiaries & representative offices

Italy
Brianza
Triveneto

U.K.
Daventry

Switzerland
Luzern

Sweden
Jönköping

Russia
Moscow

Germany
Elchingen
Löhne
Gingen

France
Lyon

Spain
Barcellona

Portugal
Lisbona

U.A.E.
Dubai

North America
Charlotte
Montreal
Toronto
Los Angeles
Forth Lauderdale

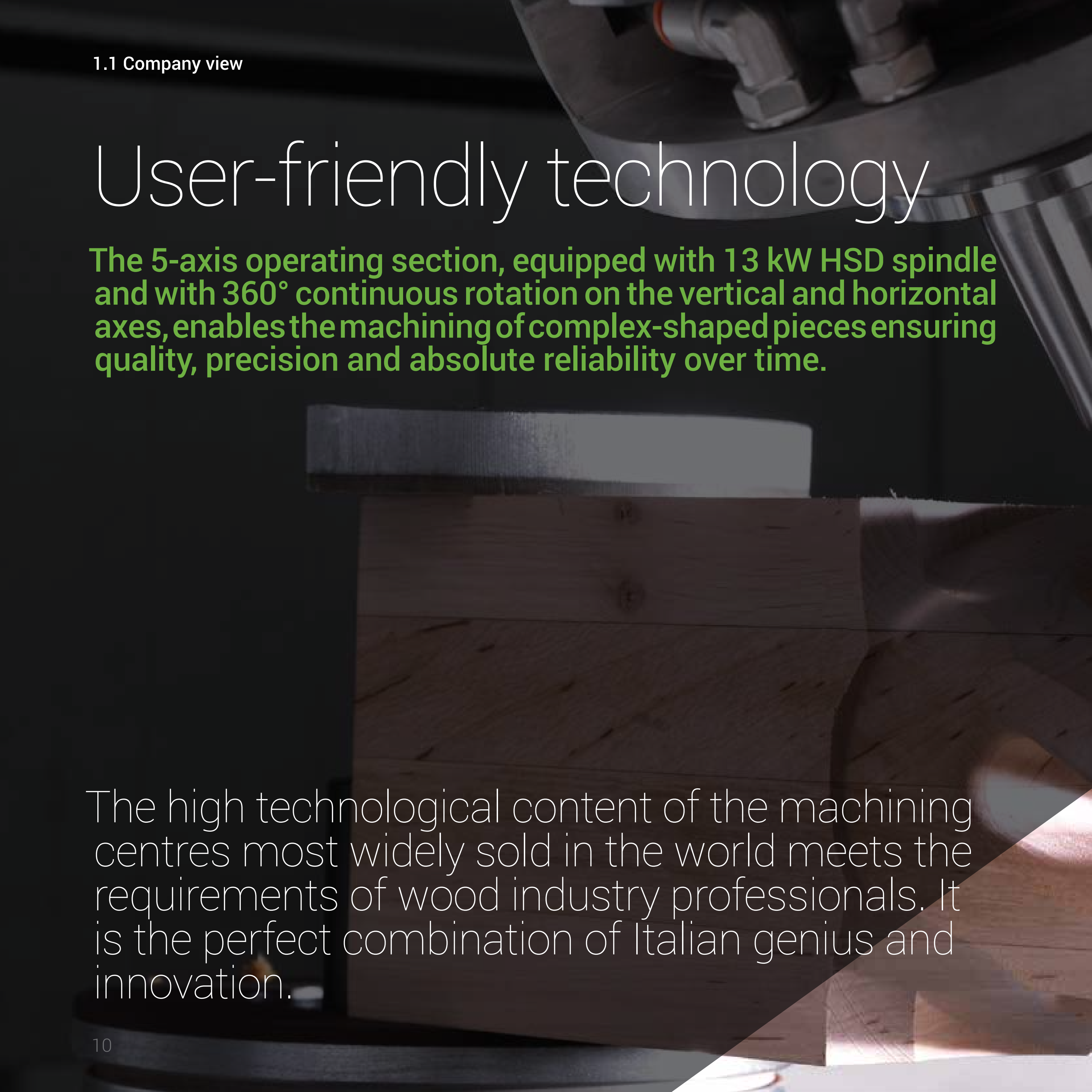
Brazil
San Paolo

India
Bangalore
Mumbai
Noida

China
Shanghai
Dongguan
Guangzhou

Asia
Singapore
Kuala Lumpur
Jakarta
Seoul

Oceania
Sydney
Brisbane
Melbourne
Perth
Auckland



User-friendly technology

The 5-axis operating section, equipped with 13 kW HSD spindle and with 360° continuous rotation on the vertical and horizontal axes, enables the machining of complex-shaped pieces ensuring quality, precision and absolute reliability over time.

The high technological content of the machining centres most widely sold in the world meets the requirements of wood industry professionals. It is the perfect combination of Italian genius and innovation.


BIESSEGROUP
technology for shaping everyday life materials

Biesse global leadership

- **1st** world largest manufacturer CNC centre for wood - glass - stone working
- **1st** largest italian producer of automated woodworking machinery
- **2nd** largest worldwide provider of turn-key systems for major companies
- **2nd** largest manufacturer woodworking machinery worldwide

Key success factor

- Worldwide extensive direct sales network & support capabilities
- Strong commitment and investment in R&D
- Flexible and slim business model – the lean company
- One stop shop for superior quality products
- Integrated supply network

Cnc solutions for wood


BIESSE
Rover B

Cnc solutions for glass & stone


INTERMAC
MASTER

Made **With** Biesse

The maestro meets advanced technology

The Sagrada Família site bets on Biesse.
The carpentry workshop buys a Biesse machining centre (KLEVER 1224 G FT) which will principally be used for making templates for stone, marble and concrete elements of the basilica as well as moulds for shuttering.
The processing centre at a height of 30 metres for access to the carpentry of the majestic Cathedral designed by Antoni Gaudì.

Made **With** Biesse

Glass art and cutting-edge technology

“In Fiam’s workshops, we have always tried to respond to designer ideas, even when they were apparently impossible to implement. Designers, like artists, have a creativity that stimulates cutting-edge innovation. So, over time, we have been able to develop new technologies that have allowed us to create unique objects on an industrial scale”.

“Everything started with a stool. A glass stool, of course. A photographer friend came to see me in my glass workshop, saw me standing on the stool and took a picture that was published in some newspapers. That’s when I thought: why not try to make furniture with this material? From the frst, self-built oven to bend glass sheets through to the frst collaborations with artists and design-ers, it’s been an ongoing learning curve.

Our company has always worked in partnership with internationally-re-nowned Italian and foreign designers. People like Massimo Morozzi, Rodolfo Dordoni, Giorgetto Giugiaro, Enzo Mari, Cini Boeri through to Vico Magistretti, Ron Arad, Makio Hasuike. And, again, Philippe Starck, Daniel Libeskind and Massimiliano Fuksas”.

Vittorio Livi
FIAM founder and sole administrator

Made **With** Biesse
Design and Innovation

One of Brazil's most famous furniture brands, SCA's core business is the manufacturing of furniture for corporates, large offces and the hospitality and maritime contract segments. Approximately 70 shops in Brazil and 6 abroad.

"Italy leads the way in design and innova-tion. For us, it is also a refe-rence point as far as technology is concerned. Before making an in-vestment, we evaluate potential suppliers very carefully, analysing their technical service, response times and accessibility in our country of origin.

I am not going to deny that we looked at other company's offers, but we chose an Italian supplier because Biesse has always provided us with a level of service and consultancy that is fully aligned with our ne-eds".

Claudio Manfroi
President of Sca Indústria de Móveis

Major customers wood

Major customers glass & stone

Major customers mechatronic

FIDIA
MAKA CNC-Spezialmaschinen
dubus
WEINIG
KIMLA Polski Producent Obrabiarek CNC

ONSRUD ONSRUD CUTTER LP
HEIAN
belotti cnc machining centers
MECAL

BORNEMANN
THERMWOOD First in CNC Routers
IMA LEADING TECHNOLOGIES
CRENO The CNC machine you need

SHODA
masterwood
MÉCA numéric
MKM International
AES

Service & Parts

Direct, seamless co-ordination of service requests between Service and Parts.

Support for Key Customers by dedicated Biesse personnel, either in-house and/or at the customer's site.

The Biesse Group promotes, nurtures and develops close and constructive relationships with customers in order to better understand their needs and improve its products and after-sales service through two dedicated areas: Biesse Service and Biesse Parts.

With its global network and highly specialised team, it offers technical service and machine/component spares everywhere in the world on-site and 24/7 on-line.

Biesse Service

• Machine and system installation and commissioning
• Training centre dedicated to Biesse Field engineers, subsidiary and dealer personnel; client training directly at client's site.
• Overhaul, upgrade, repair and maintenance.
• Remote troubleshooting and diagnostics.
• Software upgrade.

500 / **Biesse engineers in Italy and worldwide**

50 / **Biesse engineers manning a Teleservice Centre**

550 / **certified Dealer engineers**

120 / **training courses in a variety of languages every year**

Biesse Parts

- Original Biesse spares and spare kits customised for different machine models.
- Spare part identification support.
- Offices of DHL, UPS and GLS logistics partners located within the Biesse spare part warehouse, with multiple daily pick-ups.
- Order fulfilment time optimised thanks to a global capillary distribution network with de-localised, automated warehouses.

87% / **of downtime machine orders fulfilled within 24 hours**

95% / **of orders delivered in full on time**

100 / **spare part staff in Italy and worldwide**

500 / **orders processed every day**

Highlights

2.1

Highlights 2014

orders intake & backlog

- **exceeding** the sector associations (italian and german ones) indications
- Group backlog **over** the € 100 ml

international fairs

- **positive feedback** from the international fairs all over the world -from Xylexpo (Milan) through AWISA (Brisbane) to IWF (Atlanta)-

Cashflow

- **growing** operative cashflow including the dividends paid (May 2014)

recent world fairs

- AWISA Brisbane August 6-9: great risults at the Australian Woodworking Industry Suppliers to confirm the Biesse leadership in that area. Orders intake almost **three times more than the 2012 edition**.
- IWF Atlanta August 20-23: orders intake **more than double vs the latest edition (2012)** attesting the north america economy is recovering. Housing sector and consumer confidence are both supporting the capital equipment demand even for the near term future.

growth drivers

- **commitment to increase market shares** (wood-glass-stone) in the most active areas (Asia - Eastern Europe - North America).
- use the **expected urbanization trend**, even exceeding the local GDP development, going to strenghtening the sale&distribution structure and organization network.

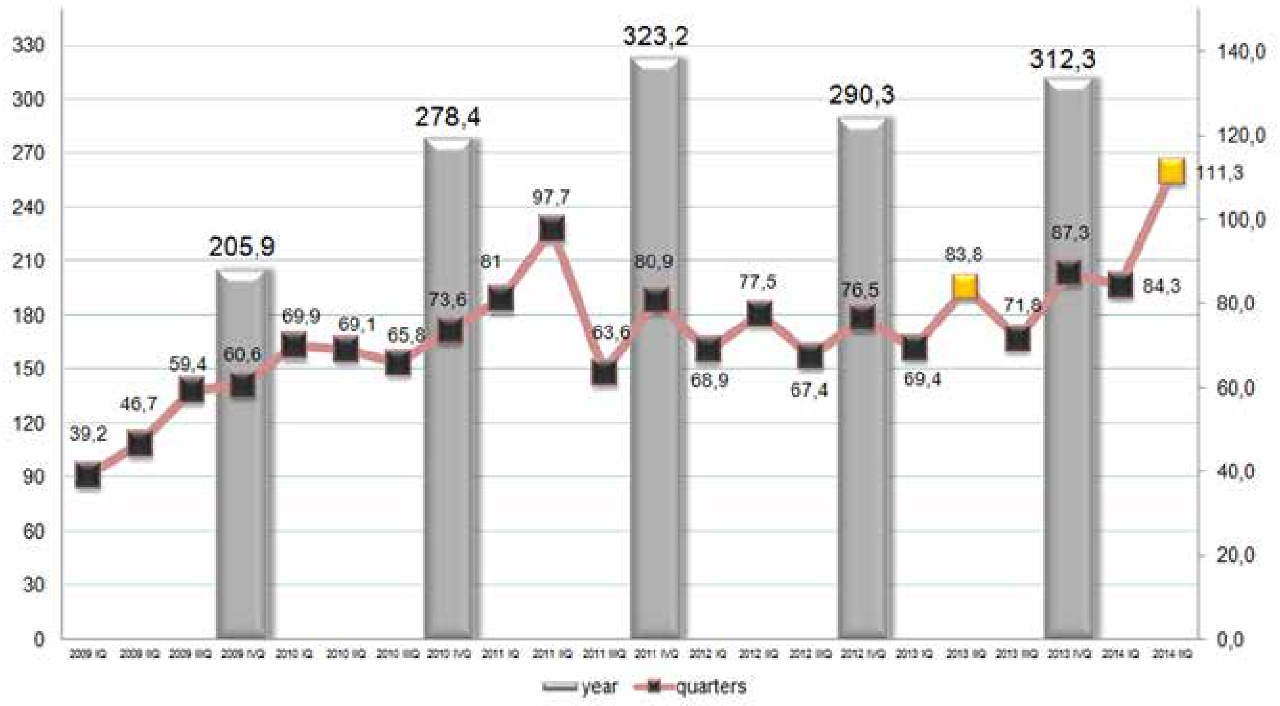
products

- **prosecution of the entire product gamma** renewal (wood-glass-stone) - partially started during the 2013 -
- **bInside event (Pesaro, 9-11 October)** - hosting a huge customers figures - will be the occasion to show new products evolution and the technical innovations created by Biesse research depts (wood division).

