



**Three Years Business Plan  
2013-2015**

**BIESSE**

# our history



1969

“The beginning”

**1978** Realized the first numerical control boring machine for wood: Logic Control

**1983** Rover: the first machining centre for the processing of wood is built

**1987** Intermac is established: The company produces machining centres for processing and engineering glass and stone

**1991** HSD is established: the company realizes and sells mechanical components and numerical controls

**1991** Biesse becomes international: the first foreign branches are opened

**1992** Biesse starts “the acquisition period”: aimed operations in wood/glass&stone/components and distribution network areas

**1994** Biesse Engineering is established: new business unit fully dedicated to project and realize entire lines and integrated systems

**1998** Biesse group is formed. It's composed of three divisions: wood, mechatronic, glass and stone

**1999** “Centro di Formazione e studi” (Biesse School) is established

**2001** Biesse is quoted on the Italian stock exchange (listed in STAR segment)

**2006** Bre.Ma. is acquired: the company designs and realizes vertical numerical control boring-inserting machine for the processing of wood

**2007** AGM Inc (U.S.A.) is acquired: former distributor for glass & stone machinery becomes Intermac U.S.A. subsidiary

**2008** New plants for the wood division: Bangalore (India) first foreign production site

**2009** Biesse Group incorporates Digipac brand - packaging technology –

**2009 Biesse open new subsidiaries in Switzerland and Dubai**

**2010** BiesseInside hosts for the first time 4 listed companies (Indesit-Elica-Prima Industrie-Sabaf) to meet the financial community during an internal open-house

**2011** VIET - historic wood brand for calibration and sanding machines - added to the Group

**2012** Biesse acquires the majority of Korex Machinery Dongguan (China)



our world structure



**Italy – Pesaro H.O.**



**U.K.**  
Daventry



**Suisse**  
Lucerna



**Sweden**  
Jonkoping



**Russia**  
Moscow



**Germany**  
Elchingen  
Loehne  
Gingen



**France**  
Lyon



**Spain**  
Barcelona



**Portugal**  
Syntra



**U.A.E.**  
Dubai



**India**  
Bangalore



**Indonesia**  
Jakarta



**Malaysia**  
Kuala Lumpur



**Australia**  
Sidney  
Brisbane  
Adelaide  
Melbourne  
Perth



**New Zealand**  
Auckland



**U.S.A. & Canada**  
Charlotte. N.C.  
Ft. Lauderdale FL.  
Toronto - Montreal



**Asia**  
Singapore



**China**  
Shanghai  
Dongguan



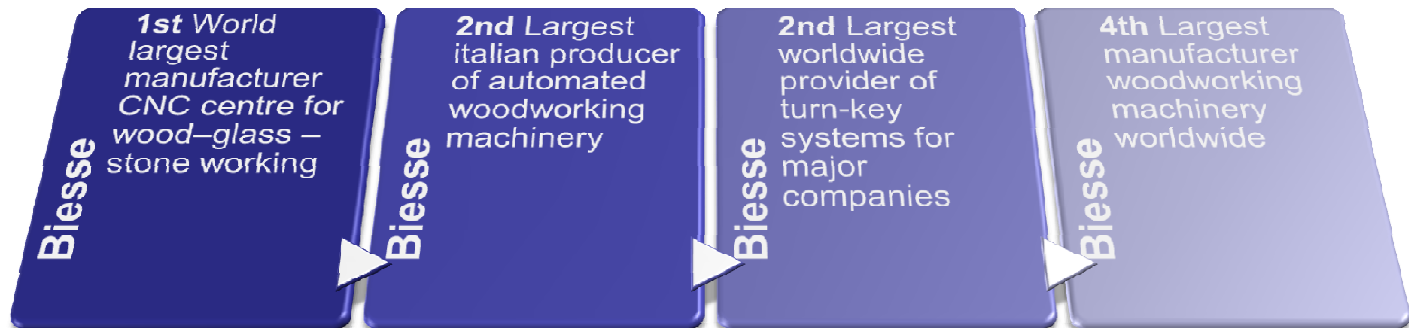
**Korea**  
Bucheon City  
Gyunggido

# Wood – Glass&Stone - Mechatronic





## Market position

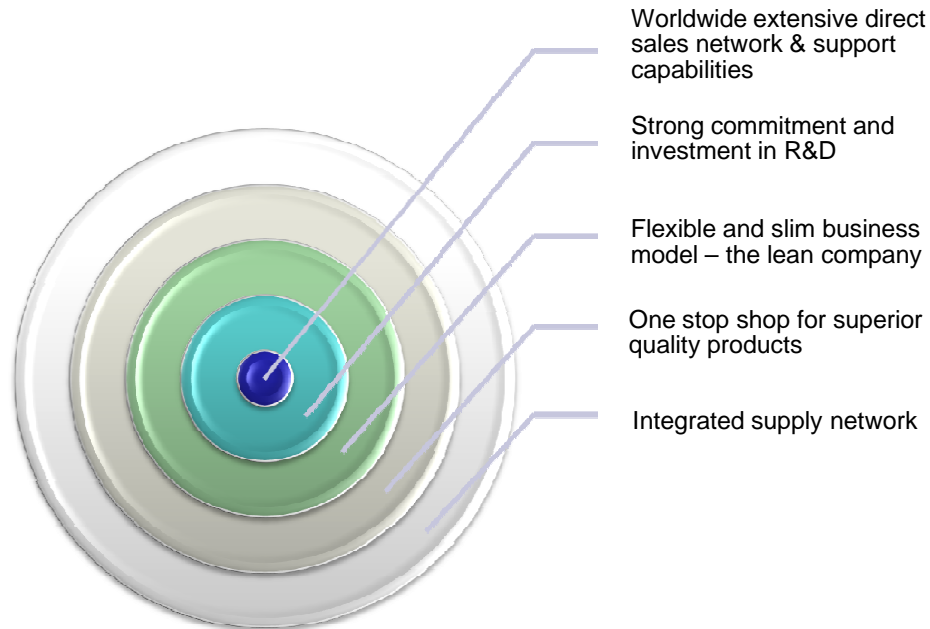


# Biesse key successful factors



Biesse produces machine tools and systems for the secondary processing of wood, glass and stone, together with associated numerical controls, motors, software and precision components

## Biesse has achieved operating excellence due to the following key factors:





drivers & references

Acimall

VDMA

GDP

Furniture

Housing



Estratto del comunicato stampa ACIMALL del 30 Gennaio 2013:

## MACCHINE ITALIANE PER IL LEGNO: IL PRECONSUNTIVO 2012 IL FATTURATO AI LIVELLI DI DUE ANNI FA; ANNULLATO IL “RIMBALZO” DEL 2011

Il 2012 è stato contraddistinto dal segno meno per le tecnologie dedicate alla lavorazione del legno e dei suoi derivati. I dati preconsuntivi elaborati dall'Ufficio studi di Acimall confermano le difficoltà incontrate dall'industria italiana di settore che, nel corso degli ultimi cinque anni, ha complessivamente perso circa il 30 per cento del proprio fatturato.

***“Rispetto al 2011 la produzione è calata del 9,8 per cento, dato sul quale hanno pesato sia l'ulteriore compressione del mercato interno (meno 15 per cento) che la flessione delle esportazioni (meno 8 per cento).....”.***

***“.....in Italia l'edilizia, il mobile e tutti i beni che nascono dal legno e dai suoi derivati registrino una dinamica negativa non può che bloccare qualsiasi investimento nei beni strumentali”.***

Le esportazioni continuano a essere un capitolo di vitale importanza; la flessione dell'8 per cento, per quanto rilevante, va letta alla luce di un 2011 nel quale, come già ricordato, il “*made in Italy*” aveva registrato un momento particolarmente favorevole.

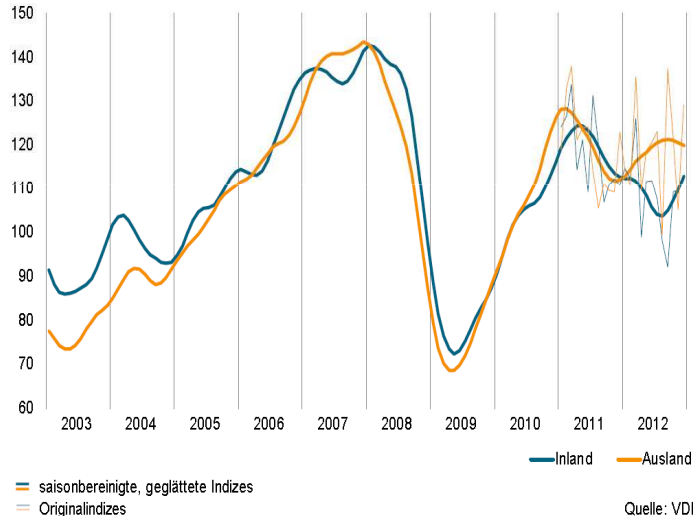
Impossibile fare ipotesi su cosa ci riserva il 2013. I primi dati sembrano indicare un possibile consolidarsi della situazione negativa, che determinerebbe una crisi di settore all'interno di una più globale crisi economica.





## Auftragseingang im deutschen Maschinenbau

preisbereinigte Indizes, Basis Umsatz 2010 = 100



## Order Intake December 2012 – Reassuring End of the Year

05.02.2013

In December 2012 German machinery and tool orders saw an increase of four percent in real terms against the previous year. Domestic sales recorded a plus of one percent and demand from abroad rose by five percent compared to prior-year level, the German Engineering Association (VDMA) reported on Tuesday in Frankfurt.

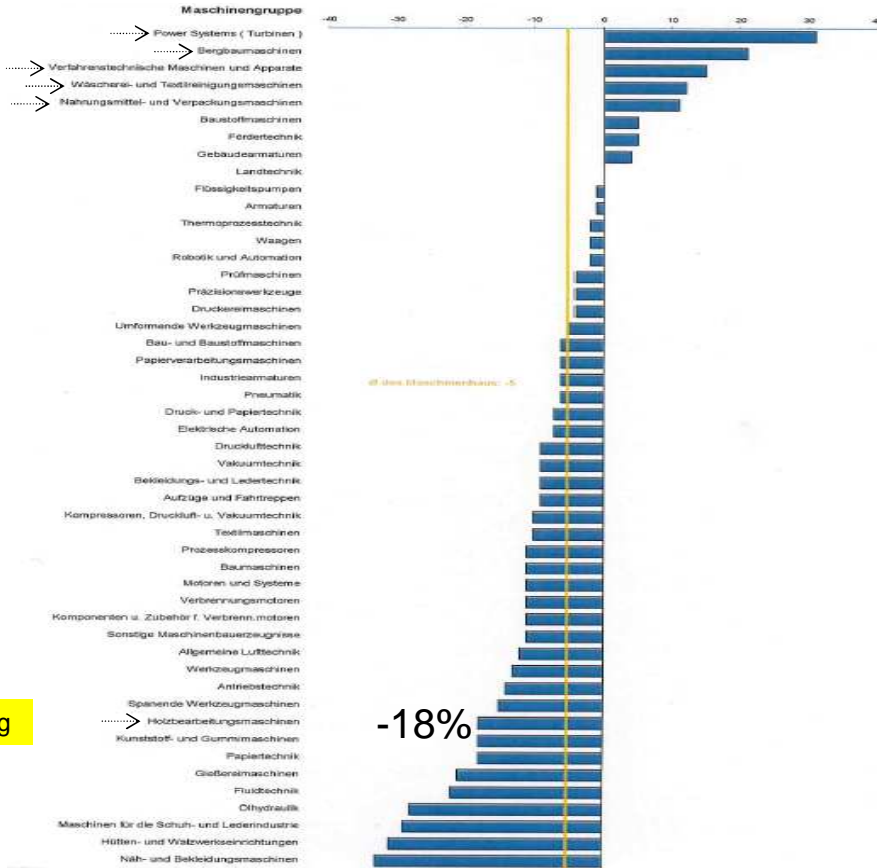
The less volatile three-month comparison, October to December 2012, recorded an overall growth of three percent compared with last year's results. Domestic orders decreased by one percent, foreign orders achieved plus four percent.

For the year as a whole (January to December 2012) growth averaged at minus three percent. Domestic orders dropped by eight percent, orders from abroad stagnated.

„In December the German engineering industry saw the order inflow returning to the positive growth rates of September and October. This time, it was mainly the demand from the euro partner countries that boosted foreign orders. Domestic orders recorded rather poor results compared with the previous year. Though, the order curve shows that domestic orders struggled vigorously to make up summer losses. Over the full fiscal year 2012 growth averaged at minus three percent, a respectable performance given the challenging economic conditions,“ VDMA Chief Economist Ralph Weichers said when interpreting the result.



## Orders intake Y/Y delta %:



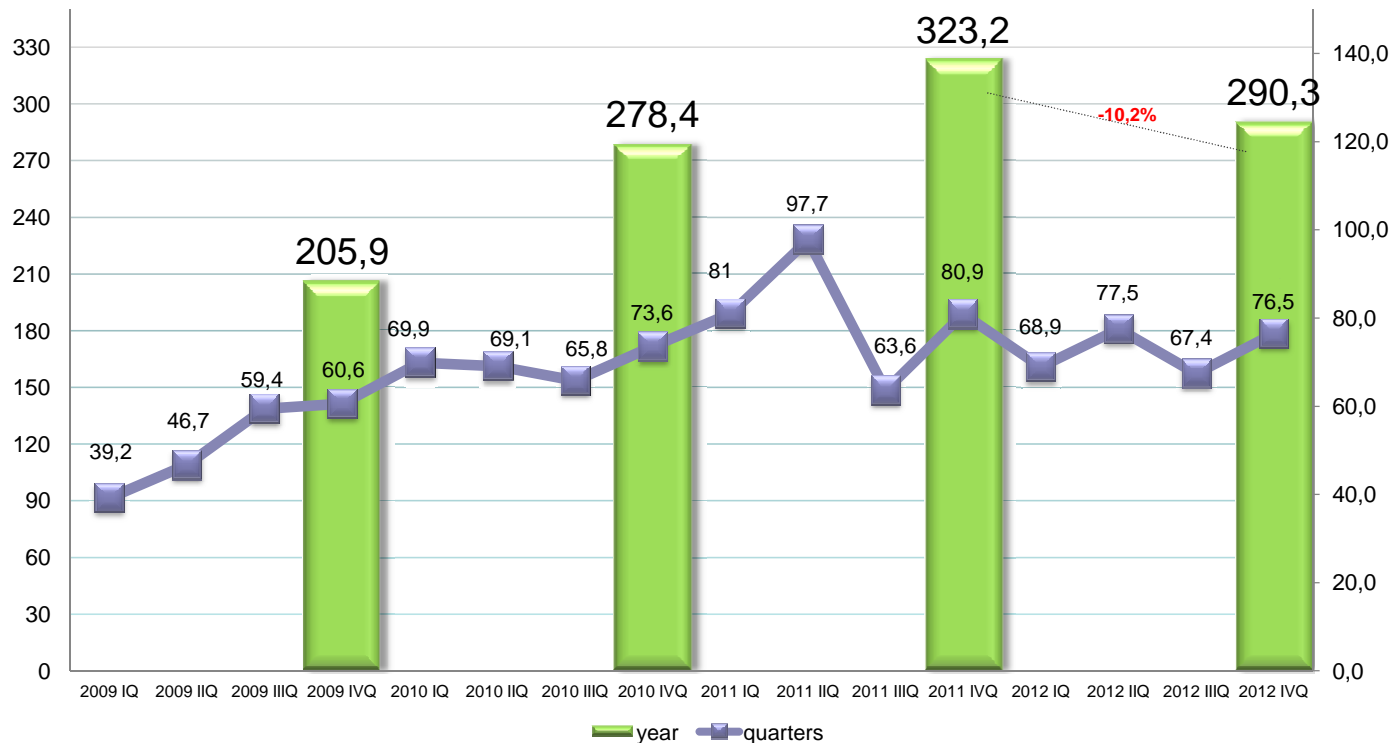
Woodworking

# Group orders intake: quarterly trend 2009-2012



€/mn

## Group orders intake



# Biesse : Group breakdown 2012 vs 2011

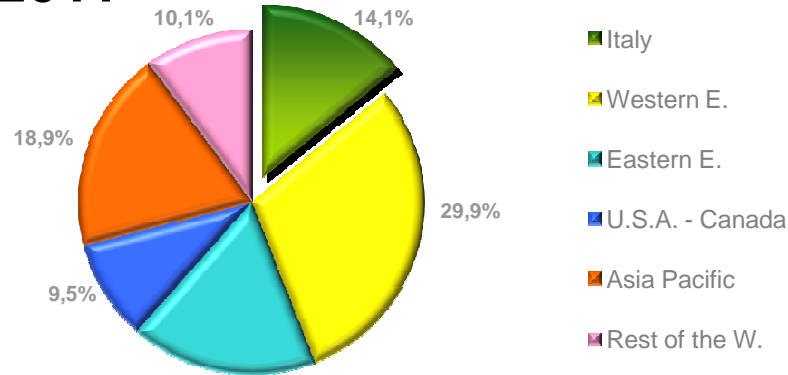


**B.R.I.C. : 15,1%**

*Brazil=5,5%*  
*Russia=4,5%*  
*India= 0,7%*  
*China=4.4%*

**2011**

by countries

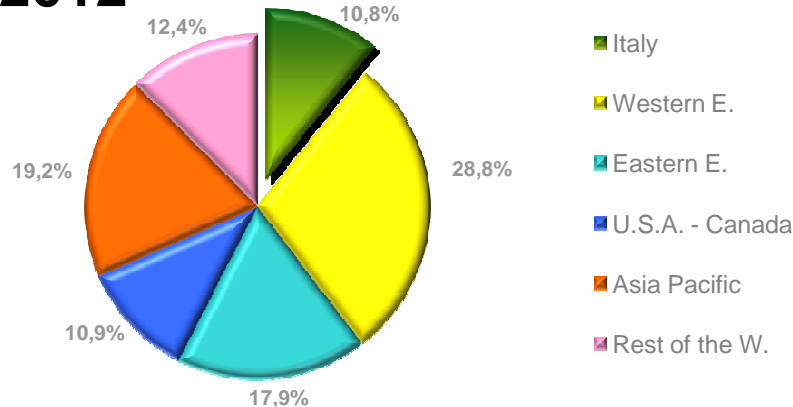


**B.R.I.C. : 19,4%**

*Brazil=8,0%*  
*Russia=4,6%*  
*India= 1,3%*  
*China=5,5%*

**2012**

by countries





consolidated sales 2012e

€ 383 mln.

€ 761 mln.

## Biesse

Italy 9%

Export 91%

14,1% 2011

## Homag

Germany 26%

Export 74%

23% 2011



consolidated sales 2012e

€ 383 mln.

€ 761 mln.