Group orders intake

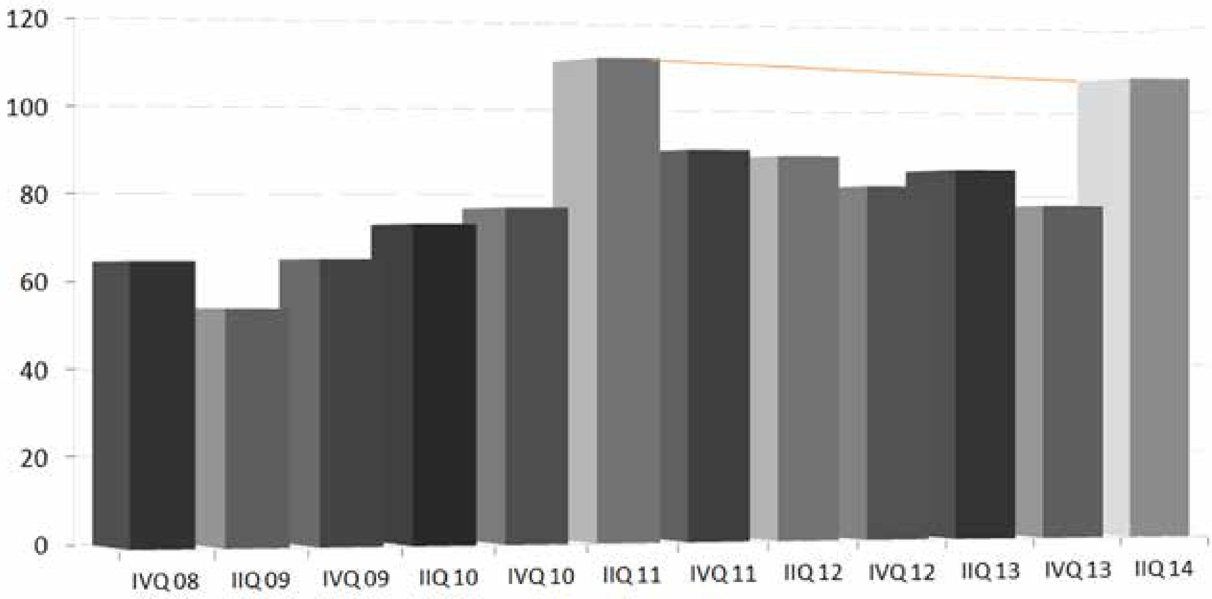
IH 2014: € 195.6 mln
IH 2013: € 153.2 mln **+27.7%**

August 2014 vs August 2013 + 24.7%



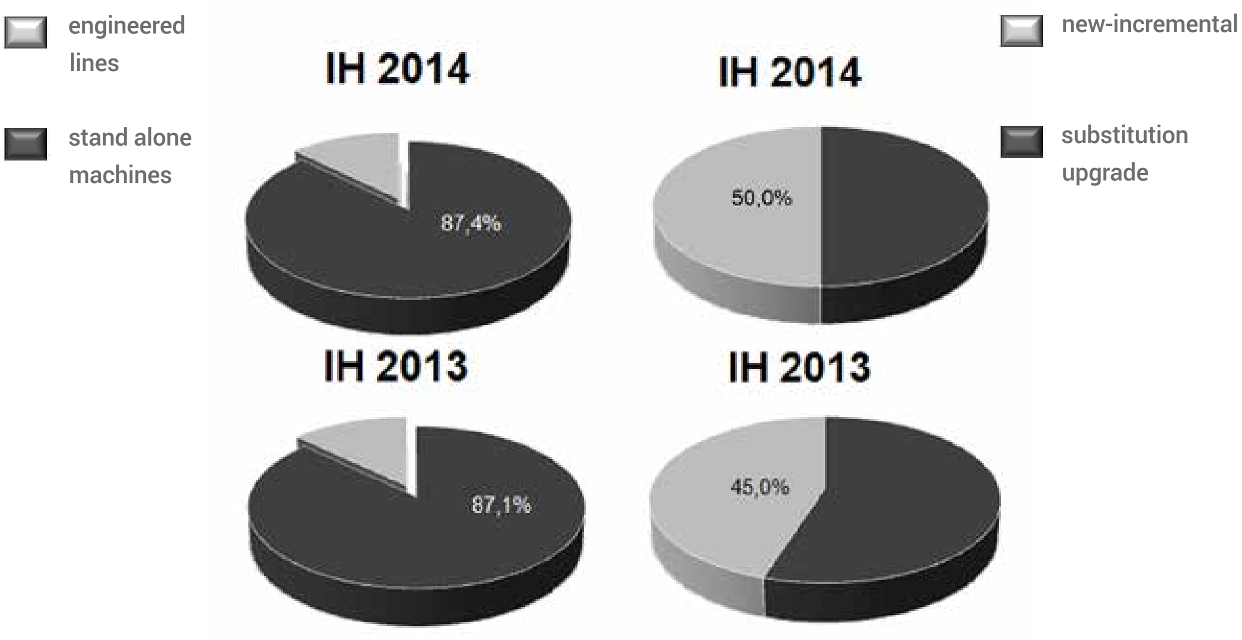
Group backlog

IH 2014: € 107.7* mln
IH 2013: € 85.9 mln
+25.4%



*around € 30 mln to be invoiced in 2015

Orders backlog breakdown per type & destination: **wood**



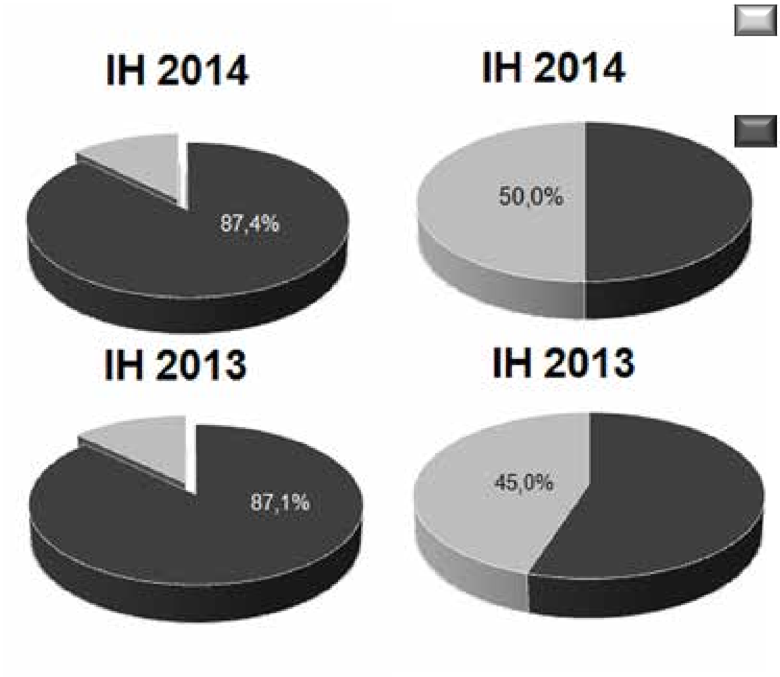
Orders backlog breakdown per type & destination: **glass**

engineered lines

stand alone machines

new-incremental

substitution upgrade



Main competitors (wood) flash situation

HOMAG

DÜRR and Homag as a question mark? After the July takeover announcement, opportunities or risks for the market leader?

SCM Group

"strenght points" become "weak points"? Products and organization structure to be re-thinked?

Weinig Holzher

unity is strenght? What next after the acquisition?

IH 2014 Financials

3.1

IH 2014

€/mln

net sales	ebitda	ebit	net result	net debt
201.1	16.9	9.7	3.9	28.6

- double digit increase of **the consolidated revenues**
- strong increase of profitability **(ebitda & ebit)**
- more than tripled the positive **net result**
- decrease of the **net debt**

P & L IH 2014

€/mln	FY 2013	IH 2013	IH 2014
Net sales	**378.4** *-1.2%*	**180.2**	**201.1** *11.6%*
Value added % of net sales	**146.9*** *38.8%*	**69.4** *38.5%*	**79.8** *39.7%*
Labour cost % of net sales	**112.6** *29.8%*	**57.8** *32.1%*	**62.9** *31.3%*
EBITDA % of net sales	**34.3*** *9.1%*	**11.6** *6.4%*	**16.9** *8.4%*
EBIT % of net sales	**18.1*** *4.8%*	**5.1** *2.9%*	**9.7** *4.8%*
Net result % of net sales	**6.4** *1.7%*	**1.1** *0.6%*	**3.9** *2.0%*

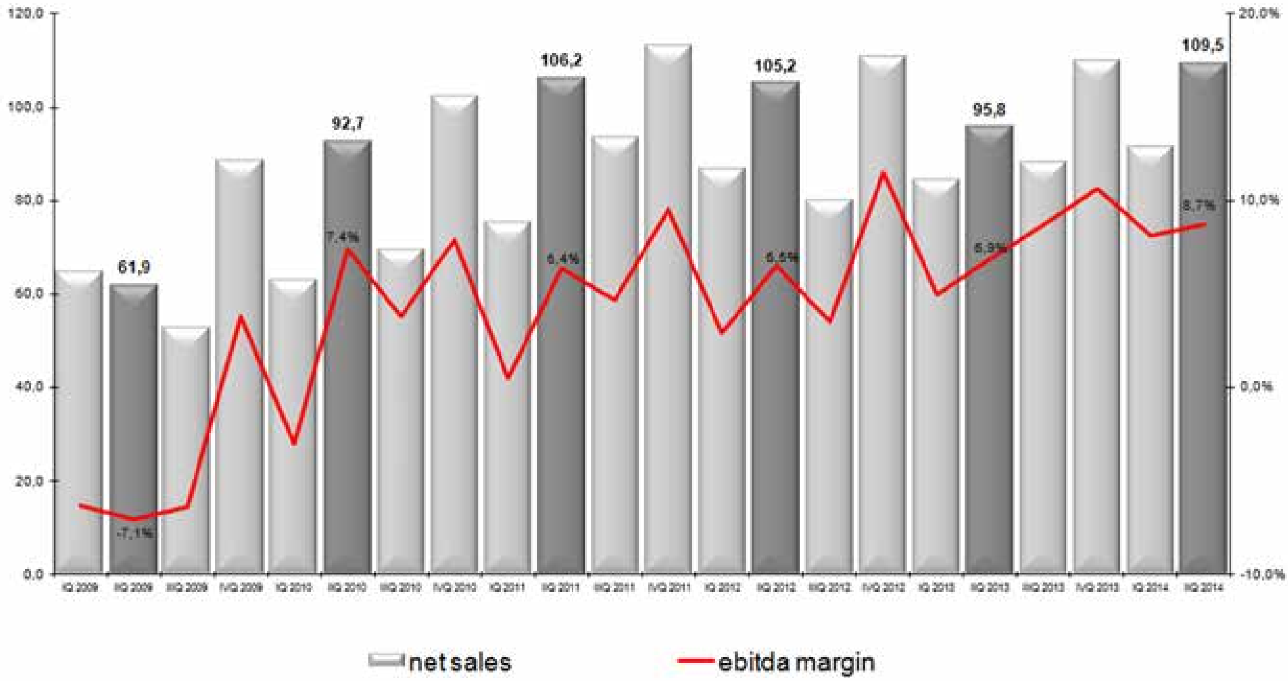
3.0
non recurring items *

*real estate appreciation - provisions and depreciation

Tax rate 53.7%
IRAP affected
(29.3% without IRAP)