## Biesse

Europe 58%

R.O.W. 42%

61,5% 2011

## Homag

Europe 72%

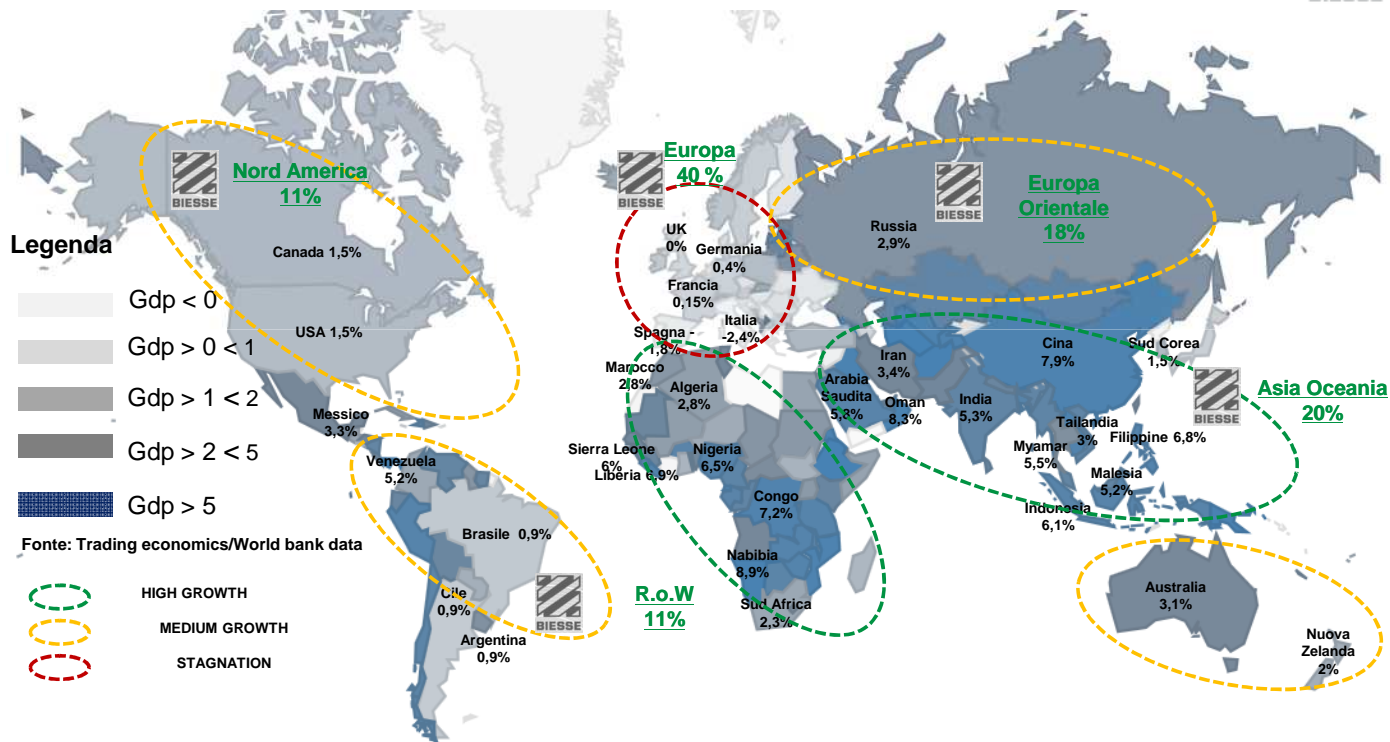
R.O.W. 28%

73% 2011

# GDP estimations



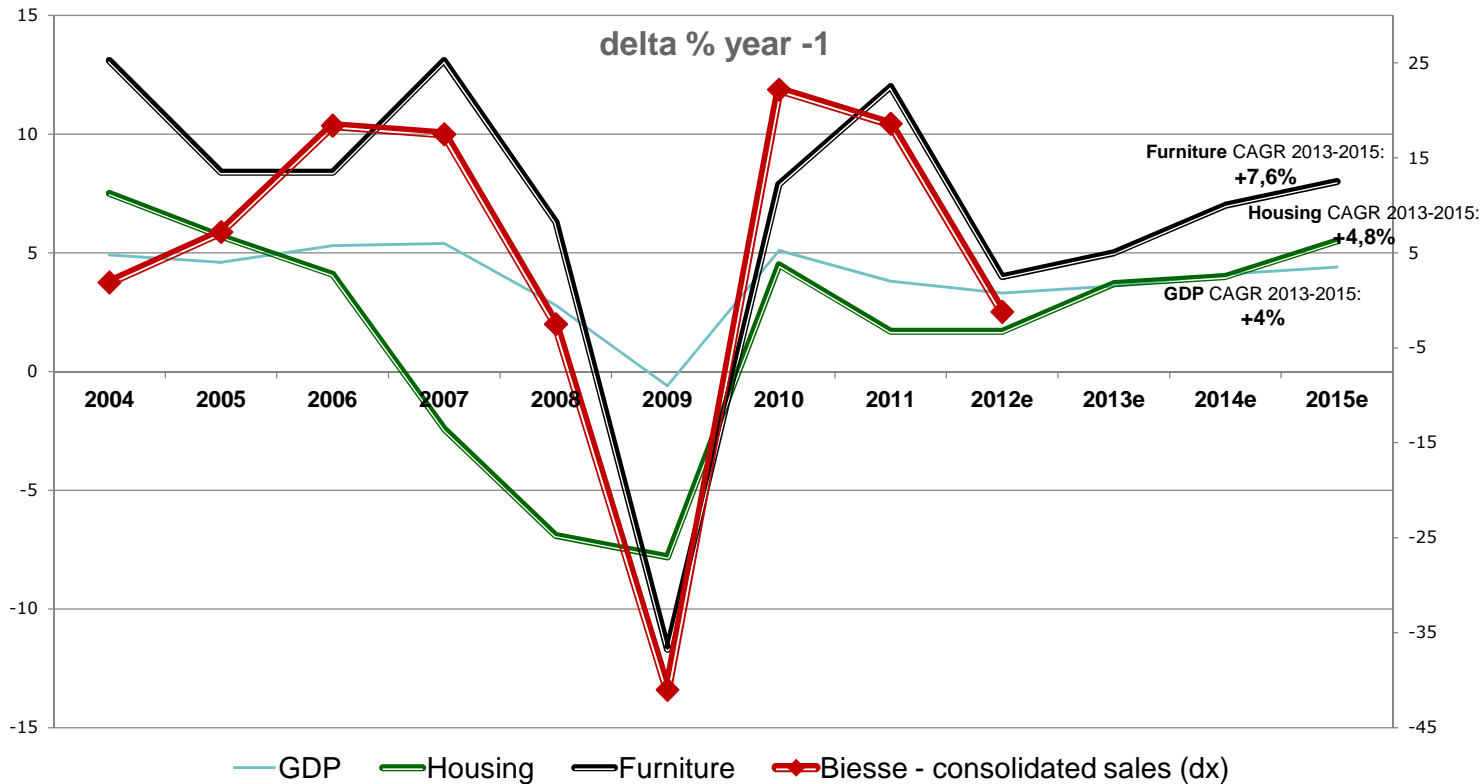
Where is the growth: (I.M.F.)



# GDP - net sales - furniture - housing



F.M.I. GDP normalizzato (indice mondiale)  
 CSIL furniture demand (indice mondiale)  
 CRESME new housing (indice mondiale)





# furniture - housing



fonti utilizzate:  
F.M.I. GDP normalizzato (indice mondiale)  
CSIL furniture demand (indice mondiale)  
GRESME new housing (indice mondiale)

•Biesse Consolidated Net Sales average (2004-2012): +4,6%

•GDP world average (2004-2012): +3,8%

•furniture world demand" average (2004-2012): +6,8%

•new housing world average (2004-2012): +0,9%

**furniture + housing (2004-2012): 3,9% (average)**

•furniture world demand average(2013-2015): +6,7%

•new housing world average (2013-2015): +4,4%

**furniture + housing (2013-2015): 6,1% (average)**

historical sensitivity (2012-2014):

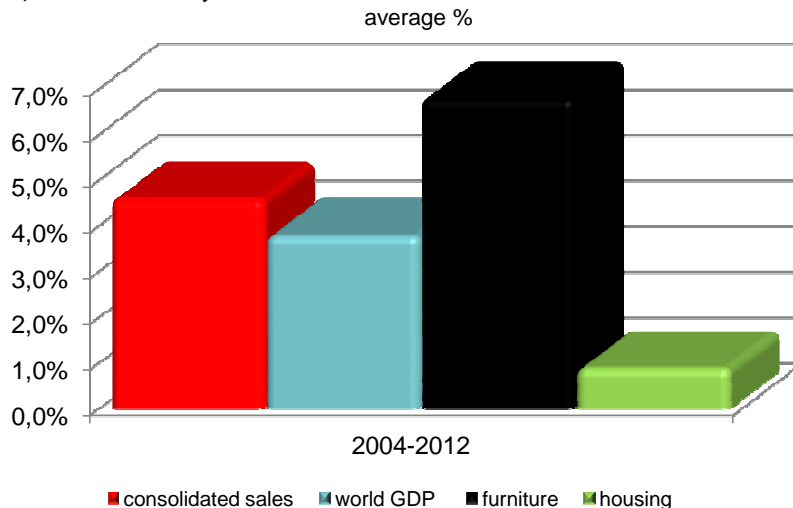
Biesse average vs furniture & housing average

**4,6% vs 3,9%= x1,18**

projected sensitivity (2013-2015):

forecast average furniture & housing x historical sensitivity

**6,1% x 1,18= 7,2%**





(woodworking)

1) source EAC International Consulting Study 2012

# Housing: the “best” 6 housing markets



## The best 6 “housing markets” – 2012 vs 2011

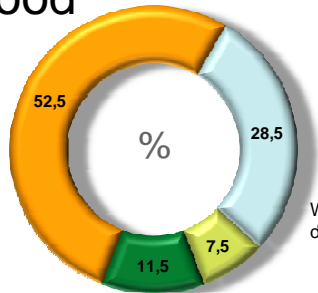


source G.E.O. – conference board

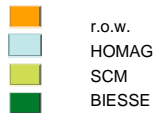
# World market shares:



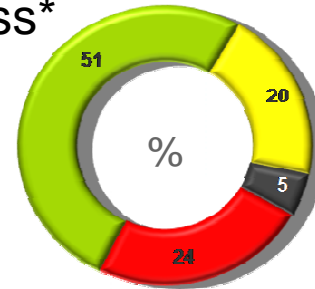
## Wood\*



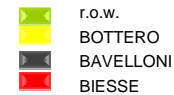
Wood market shares estimations (world market dimension € 2.1 bill.)



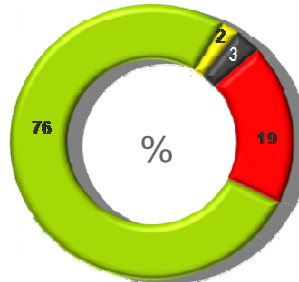
## Glass\*



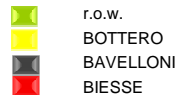
Glass market shares estimations (world market dimension € 228 mln.)



## Stone\*



Stone market shares estimations (world market dimension € 43 mln.)



# Three Years Business Plan



Mission

Strategy

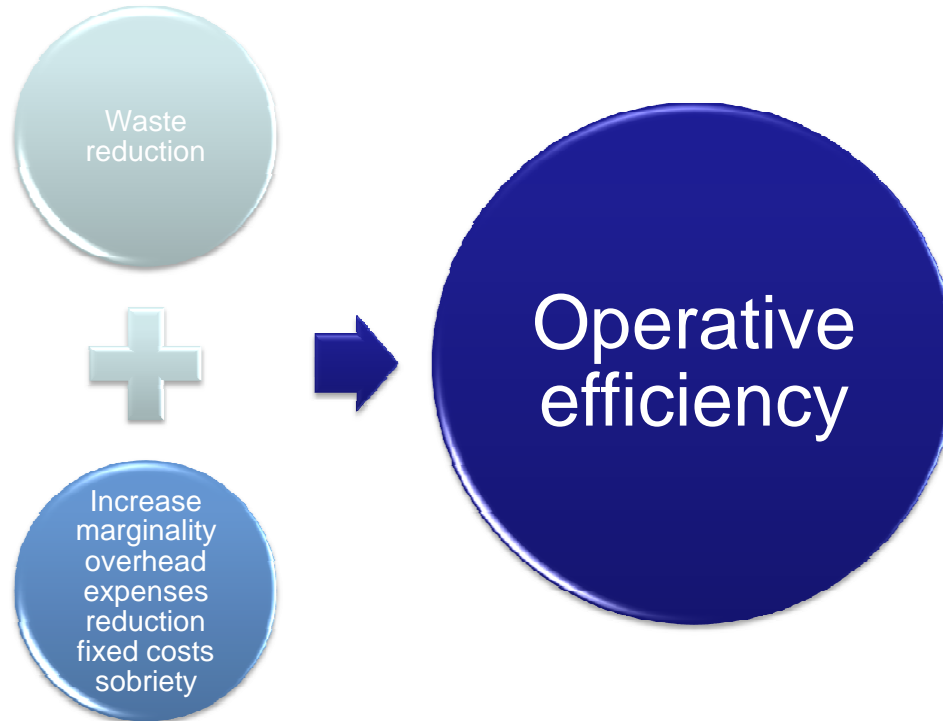
Positioning

Innovation – Technology -  
Products

India & China

# Three Years Business Plan: Mission

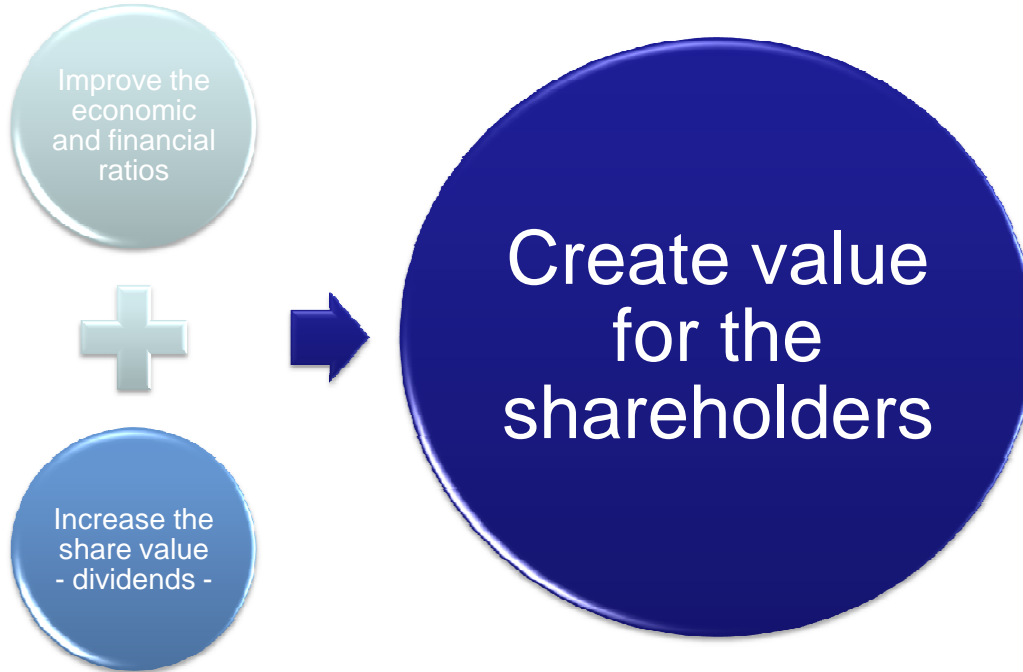




# Three Years Business Plan: Strategy

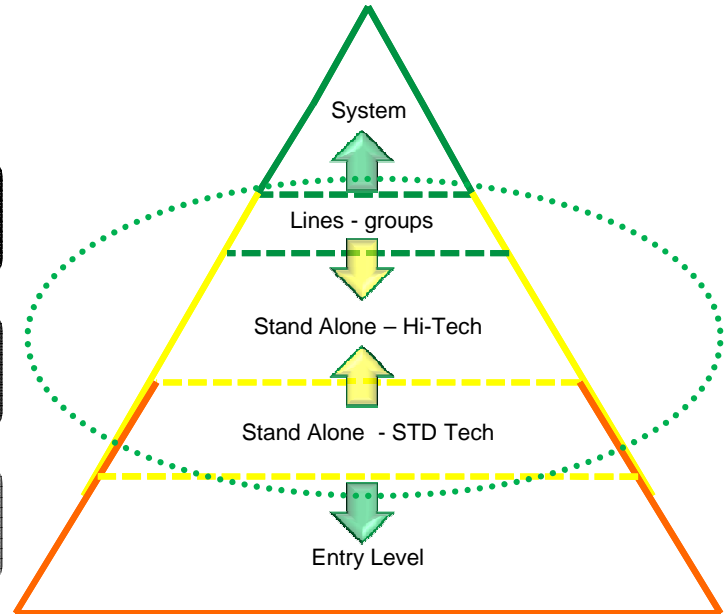
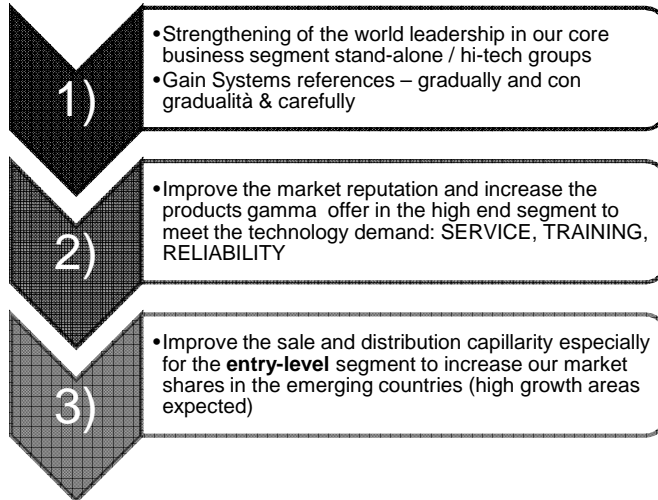








## actions:



A wireframe globe is positioned on the left side of the slide, rendered in white lines against a dark gray background. It consists of a grid of latitude and longitude lines.