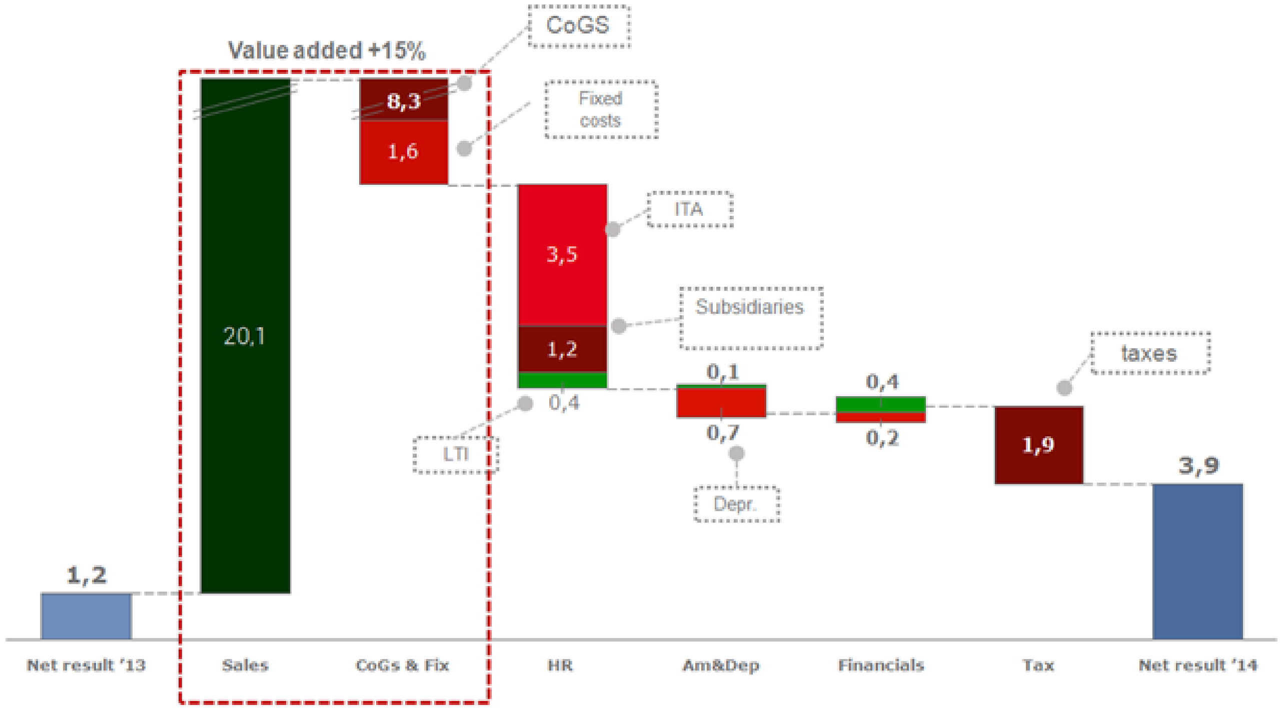
Group Consolidates Sales: Quarterly Trend

€/mln



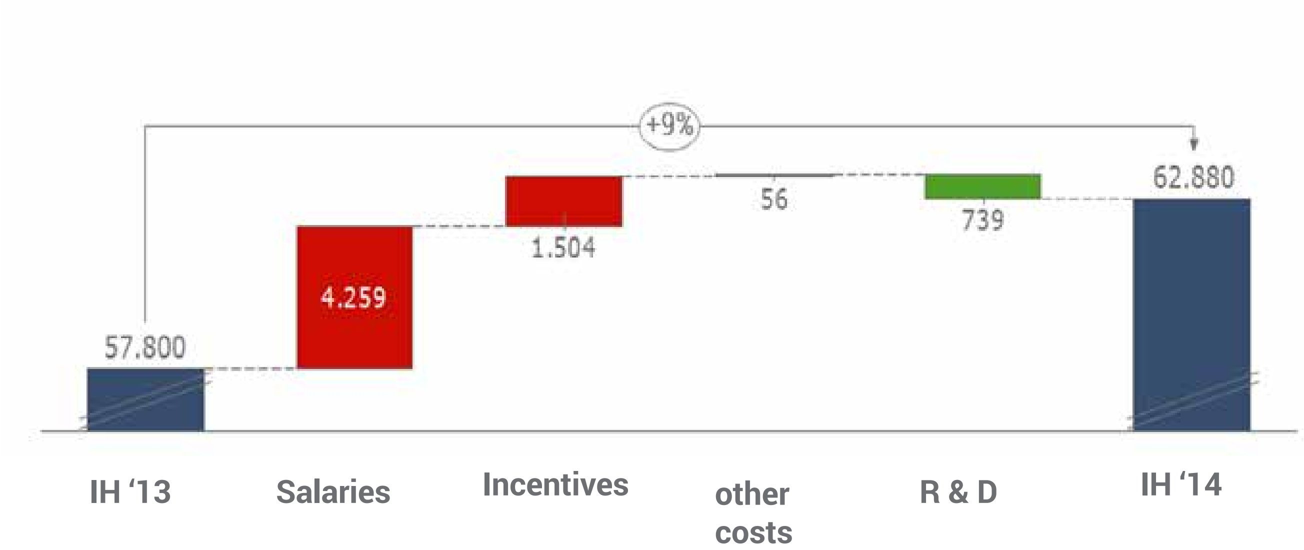
Net result bridge: IH 2014 vs IH 2013

€/mln



IH 2014: personnel cost

Personnel increase
+ 127 people in 6 months

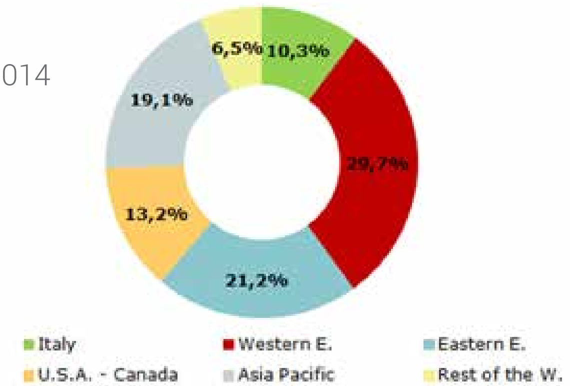


Group breakdown: people at the 30.06.2014

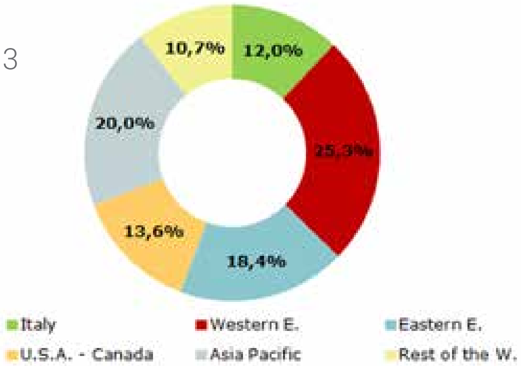
Total	IH 2014 2,822		2013 2,695		2012 2,782		2011 2,737	
Production	1,190	42%	1,175	44%	1,265	45%	1,250	41%
Service & after sales	623	22%	613	23%	574	21%	577	24%
R & D	342	12%	321	12%	338	12%	316	12%
Sales & marketing	419	15%	351	13%	364	13%	361	14%
Administra-tion	248	9%	235	9%	242	9%	233	9%
Domestic	1,580	56%	1,547	57%	1,646	59%	1,656	70%
Foreign	1,242	44%	1,148	43%	1,136	41%	1,081	30%

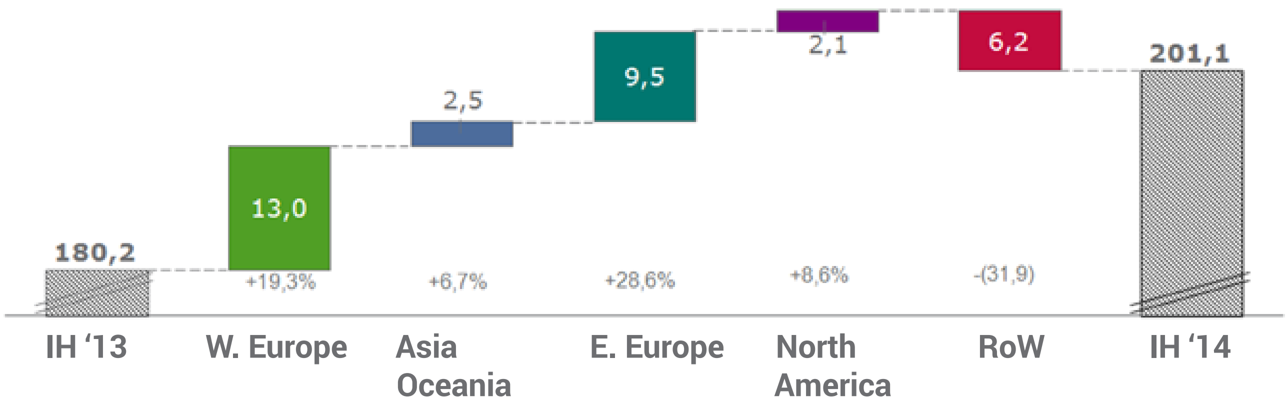
Biesse: geo-breakdown consolidated sales

IH 2014

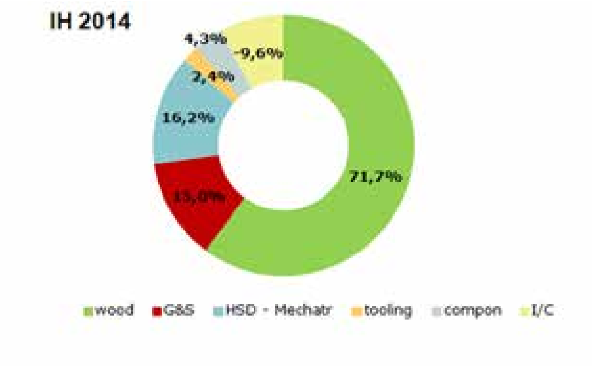


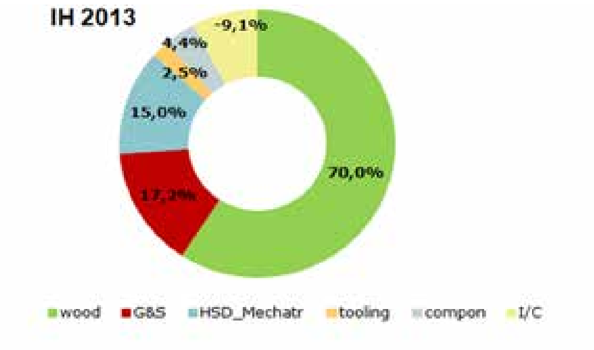
IH 2013

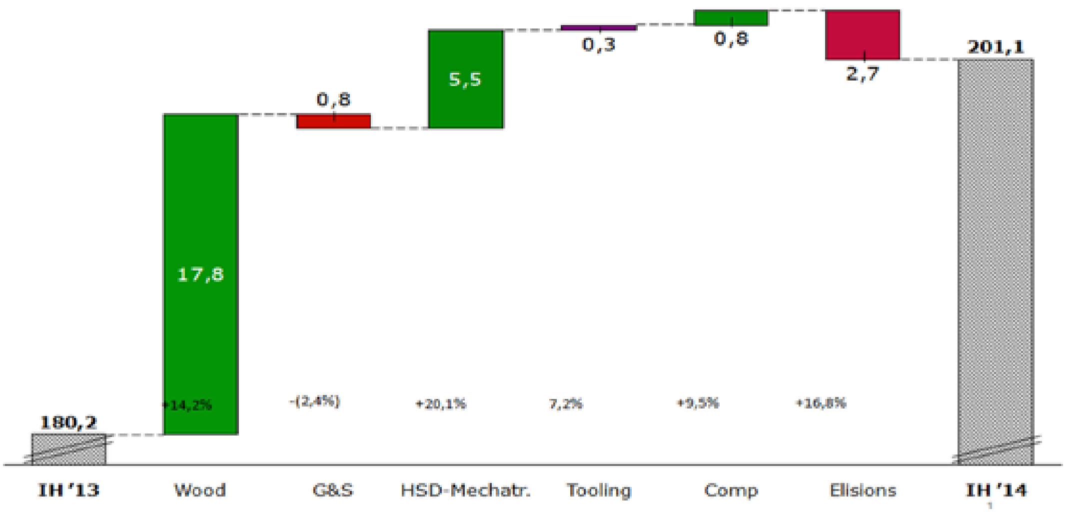




Biesse: divisions breakdown consolidated sales







€/mln

Financial statement IH 2014

€/mln

operating working capital € 58.5
(77.9 year -1)
incidence against net sales
29.1% (43.2% year -1)*

trade payables DPO 118 days
€ 118.8
(109.4 year -1)

inventories DSI 198 days
€ 98.7
(97.4 year -1)

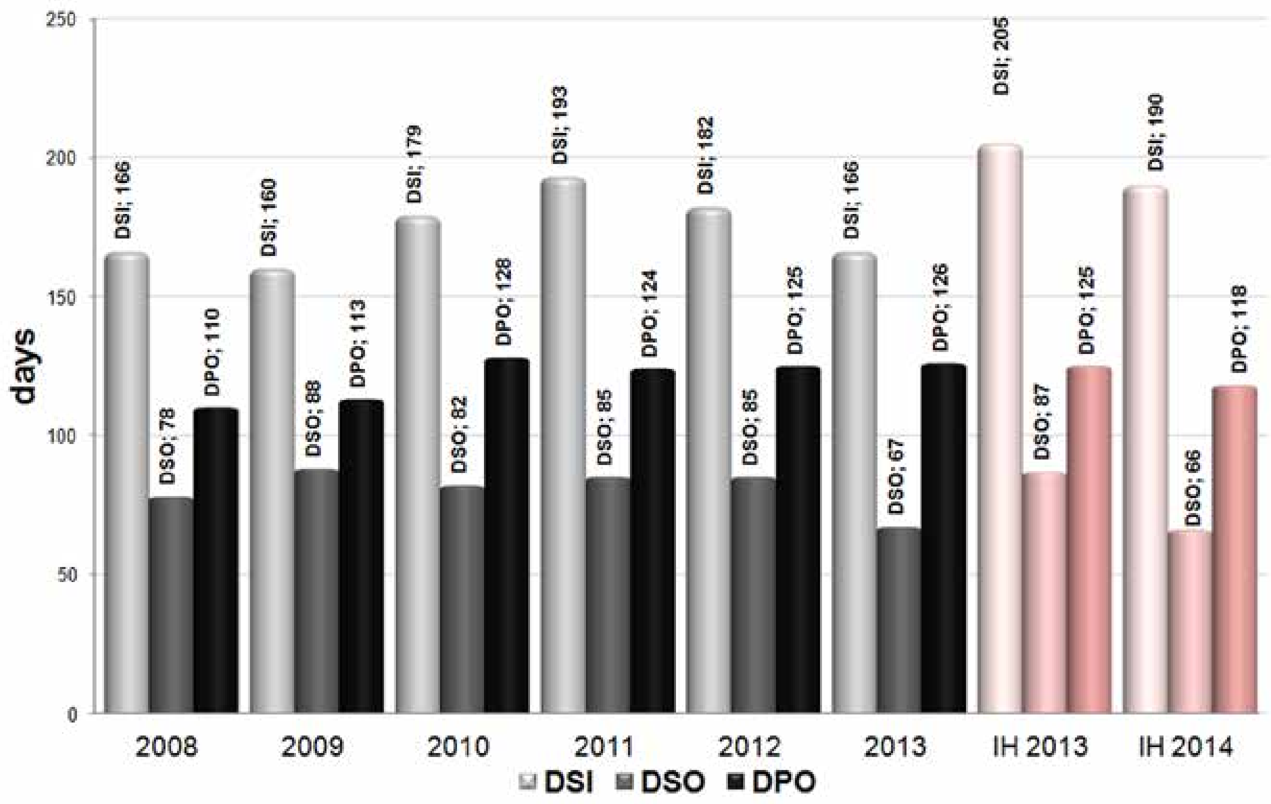
trade receivables DSO 66 days
€ 78.6
(89.9 year -1)

IH 2014
- Invested Capital € 140.7
- Equity € 112.1

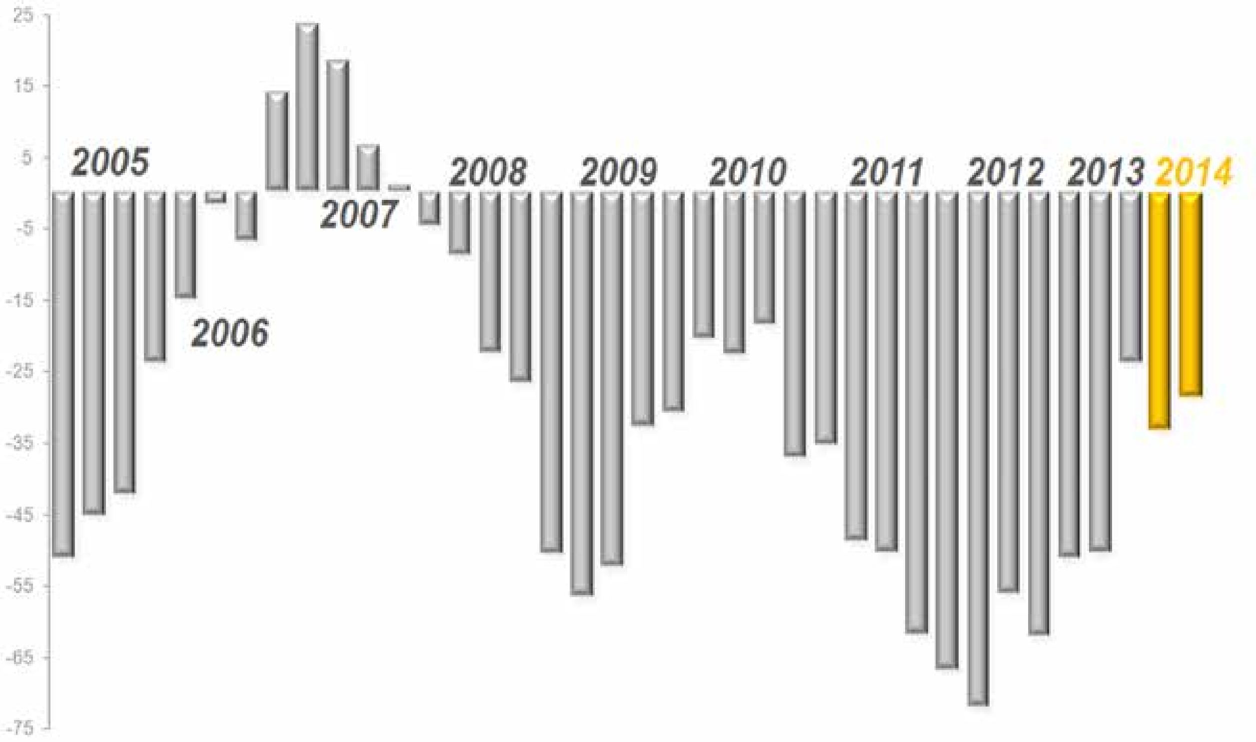
IH 2013
- Invested Capital € 161.3
- Equity € 110.1

* incidence calculated on half year basis

Operating net working capital: DSI-DSO-DPO



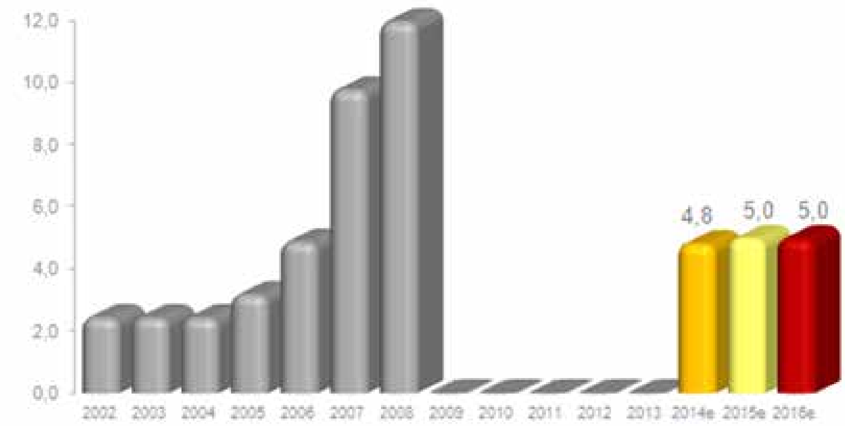
Net debt IH 2014



	IH 2014	IH 2013	
Net debt	28.6	51.3	-4.6 € vs March 2014 -22.7 € vs June 2013 -38.2 € vs June 2012

Dividends 2014 paid in May

Dividends history



- **dividends**: € 4,843,202.94
- **payout**: € 0,18 x share - 58,8% (Biesse S.p.A. net result)

BIESSEGROUP

Three years plan remind

4.1

Mission – strategy - positioning

clear definition and communication of the company identity

focus on core business

products innovation
software integration & touch technology interfaces

sales and distribution network **strenghtening**
marketing **new impulse**

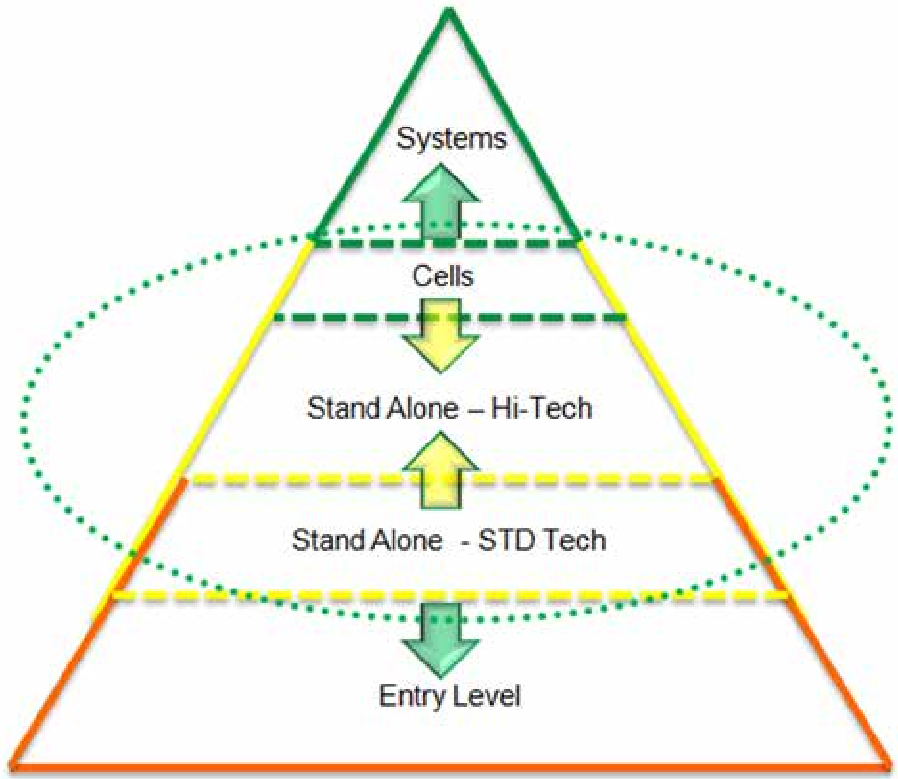
Mission – strategy - positioning

operative efficiency	• "less waste" and unjustified costs • growth of the industrial marginality and overheads cost optimization • rationalization of the entire products offer
financial discipline	• external investments only with a pre-determinated R.O.I. and/or E.V.A. return • strong control and management of the net working capital dynamics • keep a "low" level of risk in new sales
quality first	• reliability • periferical post-sales services • training • homogeneous processes

Mission – strategy - positioning

1	• reinforce the world leadership in the stand alone machineries segment • gain references for the Systems segment (partnership with top customers to create a technological collaboration)
2	• gradual gain of the market reputation widening the products gamma in the high end of the market: • post sales service-training-reliability
3	• gradual increase of the distribution capillarity especially for the entry-level segment