Innovation:

The logo for bSolid is a black rounded square with a white border and a slight shadow effect. The text 'bSolid' is written in a bold, white, sans-serif font.

**bSolid**

- 
- A large, light gray arrow with a white outline and a slight shadow, pointing to the right. It is positioned to the right of the bSolid logo.
- new project



- **definizione:** bSolid = nuovo **software** CAD/CAM del gruppo Biesse
- **obiettivo:** semplificare la gestione delle macchine a controllo numerico per aggiungere valore al prodotto Biesse attraverso:
  - ❑ progettazione semplice e visuale
  - ❑ visualizzazione “virtuale” e manipolazione del prodotto finito
  - ❑ prevenzione errori e collisioni nella lavorazione
  - ❑ unificazione in un unico applicativo di tutti gli strumenti necessari
  - ❑ verticalizzazione su prodotti specifici (cabinet-windows-nesting ecc)
- **tempi:** debutto alla fiera di Hannover

bSolid: 3 fasi fondamentali

Design

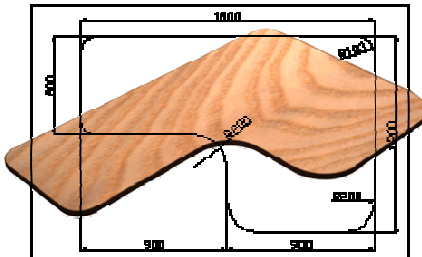
Simulate

Carry out

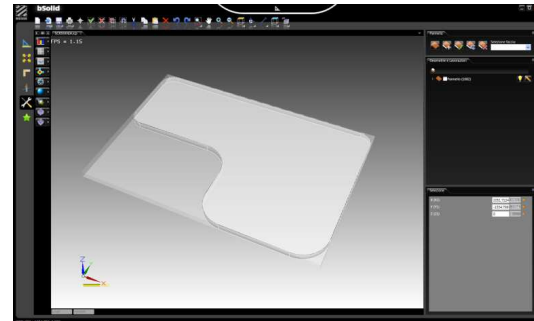
progettare: “*dare all’utente strumenti vicini alle proprie necessità*”

bSolid rappresenta un’unica piattaforma per realizzare qualsiasi tipo di prodotto in qualsiasi modalità di programmazione (di base – parametrica – 3D)

...da un’idea

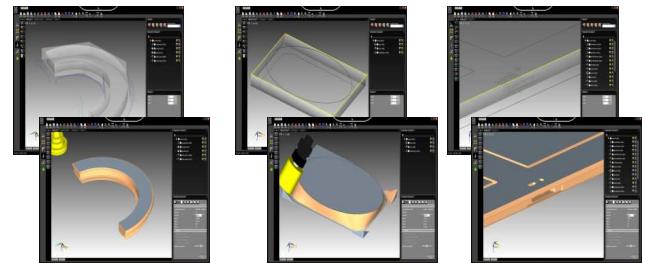


...direttamente alla progettazione visiva”



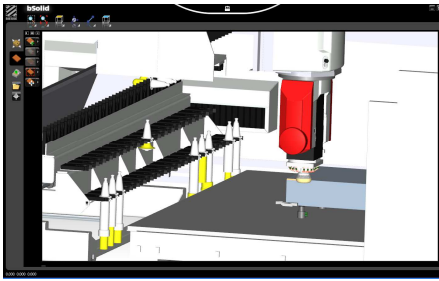
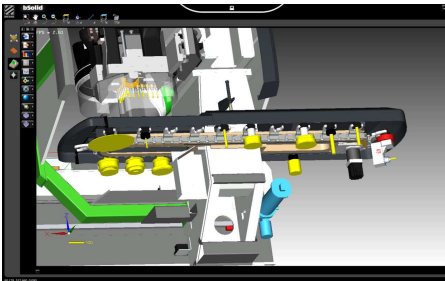
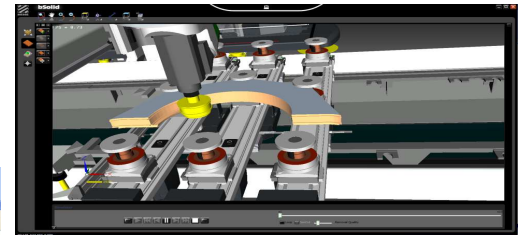
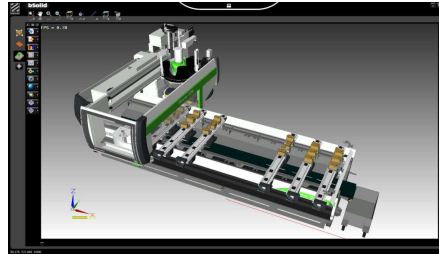
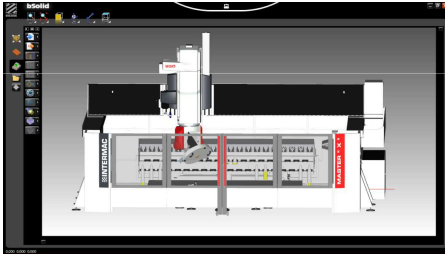
simulare: *“verificare il risultato di un progetto Cad-Cam prima di realizzarlo in effettivo”*

bSolid simula (e quindi anticipa) la fusione delle forme geometriche, il profilo degli utensili selezionati verificando al contempo la correttezza e l'esattezza dei processi di realizzazione del progetto.



realizzare: *“messa a punto della macchina, test e verifiche per la produzione del primo pezzo”*

bSolid simula in maniera virtuale (e quindi anticipa) la realizzazione, utilizzando elementi 3D – cinematiche movimentazioni degli assi – integrazione del controllo numerico – gestione del magazzino e utensili





Innovation:

**Systems**

• new projects





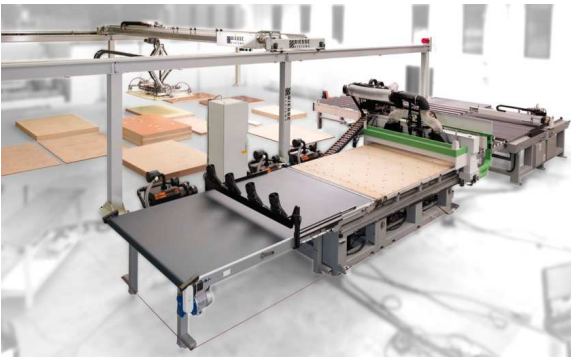
# Innovation: lines



EDGEBANDING LINE



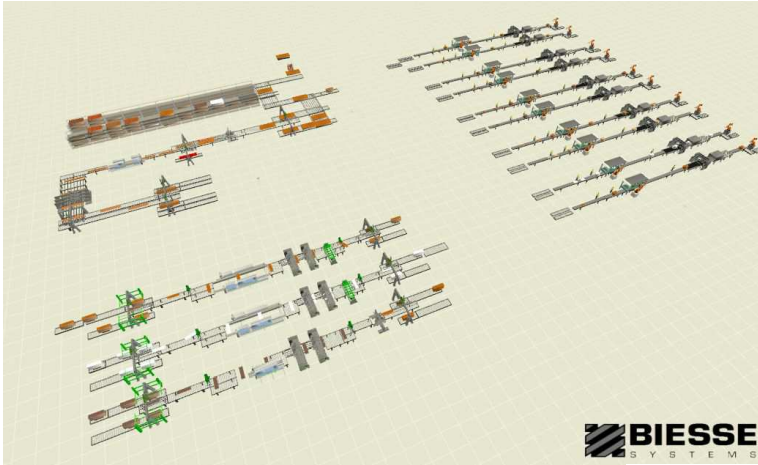
INSERTING LINE



FLEXIBLE CUTTING LINE



BORING LINE



Howdens: kitchen furniture industry

Knoll: office furniture industry





Innovation:

# Glass Stone Tooling

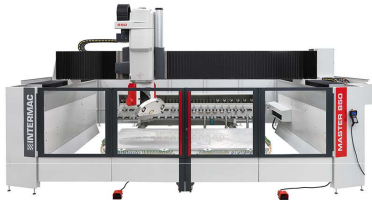
- new products

# Innovation: products portfoglio widening

## Glass & Stone



**Vertmax: Vertical CNC (glass)**




**Master 850-1200: Universal CNC (stone)**



**Primus: waterjet cutting system (plastic - metal - stone - glass - composite)**



**Diamut: tools (glass – stone – pottery)**



Innovation:

**Mechatronic**

- 
- new products

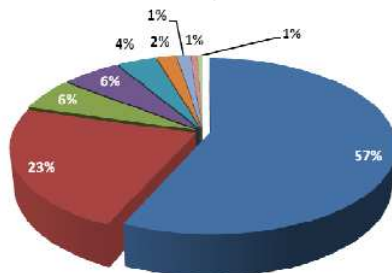
# Innovation: products portfoglio widening Mechatronics



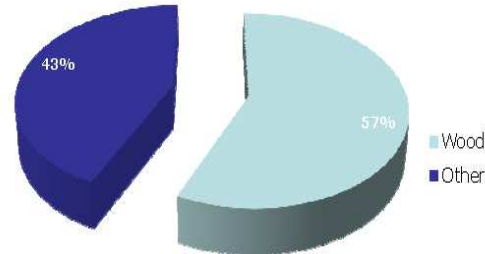
- new products for W.P.A. and METAL



- sales for segments



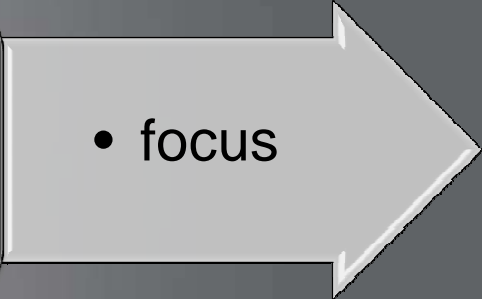
- wood
- W.A.P.
- Aluminium
- Others
- Dealer
- Plastic
- Metal
- Glass
- Marble





Emerging markets:

**India  
&  
China**

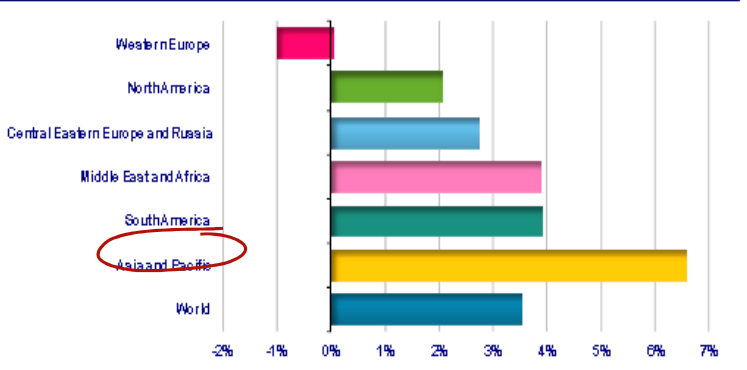


• focus

# Emerging markets



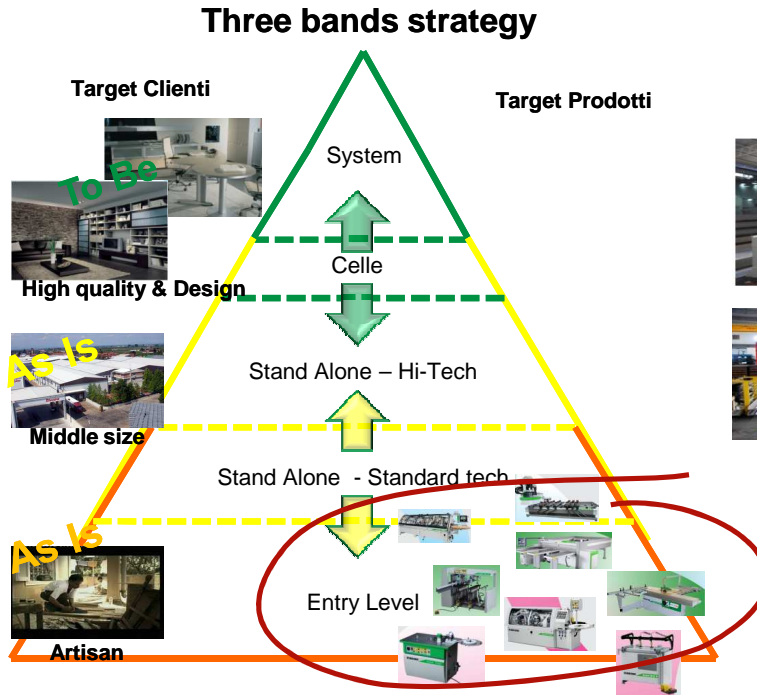
**Furniture: 3 years expected trend for area**







Three bands strategy:



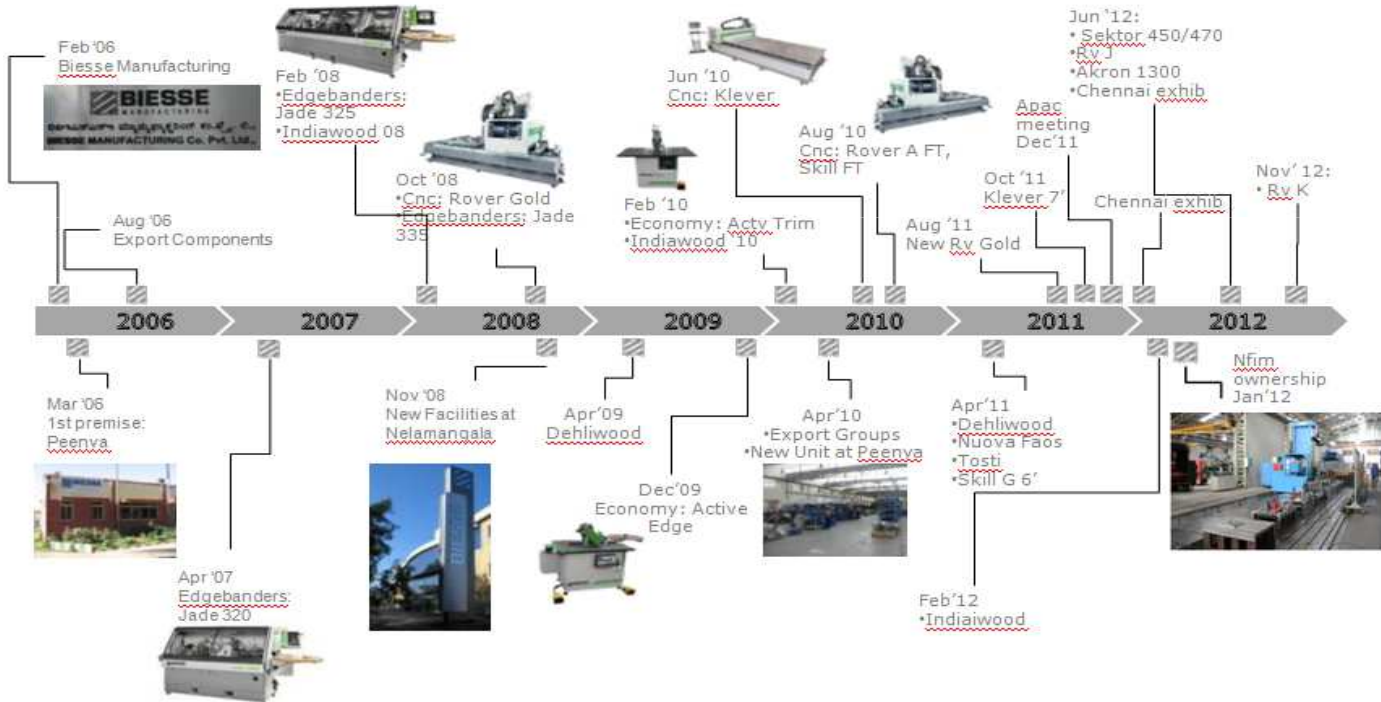
## Italian design Local production



# Emerging markets: Indian production



## Biesse Manufacturing production:



# Emerging markets: Indian domestic market



Several factors are driving demand in the furniture sector

□ India's middle class population to touch 267 million in 5 yrs  
 □ It will reach 600 million by 2030.  
*By National Council of Applied Economic Research*

**Real Estate/  
Housing  
Boom**

□ Demand for residential space is projected to hit 4.25 million units & demand for office space is expected to hit 400 million sq. ft. between 2010 to 2014  
*By Cushman & Wakefield India*

**Consumer  
Demographics**

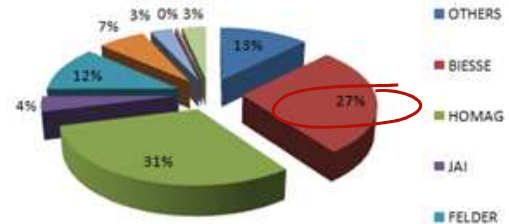
**India's Furniture  
Industry**

**Tourism/  
Hospitality  
industry Growth**

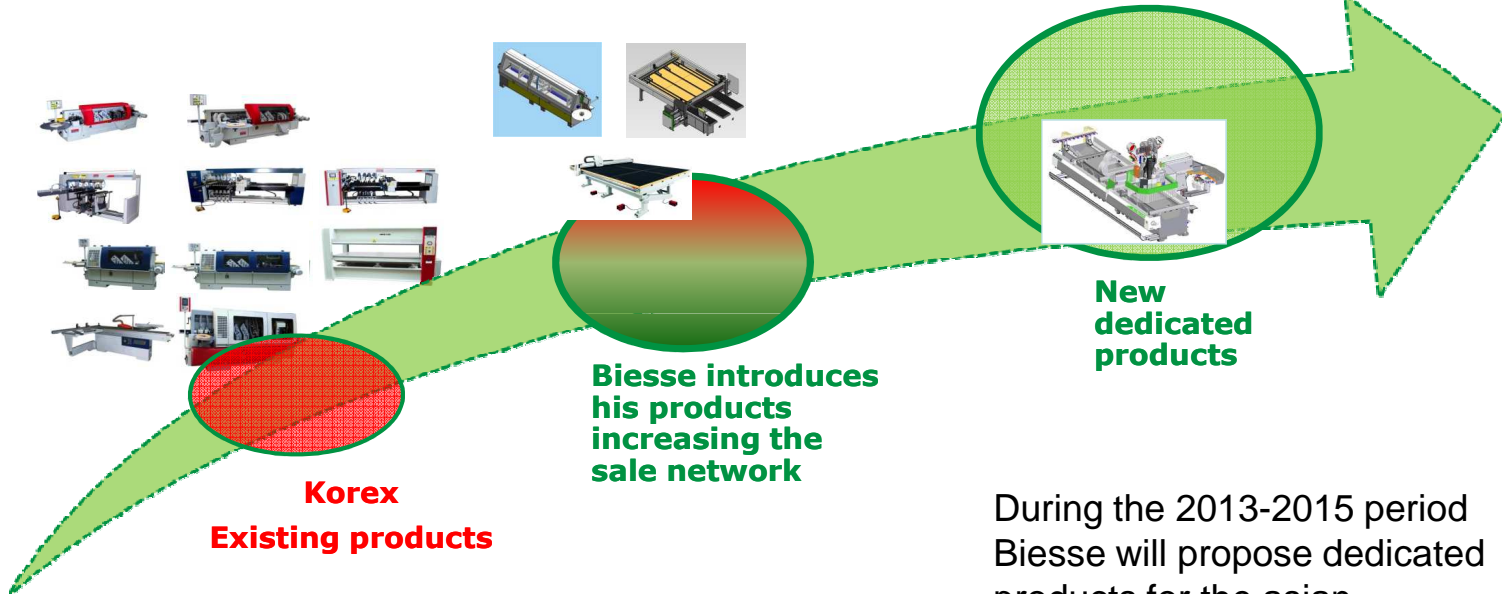
□ FDI in multi brands retail up to 51% (foreign overseas ownership) and up to 100% in single brand retail  
 □ IKEA has proposed to enter India setting up, in the first phase, 10 stores with an investment of euro 600 million in 10 years, and in the second phase setting up 15 more stores with an investment of 900 million. The government to clear the proposal.

**FDI**

□ As of 31 march 2010, total Hotel Rooms in India equal to 128063.  
 □ By 2020, projected Hotel rooms 350,000.  
*By Federation of hotel & Restaurant Association of India.*



# Emerging markets: China



**Korex**  
**Existing products**

**Biesse introduces his products increasing the sale network**

**New dedicated products**

During the 2013 Biesse will introduce new products “Made in Biesse”; Wood (Edge Banding, Sawing), Glass & Stone (CNC).