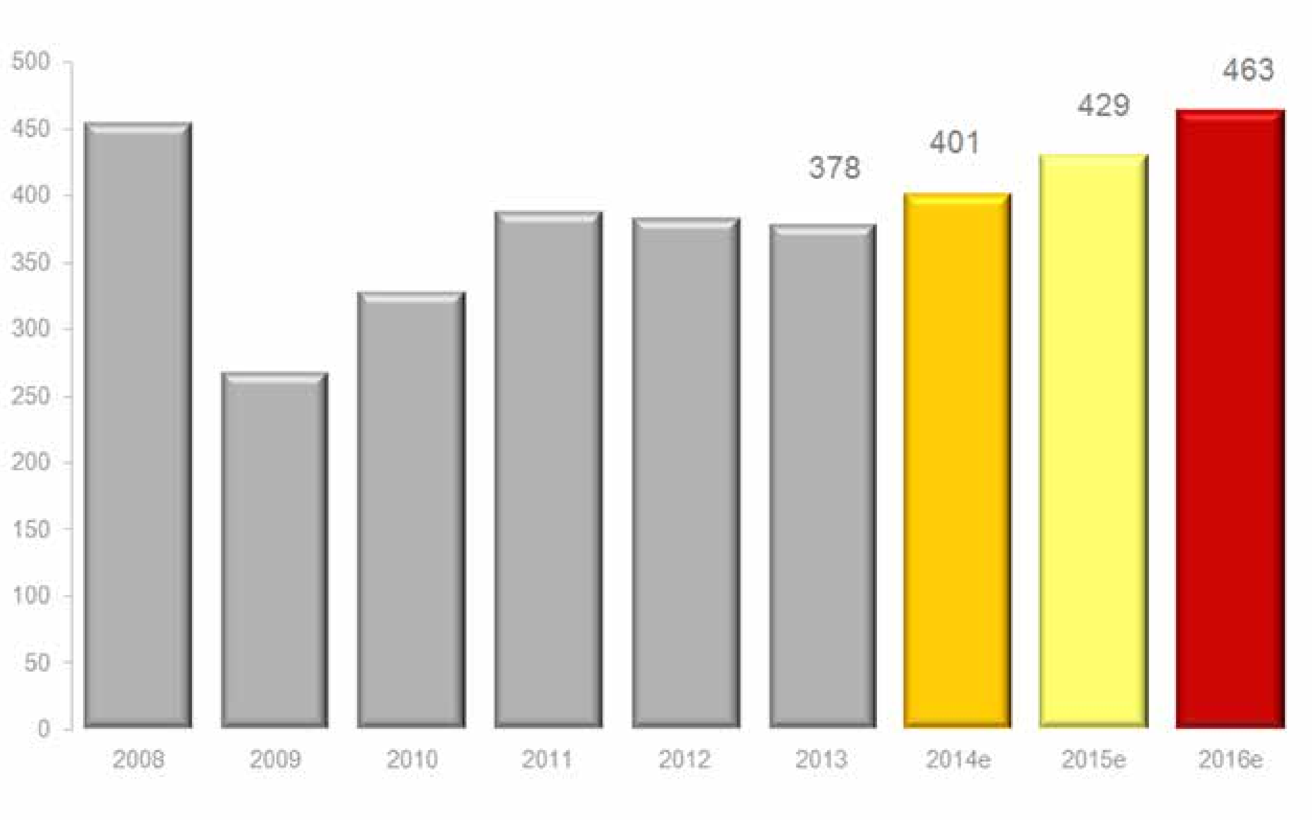
Mission – strategy - positioning



Consolidated net sales

€/mln

CAGR 2014-2016: 7.0%



P & L

€/mln	FY 2012	FY 2013	FY 2013 reclassified	FY 2014e	FY 2015e	FY 2016e	△ 2013 vs 2016
Net sales	383.1 *-1.4%*		378.4 *-1.2%*	401.0 *6.0%*	429.1 *7.0%*	463.4 *8.0%*	+85 €
Value added % of net sales	141.0 *36.8%*	143.6 *37.9%*	146.9* *38.8%*	156.2 *39.0%*	172.4 *40.2%*	192.4 *41.5%*	+57.5 €
Labour cost % of net sales	118.4 *30.9%*		112.6 *29.8%*	120.0 *29.9%*	124.0 *28.9%*	128.6 *27.8%*	+16.0€
EBITDA % of net sales	22.6 *5.9%*	31.0 *8.2%*	34.3* *9.1%*	36.2 *9.0%*	48.4 *11.3%*	63.8 *13.8%*	+29.5€
EBIT % of net sales	0.3 *0.1%*	15.1 *4.0%*	18.1* *4.8%*	20.3 *5.1%*	32.0 *7.5%*	46.8 *10.1%*	+28.7€

3.0
non recurring items *

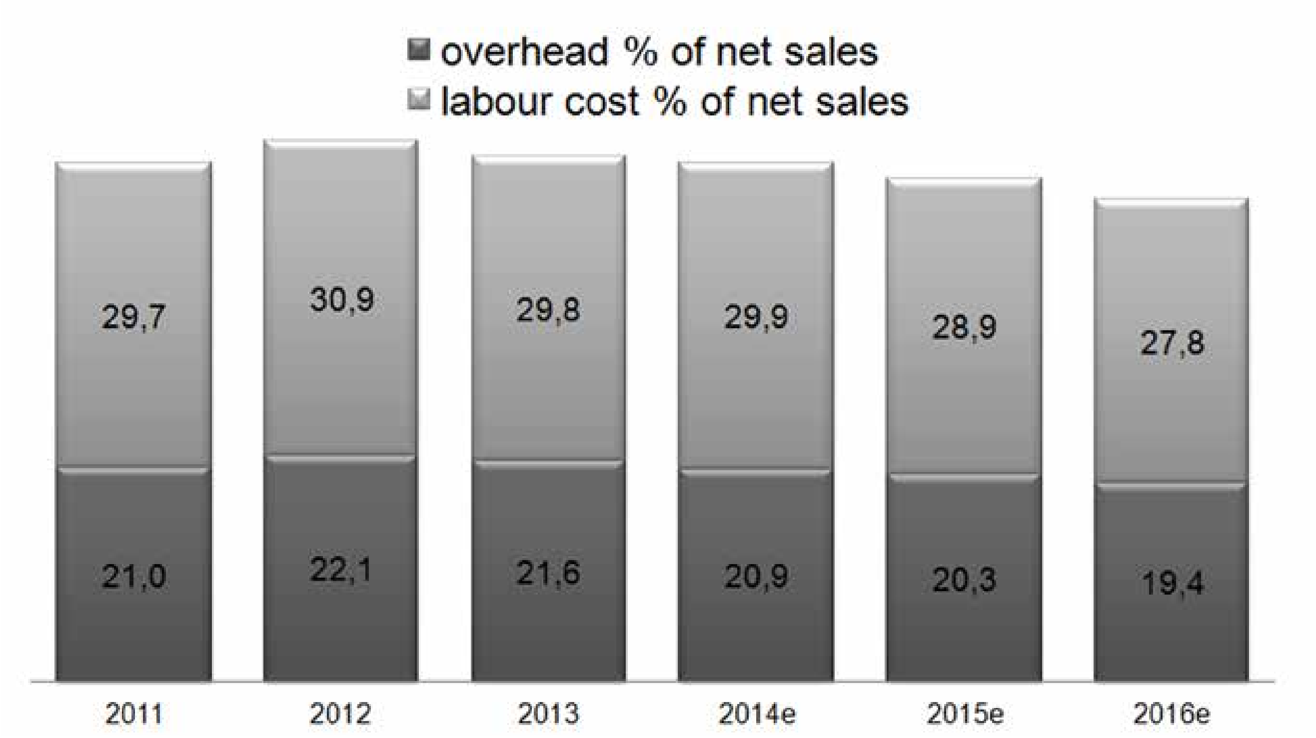
*real estate appreciation - provisions and depreciation

Costs

- overhead*
- labour cost**

* during the 2014- 2016 period the overhead expenses incidence will move from 21,6% to 19,4%

**during the 2014-2014 the labour cost incidence will move from 29,8% to 27,8%



Cashflow - net debt

€/mln	2012	2013	2014e	2015e	2016e	2014 2015 2016
	delta o.n.w.c.	**€ 31.1**				
Gross Cashflow	13.6	45.8	14.6	24.3	33.3	+72.2 €
Investments % of net sales	-19.4 *5.0%*	-13.5 *3.6%*	-21.8 *5.4%*	-17.8 *4.1%*	-12.8 *2.8%*	- 52.4€
net cashflow	-5.8	32.3	-7.2	6.5	20.5	+19.8€
dividends			-5	-5	-5	
Net debt	-56.2	-23.9	-36.1	-34.6	-19.1	

Operativing net working capital

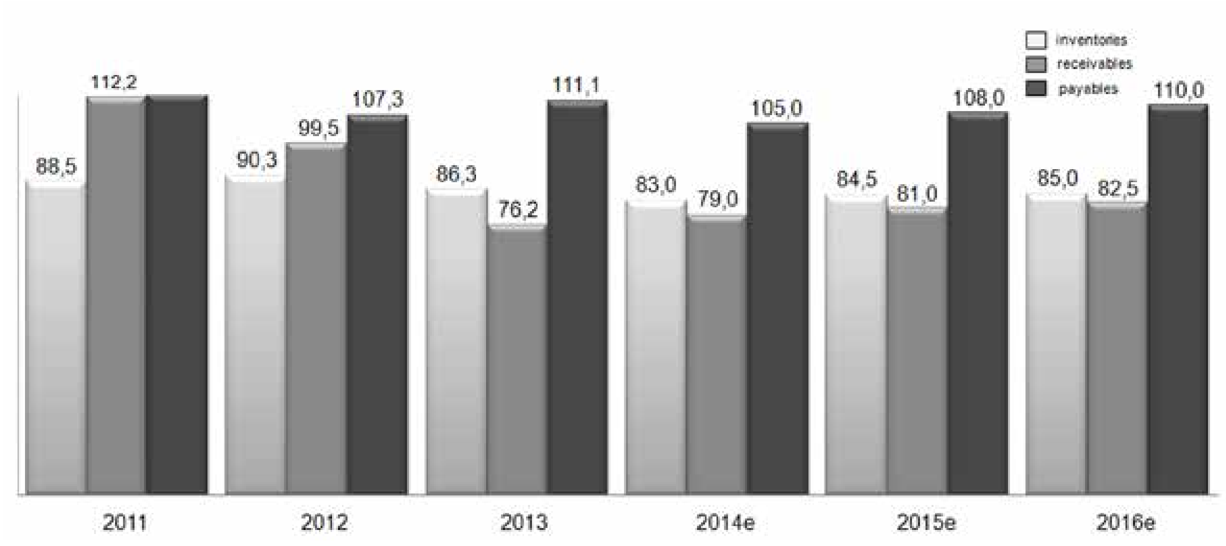
€/mln	2012	2013	2014e	2015e	2016e
inventories	90.3	86.3	83.0	84.5	85.0
% of net sales	23.6%	22.8%	20.7%	19.7%	18.3%
	DSI 182	DSI 165			
trade receivables	99.5	76.2	79.0	81.0	82.5
% of net sales	26.0%	20.1%	19.7%	18.9%	17.8%
	DSO 85	DSO 67			
trade payables	107.3	111.1	105.0	108.0	110.0
% of net sales	28.0%	29.4%	26.2%	25.2%	23.7%
	DPO 125	DPO 127			
O.N.W.C.	82.5	51.4	57.0	57.5	57.5
% of net sales	21.5%	13.6%	14.2%	13.4%	12.4%
		historical record: **the lowest amount**			

Operativing net working capital

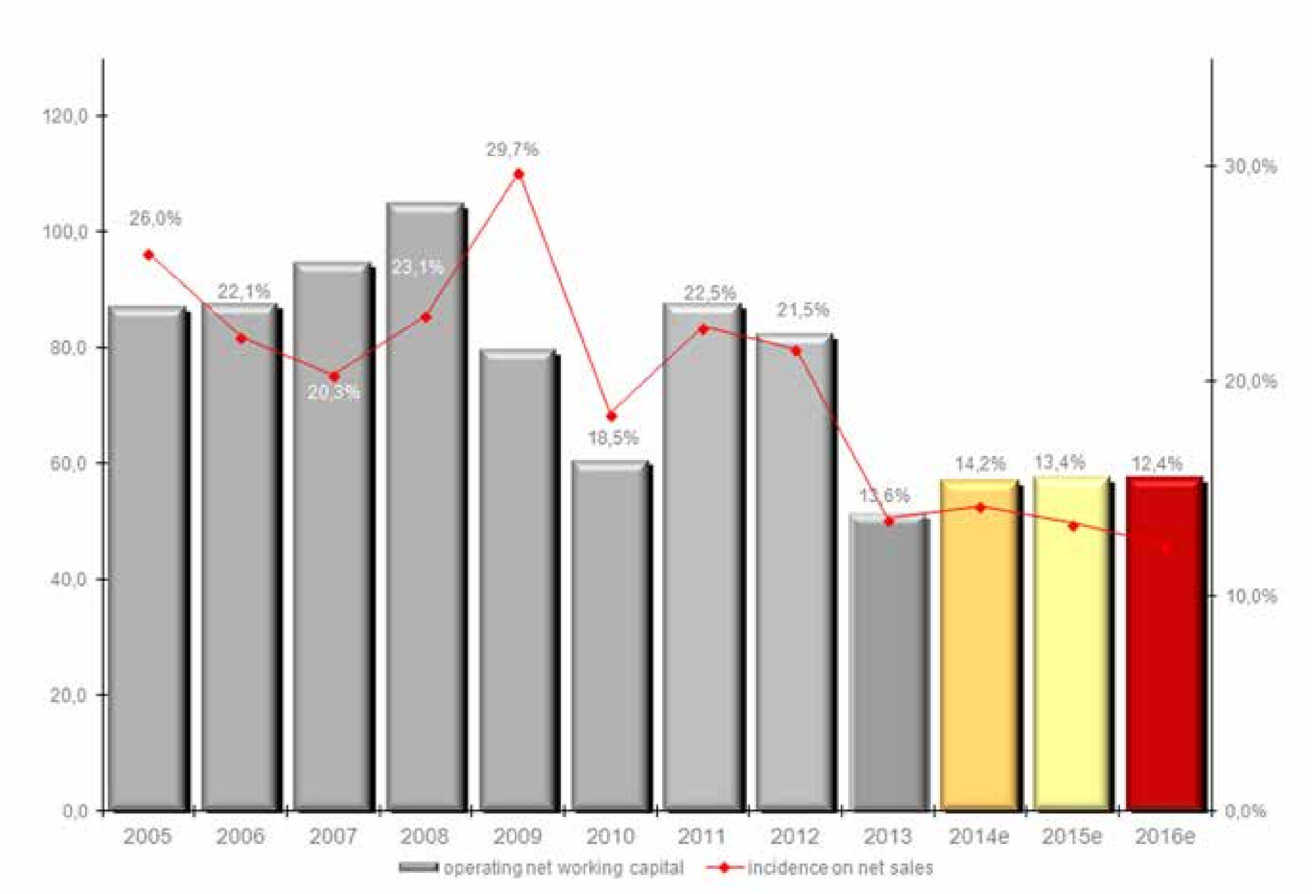
€ mln

- **Inventories :** during the 2014-2016 period the incidence on the net sales will move from 22,8% to 18,3% DSI (-10gg)
- **Trade receivables:** during the 2014-2016 period the incidence on the net sales will move from 20,1% to 17,8% DSO (-5gg)
- **Trade payables:** during the 2014-2016 period the incidence on the net sales will move from 29,4% to 23,7% DPO (-15gg)

during the 2014-2016 period the incidence of the O.N.W.C. will move from 13,6% to 12,4%

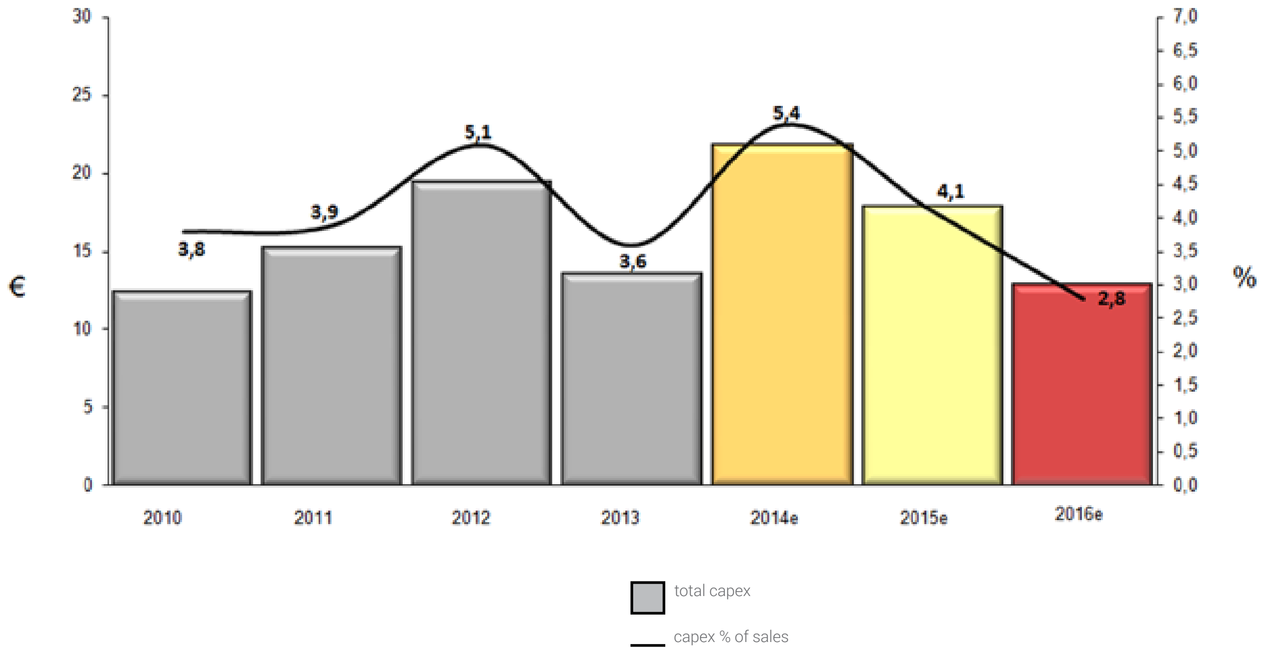


Operativing net working capital

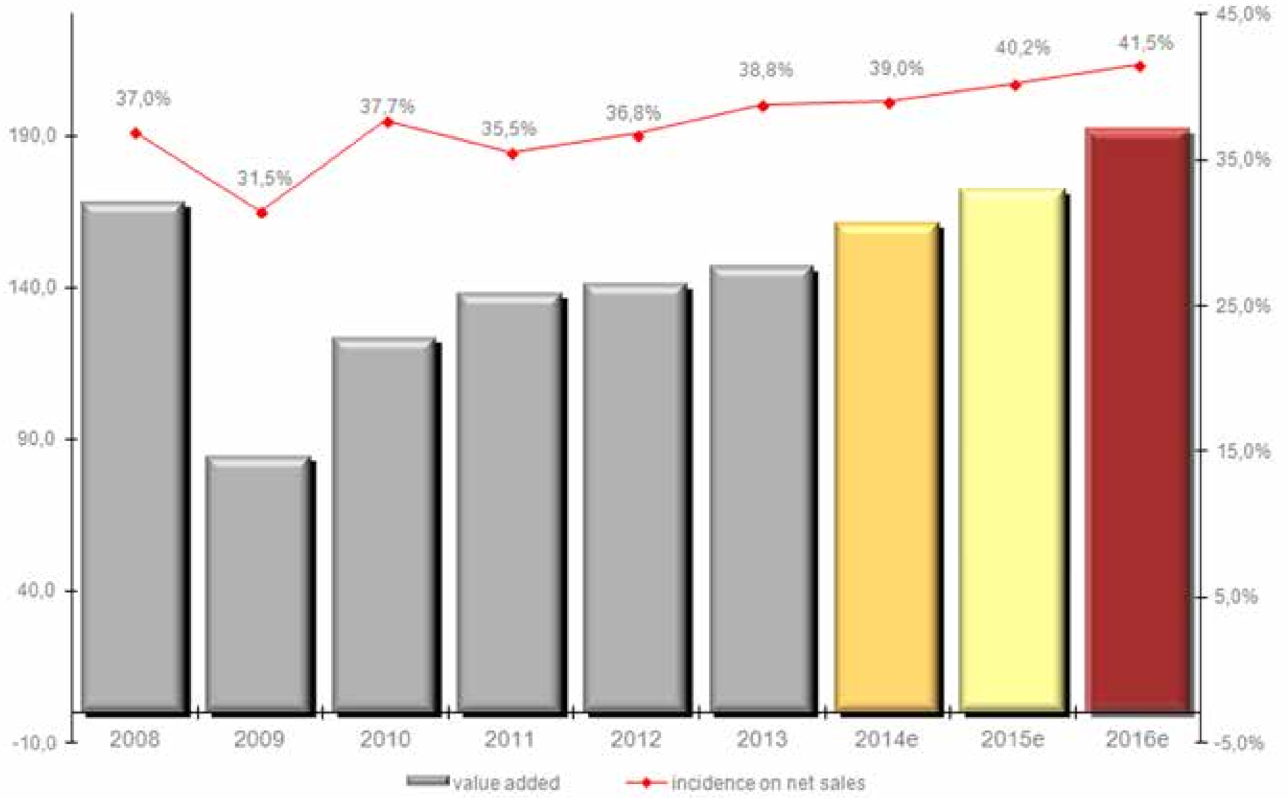


Capex

Maintanance capex & the R&D capex.
During the 2014 & 2015 years special investments (i.e. Cosmec/India) have been considered.



Value added


37,0%
31,5%
37,7%
35,5%
36,8%
38,8%
39,0%
40,2%
41,5%
190,0
140,0
90,0
40,0
-10,0
45,0%
35,0%
25,0%
15,0%
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2008
2009
2010
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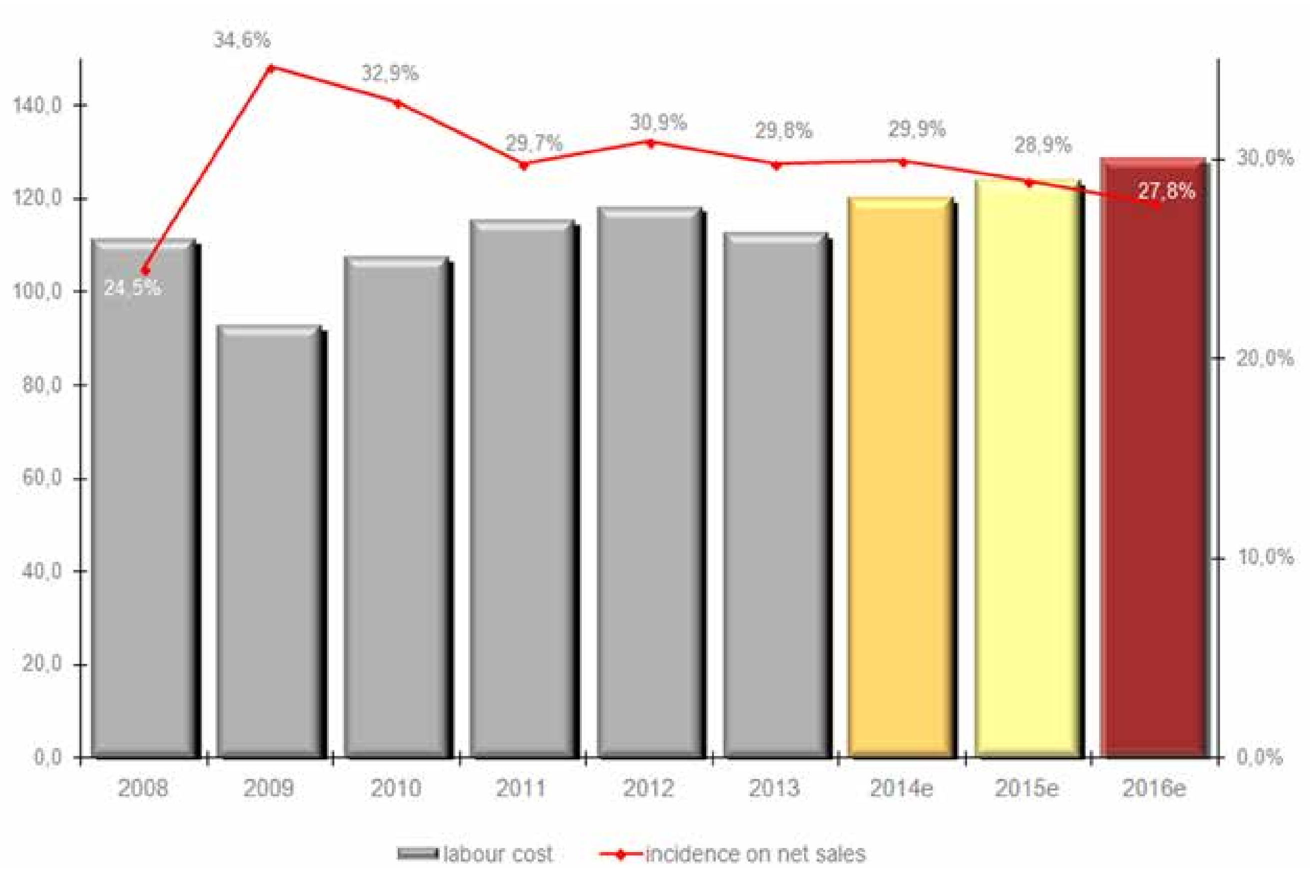
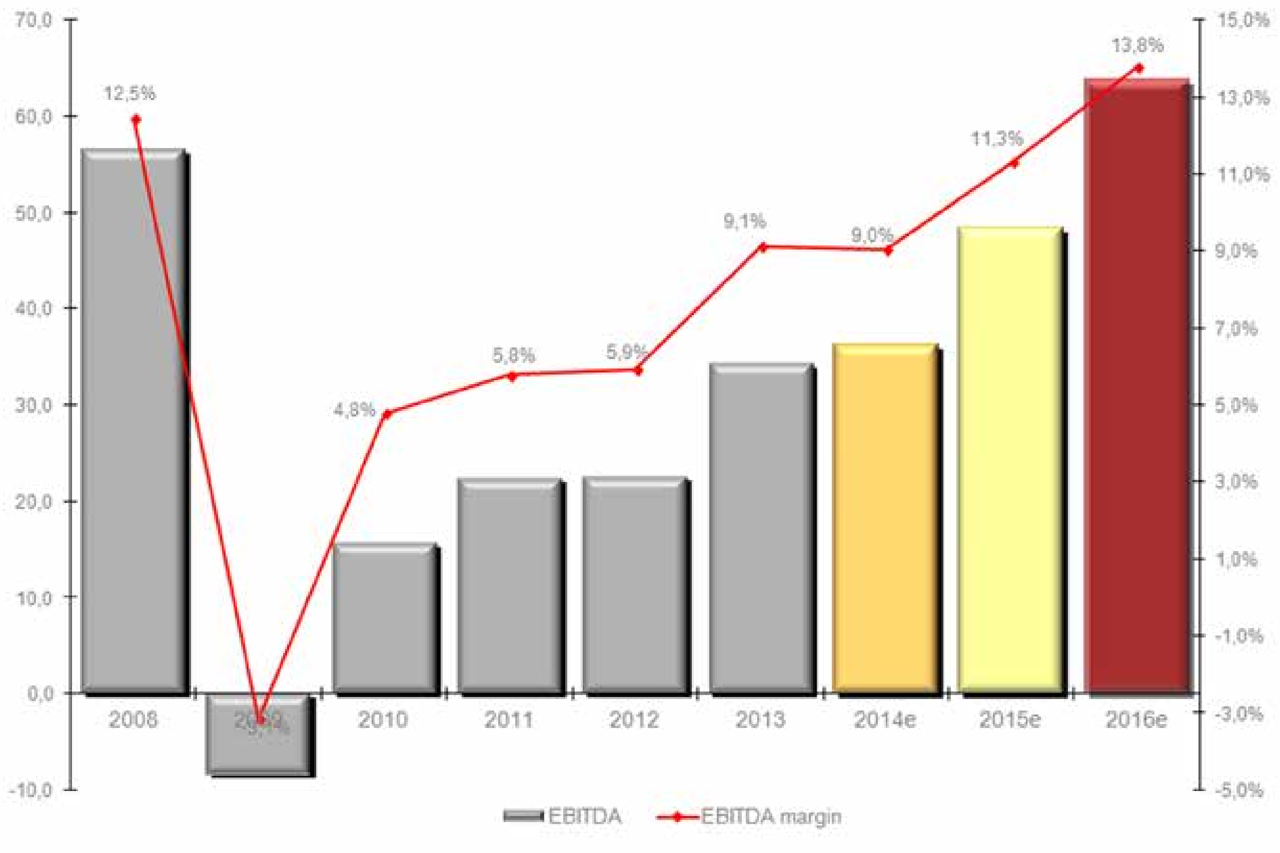
2014e
2015e
2016e
value added
incidence on net sales