During the 2013-2015 period Biesse will propose dedicated products for the asian markets (China)



Overhead

Labour cost

Operating net working capital

Operative efficiency - EBITDA

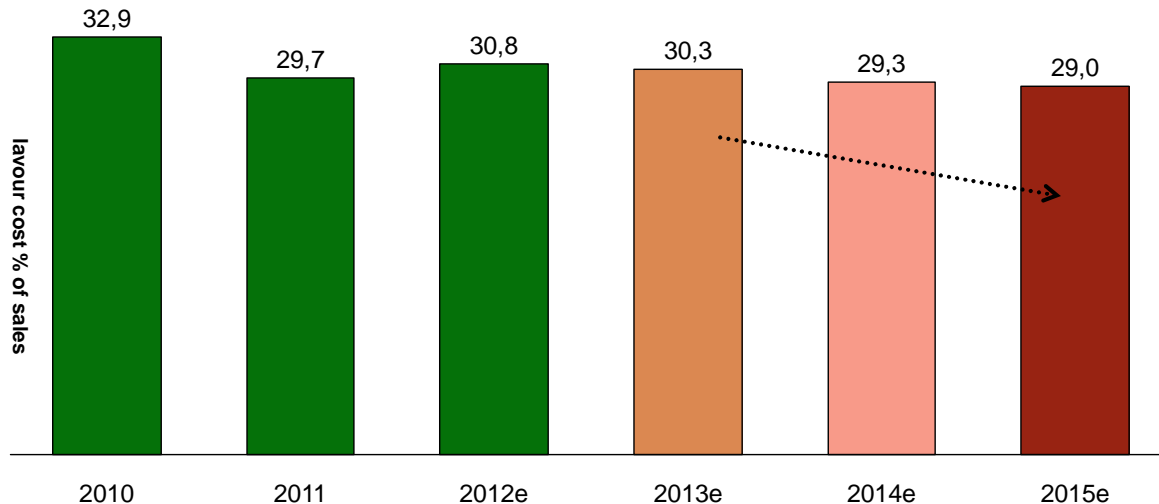
Capex & Cashflow

# Costs:



- ✓ overhead\*
- ✓ labour cost \*\*

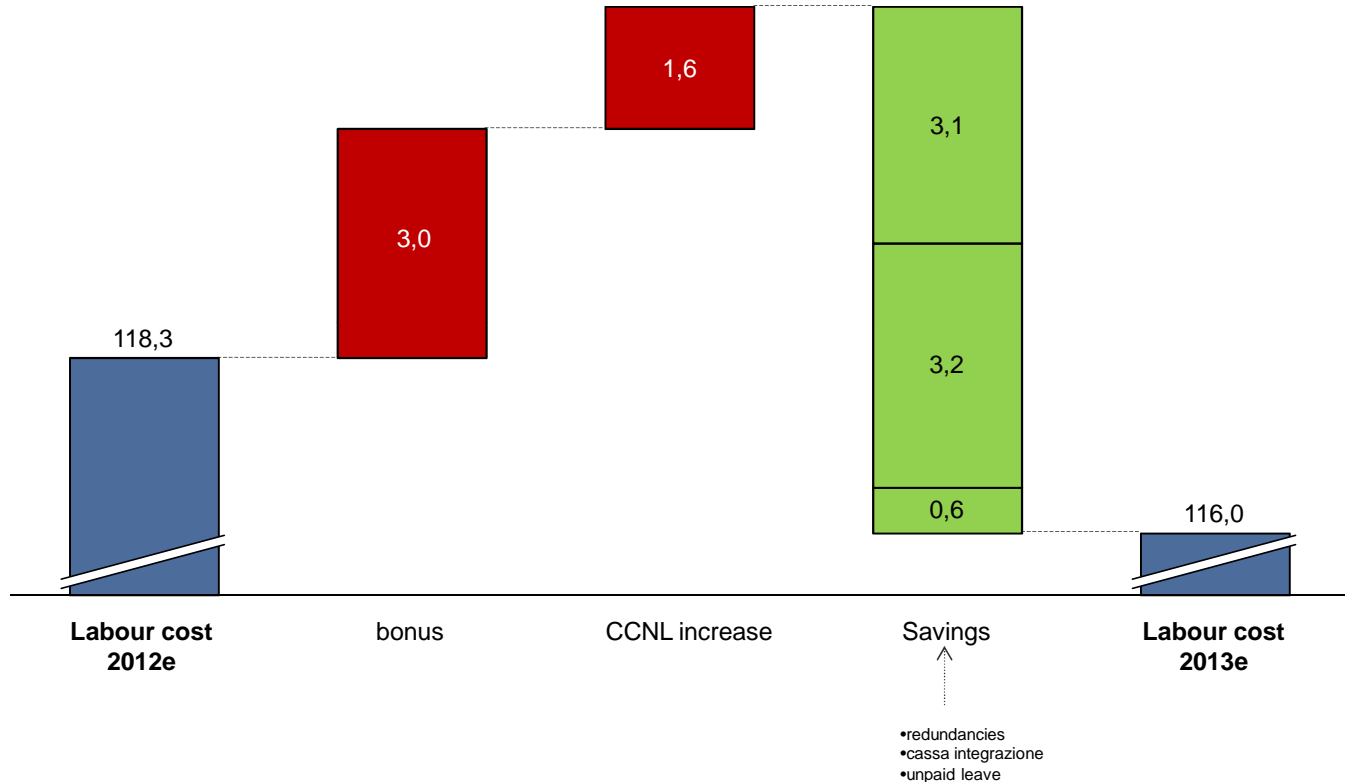
\* during the 2013- 2015 period more than € 1,4 mln savings expected  
\*\* the labour cost incidence expected to decrease from the 30,8% against net sales in 2012e to the 29,0% in 2015e.



# Operative efficiency: labour cost



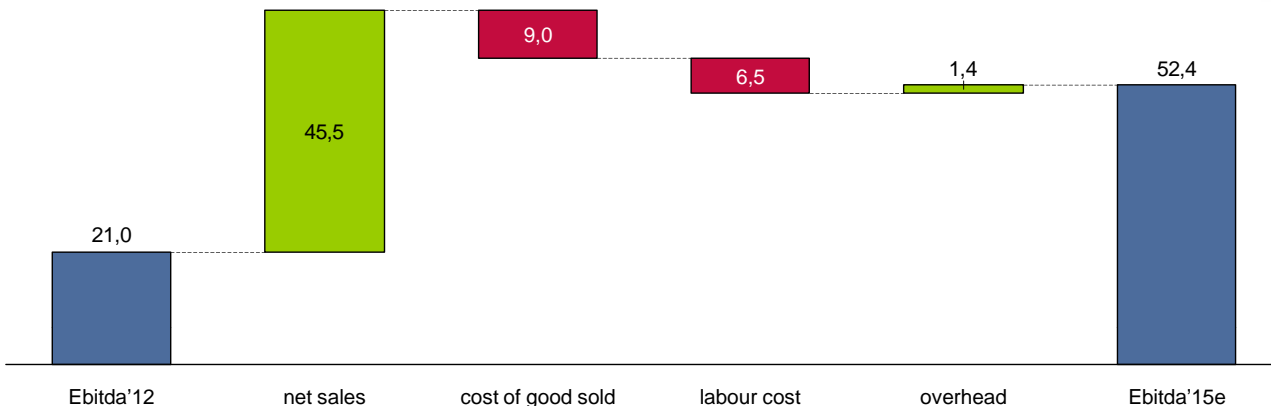
Labour cost bridge € mln



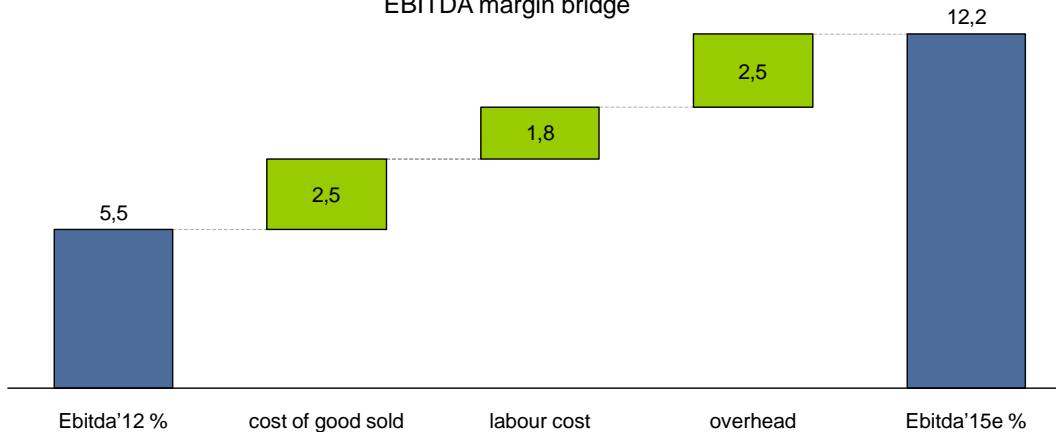
# Operative efficiency: EBITDA 2012-2015 bridge



EBITDA bridge € mln.



EBITDA margin bridge





# Operating net working capital:

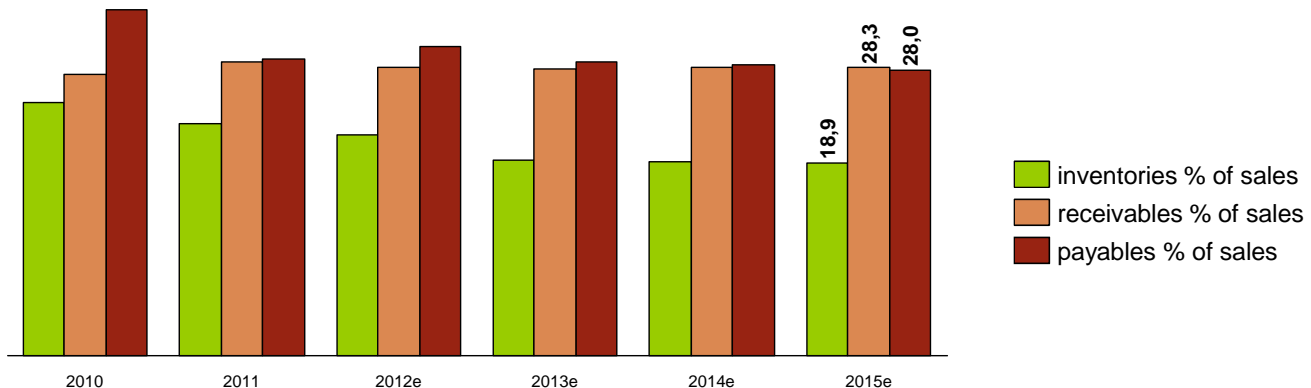


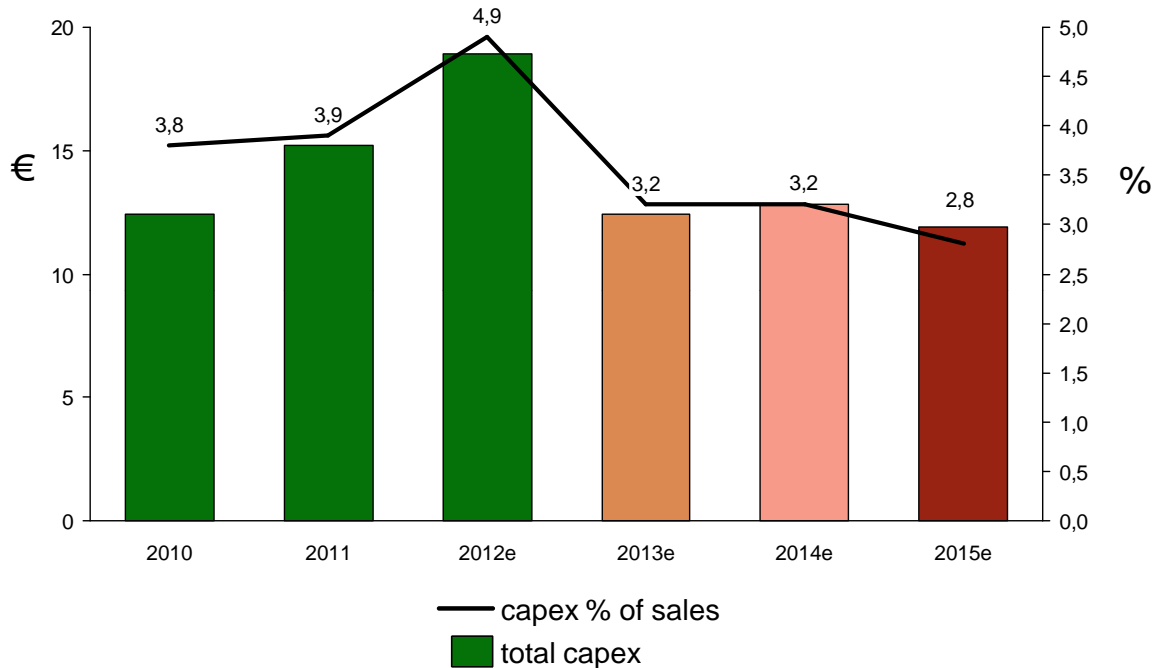
strong management of the 3 operating working capital components with particular attention to the inventories evolution.