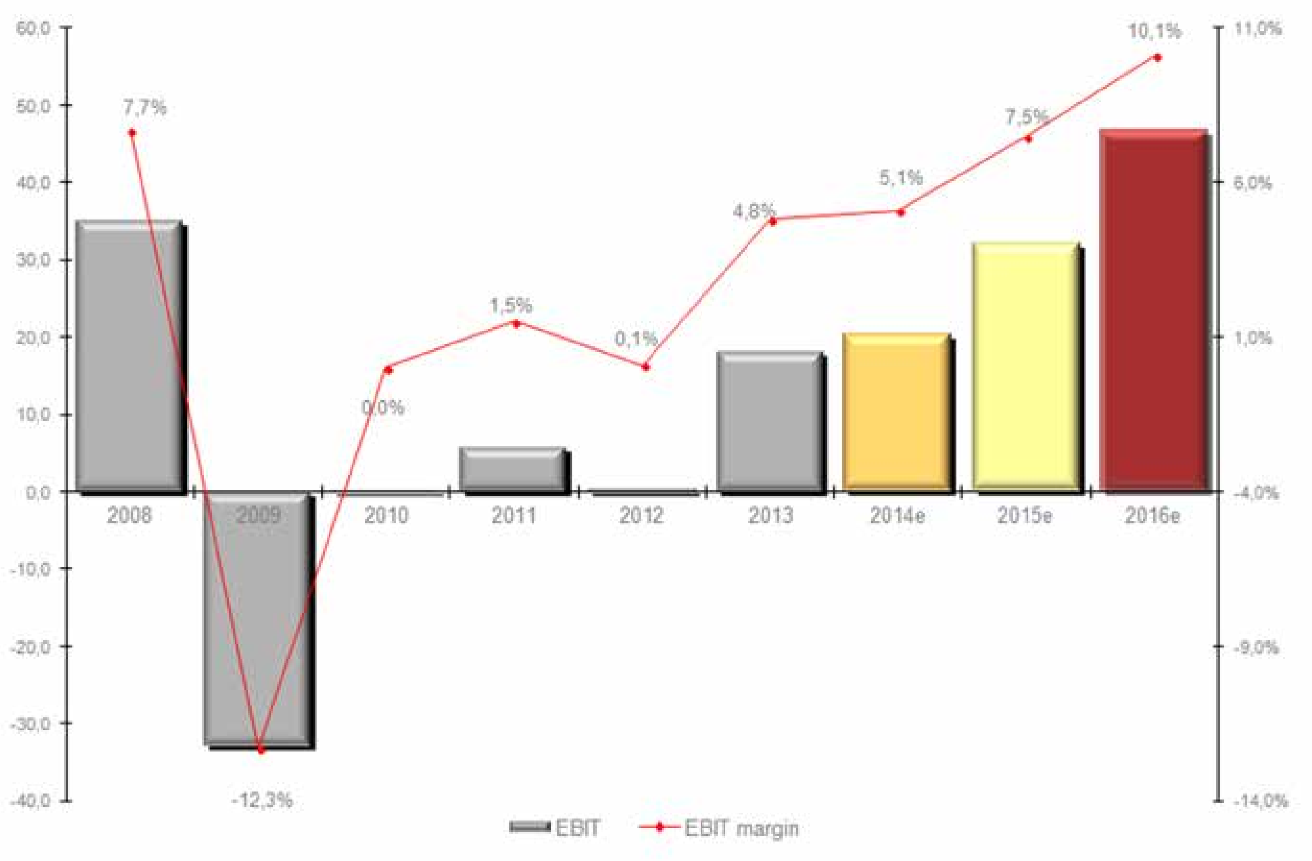
Labour cost


34,6%
32,9%
29,7%
30,9%
29,8%
29,9%
28,9%
27,8%
24,5%
140,0
120,0
100,0
80,0
60,0
40,0
20,0
0,0
30,0%
20,0%
10,0%
0,0%
2008
2009
2010
2011
2012
2013
2014e
2015e
2016e
labour cost
incidence on net sales

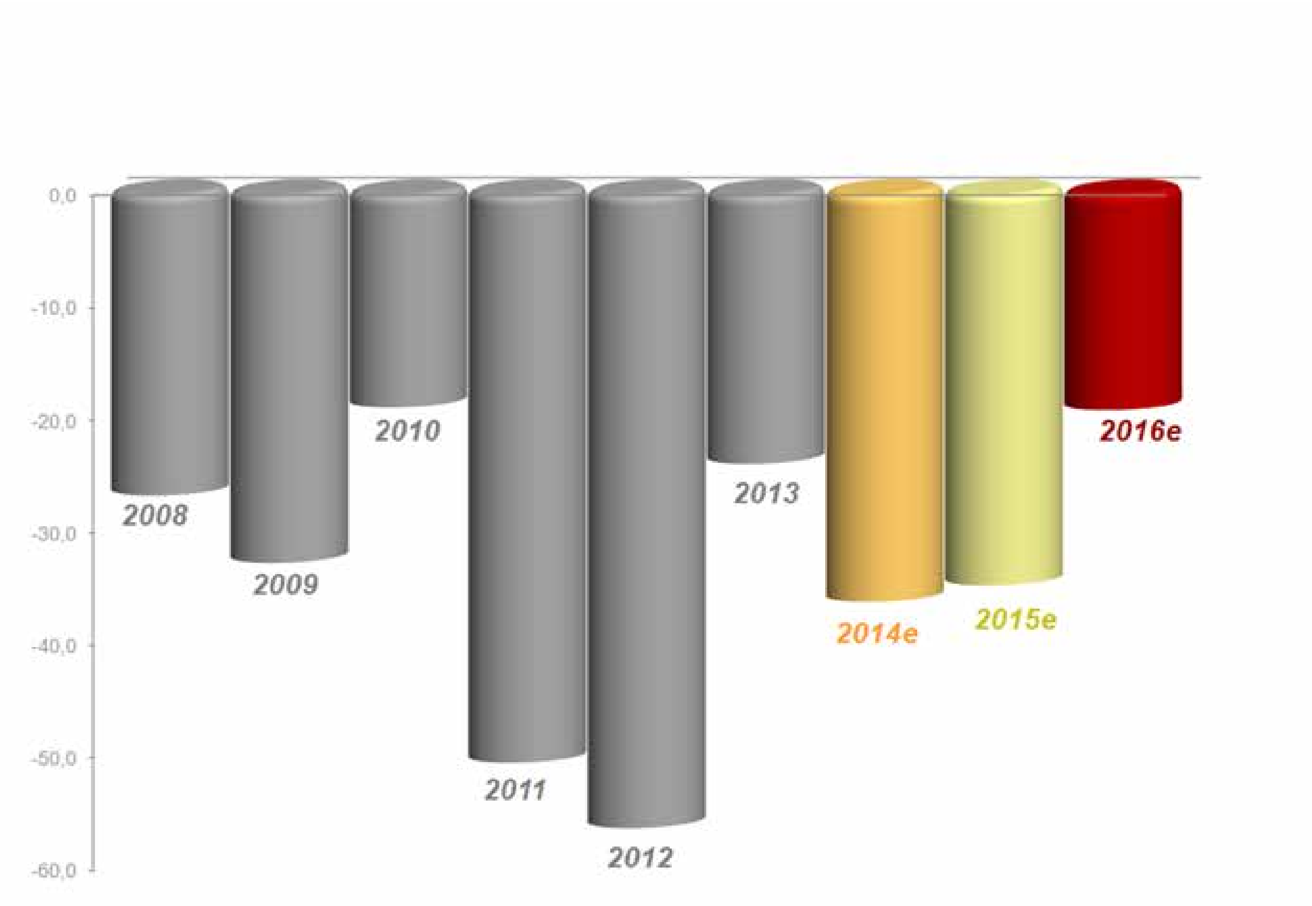
EBITDA


70,0
60,0
50,0
40,0
30,0
20,0
10,0
0,0
-10,0
15,0%
13,0%
11,0%
9,0%
7,0%
5,0%
3,0%
1,0%
-1,0%
-3,0%
-5,0%
12,5%
4,8%
5,8%
5,9%
9,1%
9,0%
11,3%
13,8%
2008
2009
2010
2011
2012
2013
2014e
2015e
2016e
EBITDA
EBITDA margin

EBIT


60,0
50,0
40,0
30,0
20,0
10,0
0,0
-10,0
-20,0
-30,0
-40,0
11,0%
6,0%
1,0%
-4,0%
-9,0%
-14,0%
7,7%
-12,3%
0,0%
1,5%
0,1%
4,8%
5,1%
7,5%
10,1%
2008
2009
2010
2011
2012
2013
2014e
2015e
2016e
EBIT
EBIT margin

Net debt

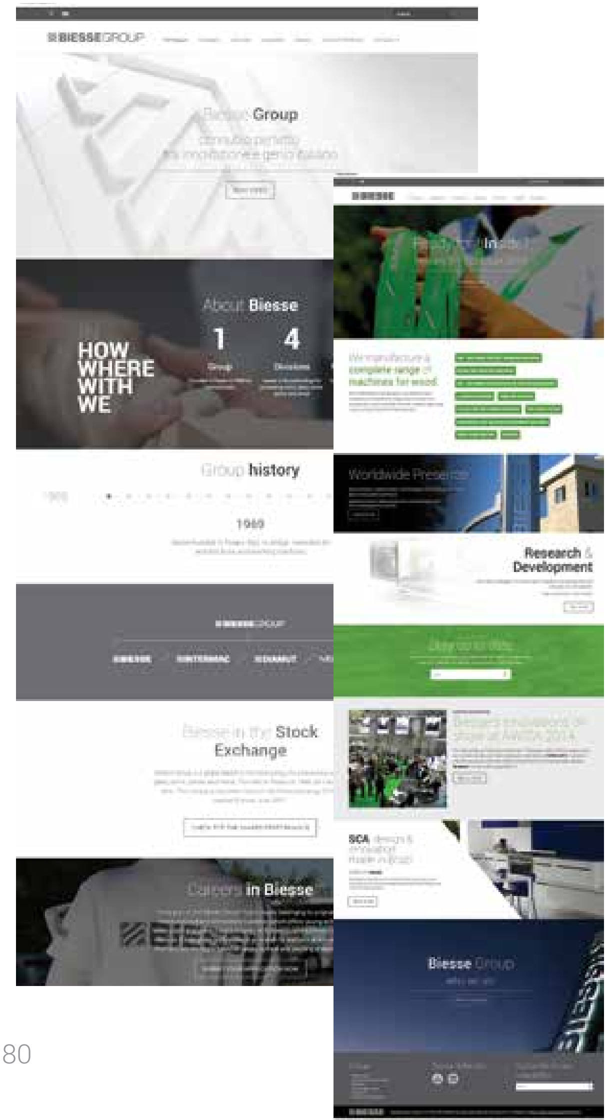

0,0
-10,0
-20,0
-30,0
-40,0
-50,0
-60,0
2008
2009
2010
2011
2012
2013
2014e
2015e
2016e

Marketing actions

5.1

The new Biesse website

Our mission



We started to rething our website from the most important items: our products.

We want to communicate technology, innovation and quality using a simple and clean style. It is our mission.

We follow this route in every thing we do and promote, from brochures to invitations, from advertising to the web. Ensuring consistency at all levels.

Product sheet

An introduction

A new way to show our products: stop with boring and cold images.
Lets talk about our machines!

Case histories

Spotlight on customers

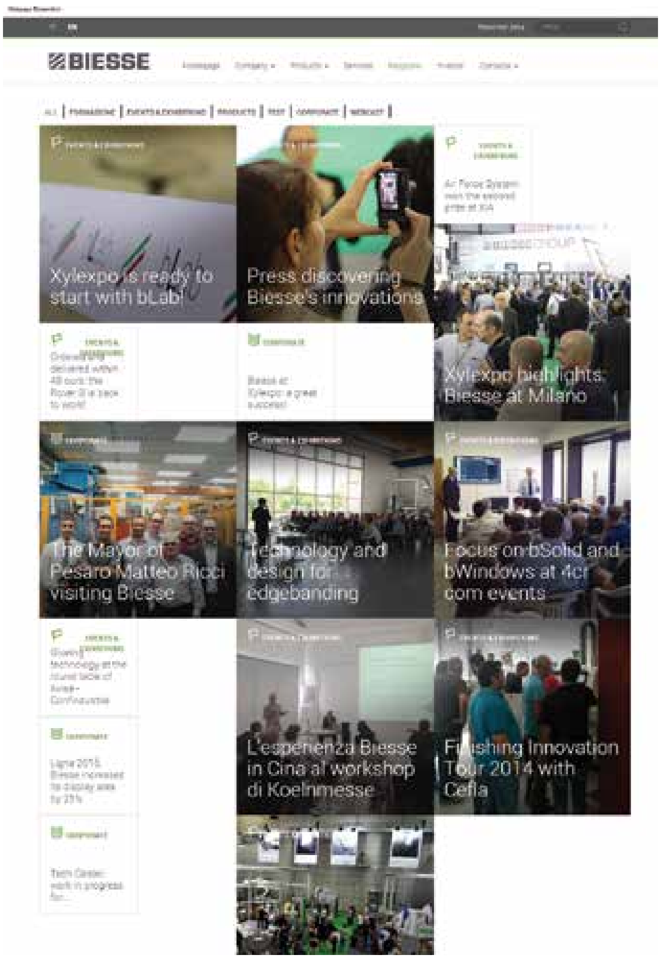
In the Case History section, we have collected the stories about our customers.

Each of them has a single page with his data (country, website...) and machines quoted in the article, so users can know more clicking on the thumbnails.

In addiction users can find also **video and photogallery** in order to know more about **customer and his Biesse's experience**.

Magazine

Discover Biesse's world



The Magazine section is the place where to know what happens everyday in Biesse's world: news, product launches, events & exhibitions.

We used a different layout, able to mix nicely text and images in order to make user navigation more immersive and attractive.

Trade shows

BIESSE
17
direct exhibitions
Biesse Pesaro &
subsidiaries

INTERMAC
12
exhibitions
& open houses
dealer

HSD MECHATRONICS
13
exhibitions

Events

BIESSE

15
exhibitions
& open houses
dealer

9
open houses &
internal events in
Pesaro &
subsidiaries

INTERMAC

6
exhibitions
& open houses
dealer

R & D

6.1

R & D

14 milion yearly “real” investments

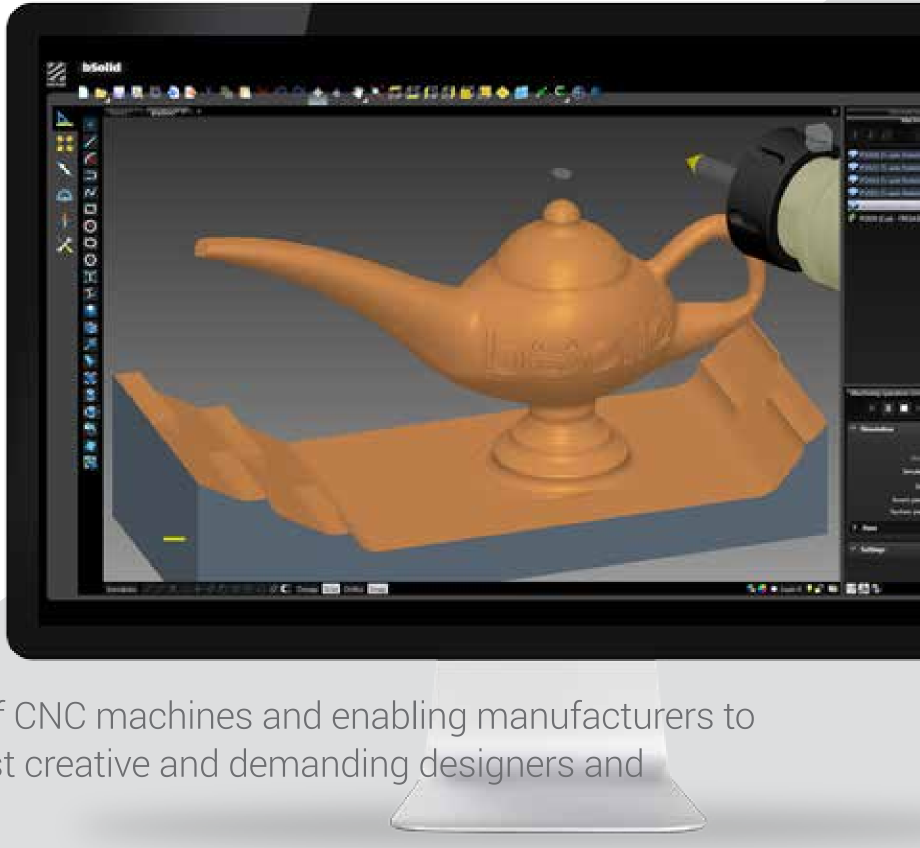
Biesse Group’s growth and positive expectations go along with its year-by-year commitment in R&D to support customers’ ability to compete on the market. Real investments, amounting to 14 million€ p/y, are primarily focused on:

- **machines software**
  making high-tech solutions accessible and intuitive
- **cutting-edge mechatronics**
  to achieve optimal machine performance level
- **integrated production line development**
  tailored to match specific manufacturing needs.

Product innovation for Biesse Group means granting its worldwide customers the possibility to secure and fulfill every order, assuring the highest manufacturing quality with rapid and certain delivery time.

R & D 2014

Product innovation for customers' competiveness



bSolid 2.0 and bSuite

a further step in easing the use of CNC machines and enabling manufacturers to meet any requirement of the most creative and demanding designers and architects.

R & D 2014

Product innovation for customers’ competiveness

AirForce System
a forefront solution to obtain high quality panels by applying co-extruded edge-bands on board sides with no glue line, ensuring water and heat-resistance over time.

R & D 2014

Product innovation for customers’ competiveness

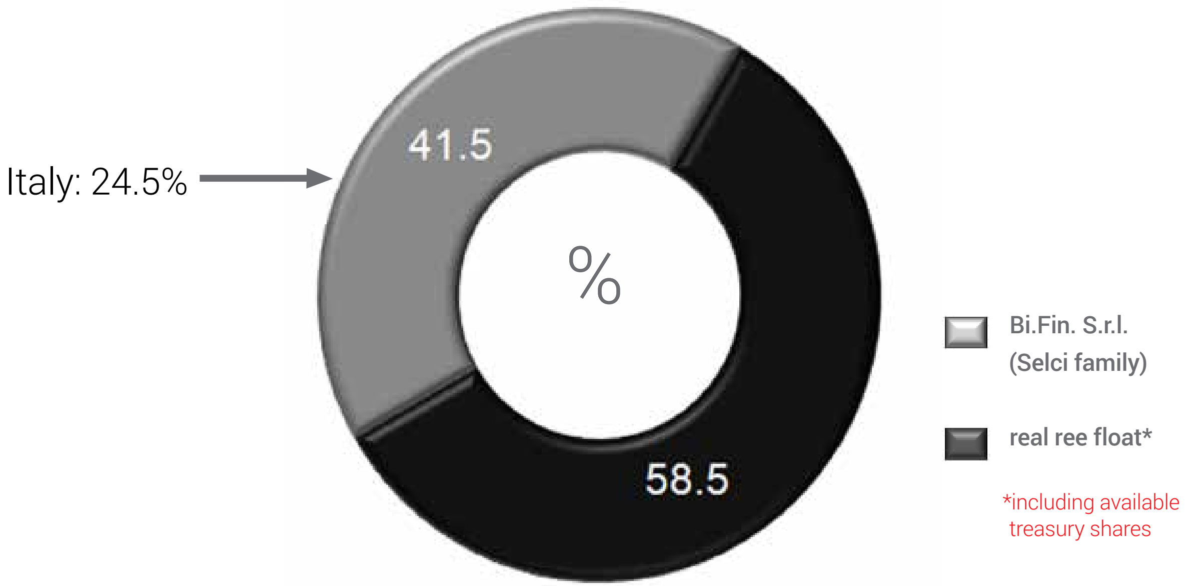
Integrated manufacturing lines
for mass production, all the same allowing a high level of final product customization

Other

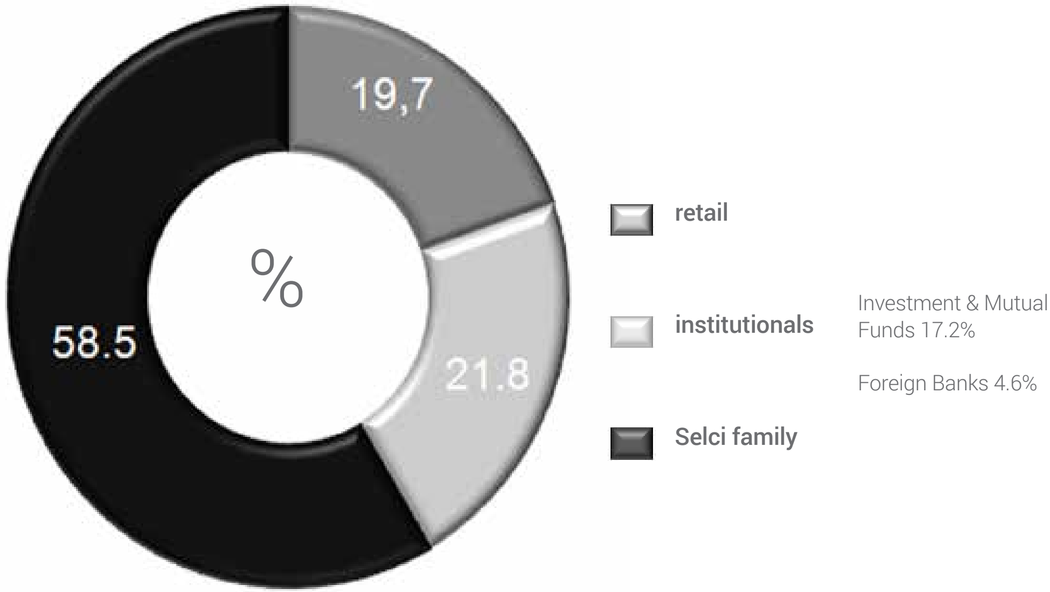
7.1

Shareholders breakdown "by country"

available treasury shares: 1.16%



Shareholders breakdown "by type"



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