1. **Inventories:** during the 2013-2015 period the incidence against net sales decreases from the 21,7% to the 18,9% (improve the DSI index for 15 days)
2. **Receivables:** during the 2013-2015 period the incidence against net sales remains constant at the 28,3% (DSO invariance)
3. **Payables:** during the 2013-2015 period the incidence against net sales decreases from the 30,4% al 28,0% (worsening the DPO index for 5 days)

The ordinary activity and the operating net working capital management will generate more than € 48 mln. during the 2013-2015 period

The operating net working capital incidence against sales at the end of 2015 is expected to be 18,9%





excluding the chinese acquisition, the total capex includes the R&D capex and the maintenance capex only



Net sales

P & N details

EBITDA & EBIT

Cashflow & operating net working capital

Net debt

Consolidated results

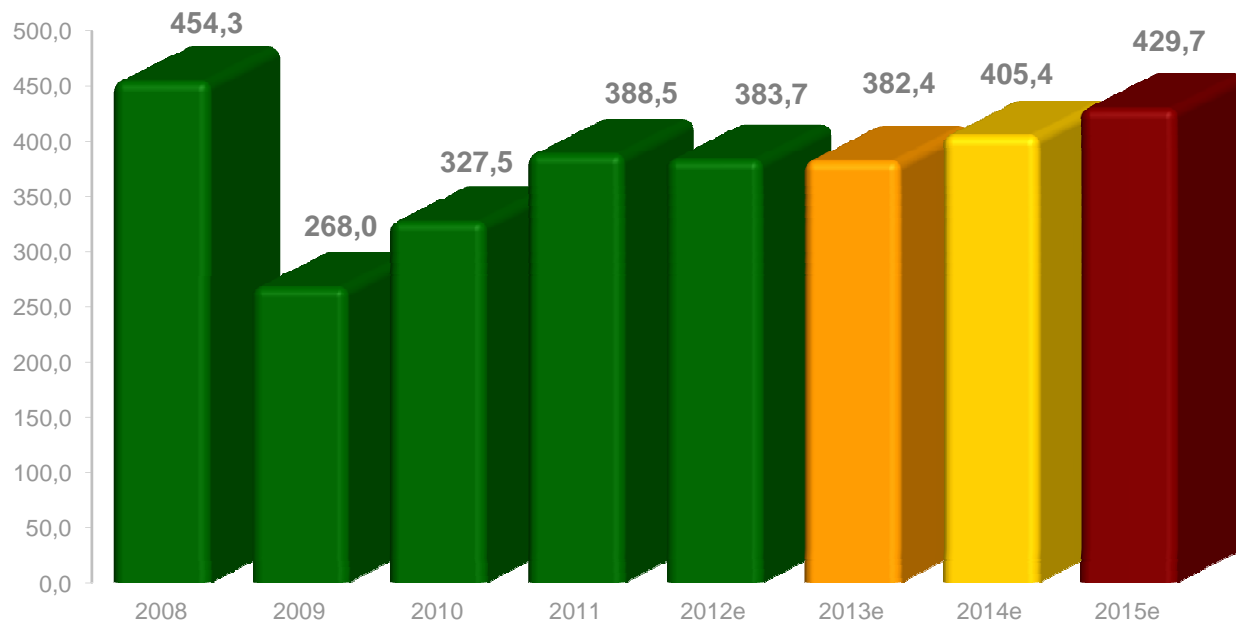
Three Years Plan

2013 - 2015

# Group consolidates sales



€/mln



**Net sales** CAGR 2013-2015: **3,8%**

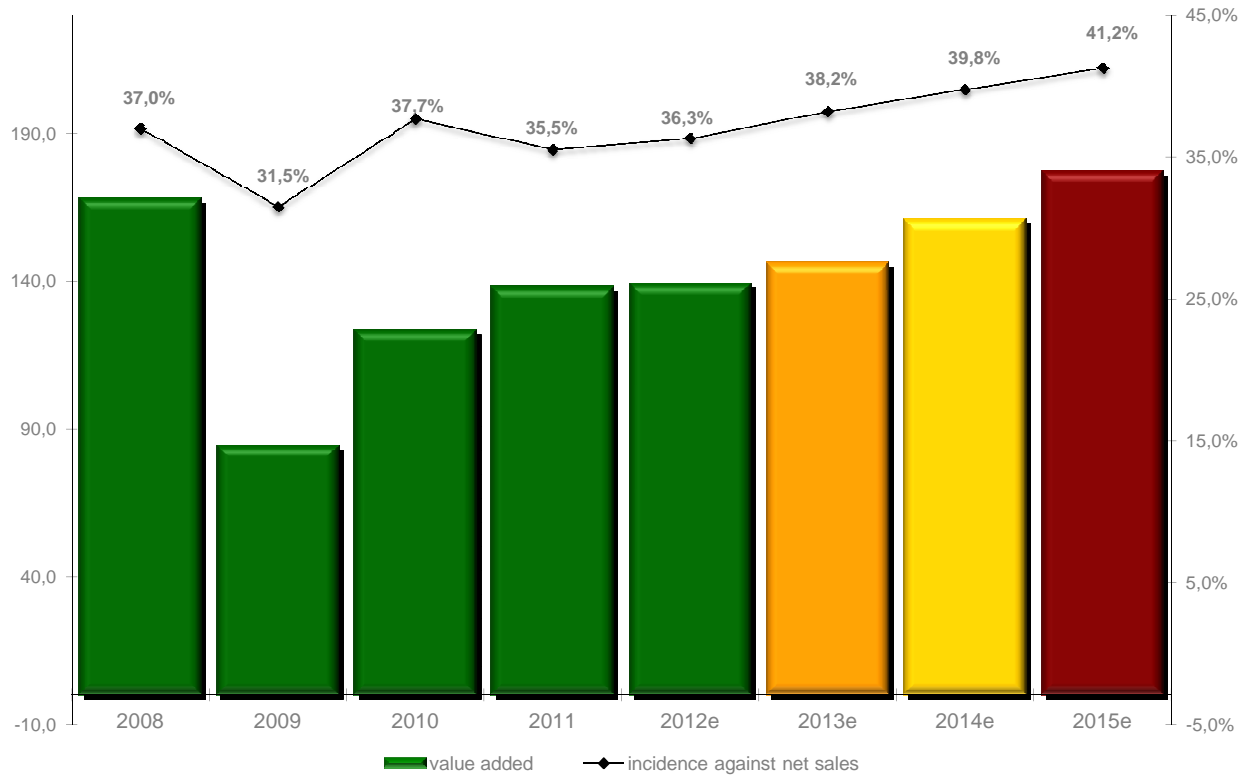
# P & L details



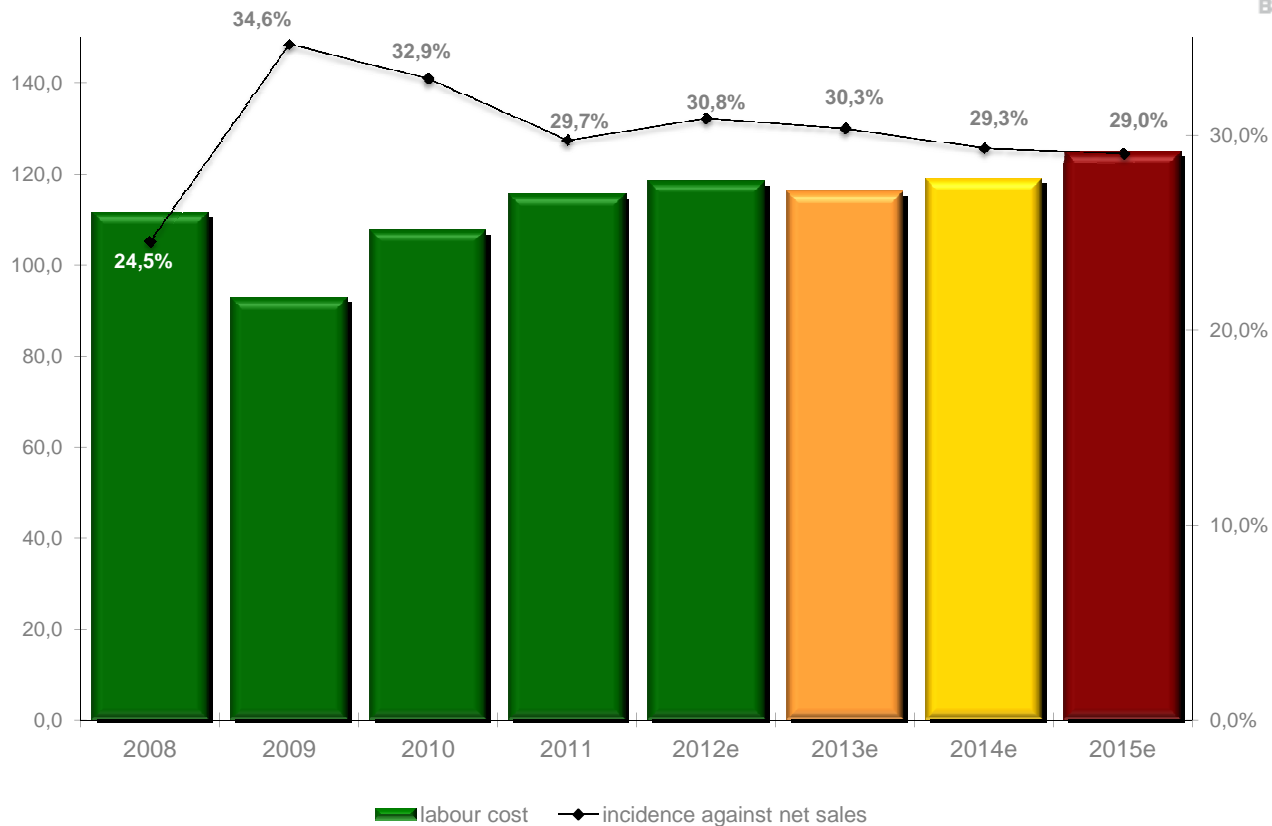
€mln

	FY 2011	FY 2012e	FY 2013e	FY 2014e	FY 2015e	
<i>Net sales</i>	388.5	383.7 -1.2%	382.4 -0.4%	405.4 +6.0%	429.7 +6.0%	2012 vs 2015 +46 €
<i>Value added % of net sales</i>	138.0 35.5%	139.3 36.3%	146.1 38.2%	161.1 39.8%	177.2 41.2%	+38 €
<i>Labour cost % of net sales</i>	115.6 29.7%	118.3 30.8%	116.0 30.3%	118.9 29.3%	124.8 29.0%	+6.5 €
<i>EBITDA % of net sales</i>	22.4 5.8%	21.0 5.5%	30.1 7.9%	42.3 10.4%	52.4 12.2%	+31.4 €
<i>EBIT % of net sales</i>	5.7 1.5%	0.1 --%	13.4 3.5%	26.2 6.5%	36.6 8.5%	+36.5 €
<i>EBIT normal. % of net sales</i>	7.1 1.8%	5.1 1.3%				

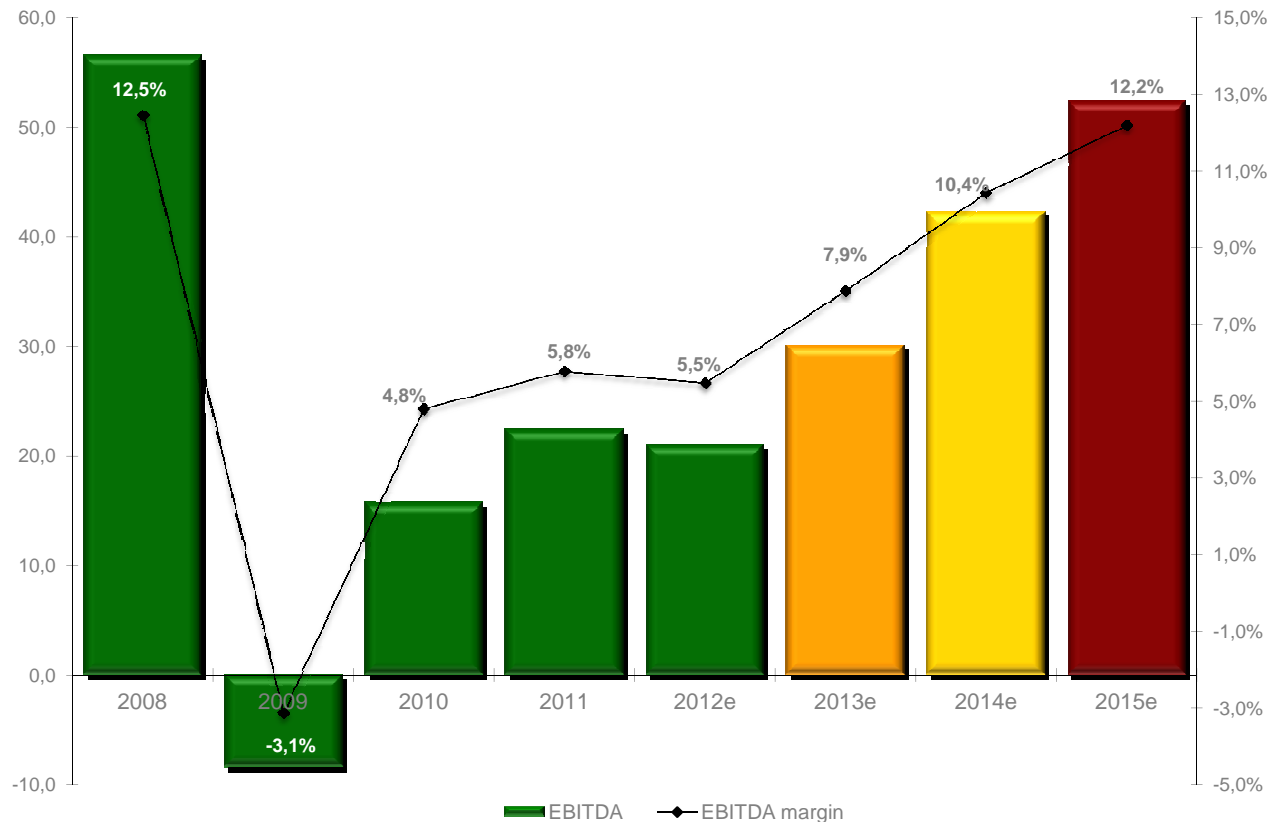
# Consolidated value added



# Consolidated labour cost

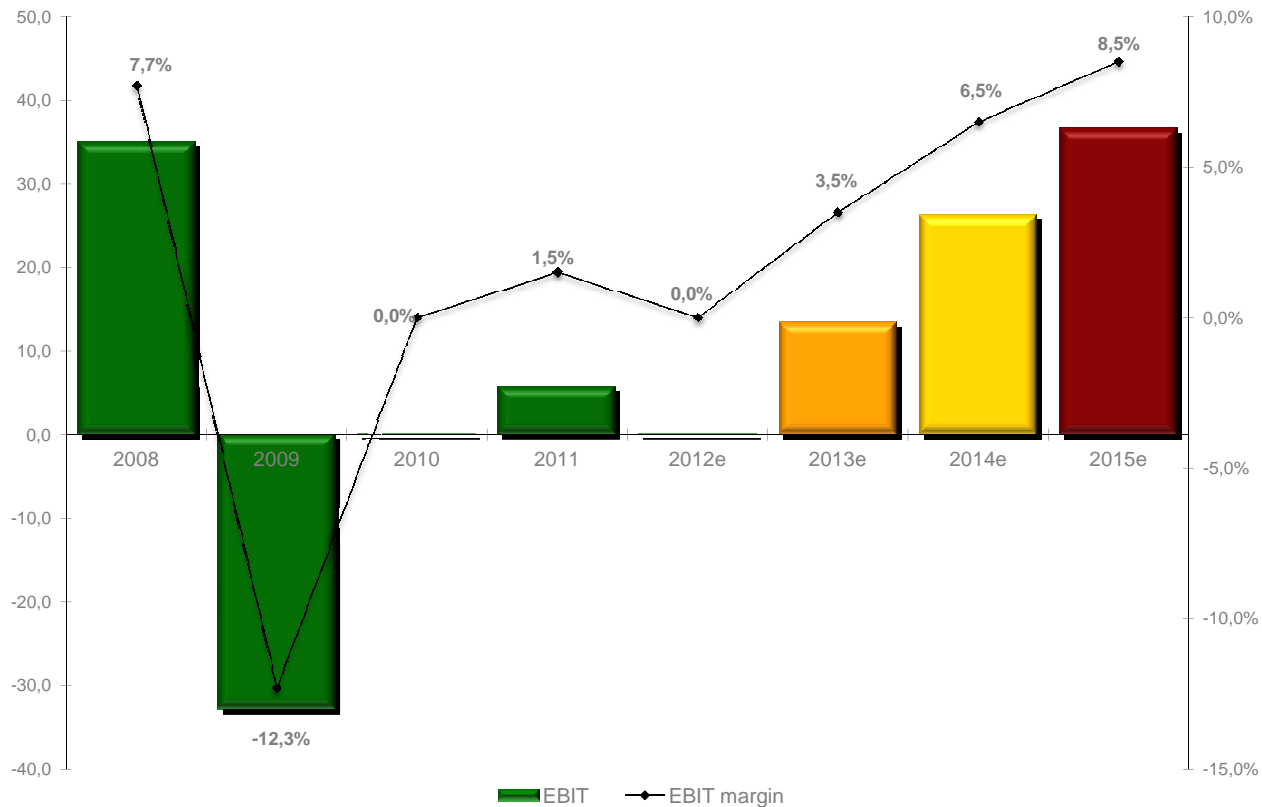


# EBITDA





# EBIT



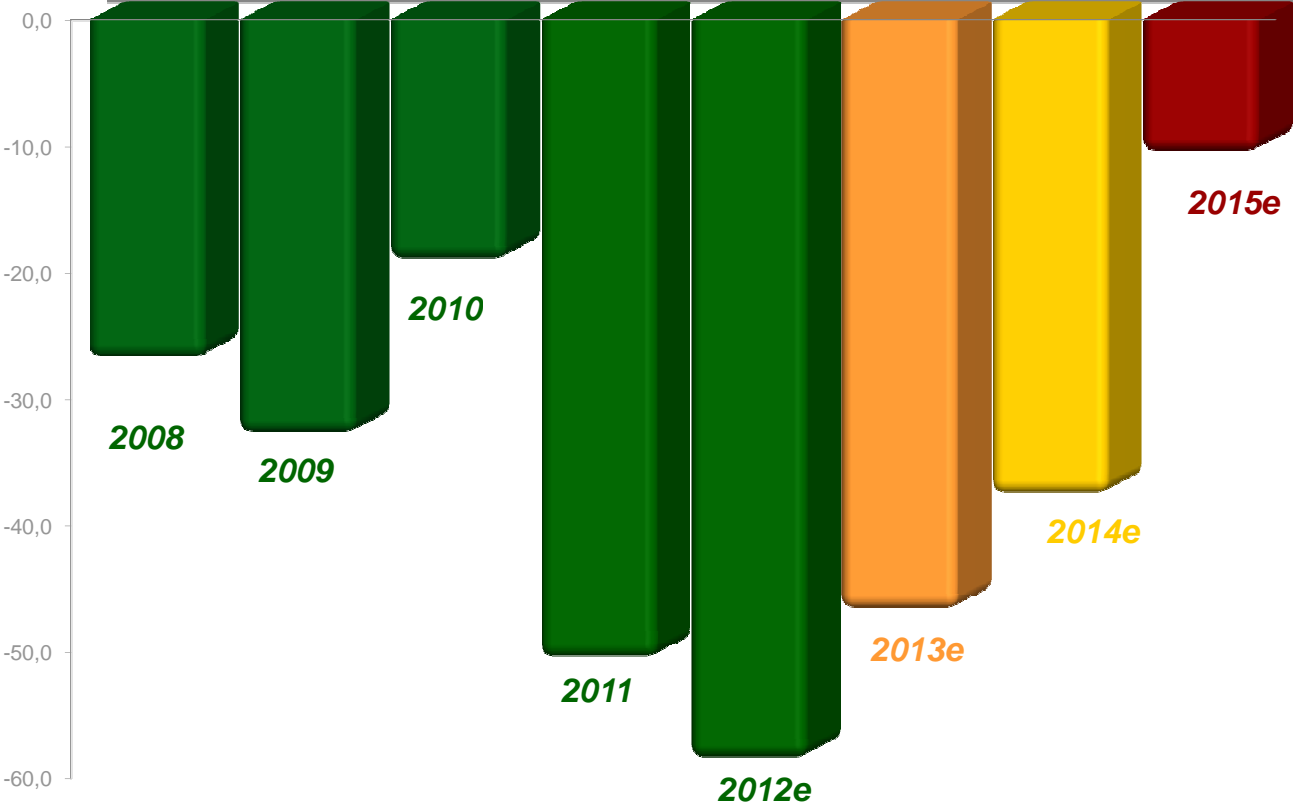
# Cashflow – net debt



€mIn

	<b>FY 2011</b>	<b>2012e</b>	<b>2013e</b>	<b>2014e</b>	<b>2015e</b>	
<i>Gross Cashflow</i>	-16.3	10.9	24.2	22.0	38.9	2013-2014-2015 +85.1 €
<i>Capex</i> % of net sales	-15.2 3.9%	-18.9 4.9%	-12.4 3.2%	-12.8 3.2%	-11.9 2.8%	-37.1 €
<i>Free Cashflow</i>	-31.5	-8.0	11.8	9.2	27.0	+48.0 €
<i>Net debt</i>	-50.4	-58.4	-46.6	-37.4	-10.4	

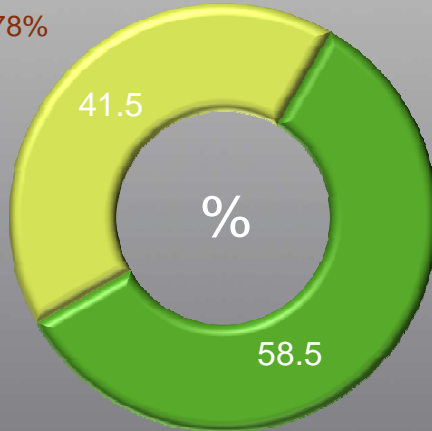
# Group net debt: 2008-2015e







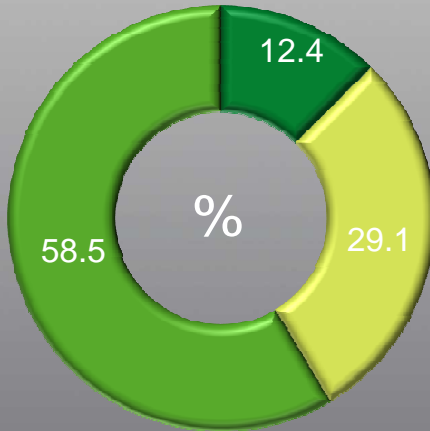
	2011	2012e	2013e	2014e	2015e
<i>Net Debt /Equity</i>	0.42x	0.52x	0.49x	0.45x	0.36x
<i>Net Debt /EBITDA</i>	2.25x	2.78x	1.94x	1.38x	1.11x
<i>Net result/Operating net working capital</i>	-2.9%	-11.0%	7.6%	16.8%	37.3%
<i>R.O.E. before taxes</i>	2.0%	-4.1%	7.7%	17.2%	20.7%
<i>EVA spread (ROCE – WACC)</i>	-6.6%	-8.6%	-3.1%	1.9%	4.6%

treasury shares: 1.78%



-  Bi.Fin s.r.l (Selci family)
  -  free float\*
- \* Including treasury shares

shareholders breakdown > 2% Consob source



- retail
- institutional
- Selci family

shareholders breakdown "by type"



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&

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