

# COMPANY PRESENTATION

APRIL 5<sup>TH</sup> 2019

PARIS, 37<sup>TH</sup> ESN EUROPEAN CONFERENCE

 **BIESSE**GROUP



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# 3-YEAR BUSINESS PLAN

## EXTRACT

### 2019-2021

 **BIESSE**GROUP



# IT'S THE FUTURE THAT MAKES HISTORY.

WE HAVE BEEN DESIGNING INNOVATION  
FOR FIFTY YEARS, DRIVEN BY AN  
INCREDIBLE ENGINE, POWERED BY  
PEOPLE, PASSION AND PRECISION.

 **BIESSEGROUP**



# OUR IDENTITY

# OUR VALUES

**BIESSE**GROUP  
3 -Year Business Plan

Biesse Group is a global leader founded in Pesaro in 1969 by Giancarlo Selci, listed on the Borsa Italiana since 2001 – STAR segment. The Group has a strong Italian identity and strongly believe in:

**INNOVATION**

**RELIABILITY**

**RESPECT**

# THE VISION

 **BIESSE GROUP**  
3 -Year Business Plan

Biesse Group's vision is embodied by the word THINKFORWARD:

a stimulus to **LOOK AHEAD** and **ANTICIPATE**  
**THE FUTURE** setting new standards to drive  
**TECHNOLOGICAL INNOVATION** and  
**DIGITAL** transformation.



# ONE INDUSTRIAL GROUP

**BIESSE GROUP**  
3 -Year Business Plan

We manufacture technology for processing wood, glass, stone, advanced materials and metal through specialised business units and 12 manufacturing sites in Italy and worldwide. We operate worldwide with our own key brands: Biesse, Intermac, Diamut, HSD.

4

MAIN BUSINESS DIVISIONS

12

PRODUCTION SITES

Winstore 3D K2

# ALL OVER THE WORLD



 **BIESSE GROUP**  
3 -Year Business Plan

We support our colleagues everywhere in the world, using the most advanced management, sales and support system. Our global network enables us to be always close to our customers.

**39 + 300**

**SUBSIDIARIES AND REPRESENTATIVE OFFICES**

**SELECTED DISTRIBUTORS**

 **BIESSE**  
 **INTERMAC**

# SUPPORTING OUR CUSTOMERS

 **BIESSEGROUP**  
3 -Year Business Plan

Customers in 120 Countries.  
Manufacturers of furniture, design items and door/window frames, producers of elements for the building, nautical and aerospace industries.

CUSTOMERS IN  
**120**  
COUNTRIES

# WITH OUR PEOPLE

**BIESSEGROUP**  
3 -Year Business Plan

We acknowledge that People are essential to our development, because the ability to innovate and pursue excellence in the realisation of products is the consequence of the passion and dedication of all those are part of the Biesse family.

# 4400

*\*(temporary workers included)*

# EXCELLENCE

# EXCELLENCE

A virtuous circle of  
excellence  
for a constant growth.

Revenue

01

Profit

02

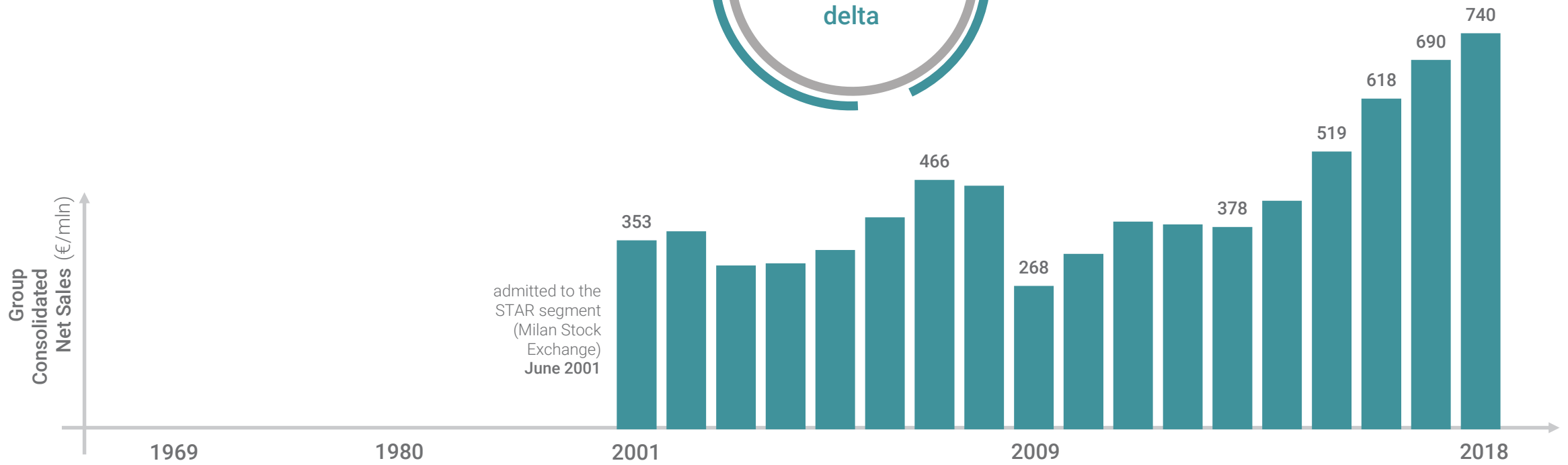
Cash

03

**BIESSE**

# REVENUE

## AN HISTORY OF GROWTH



1969

1980

2001

2009

2018



Wood



Glass



Stone



Mechatronics



bSoft  
(software)



Metal



Plastic & Advanced  
Materials

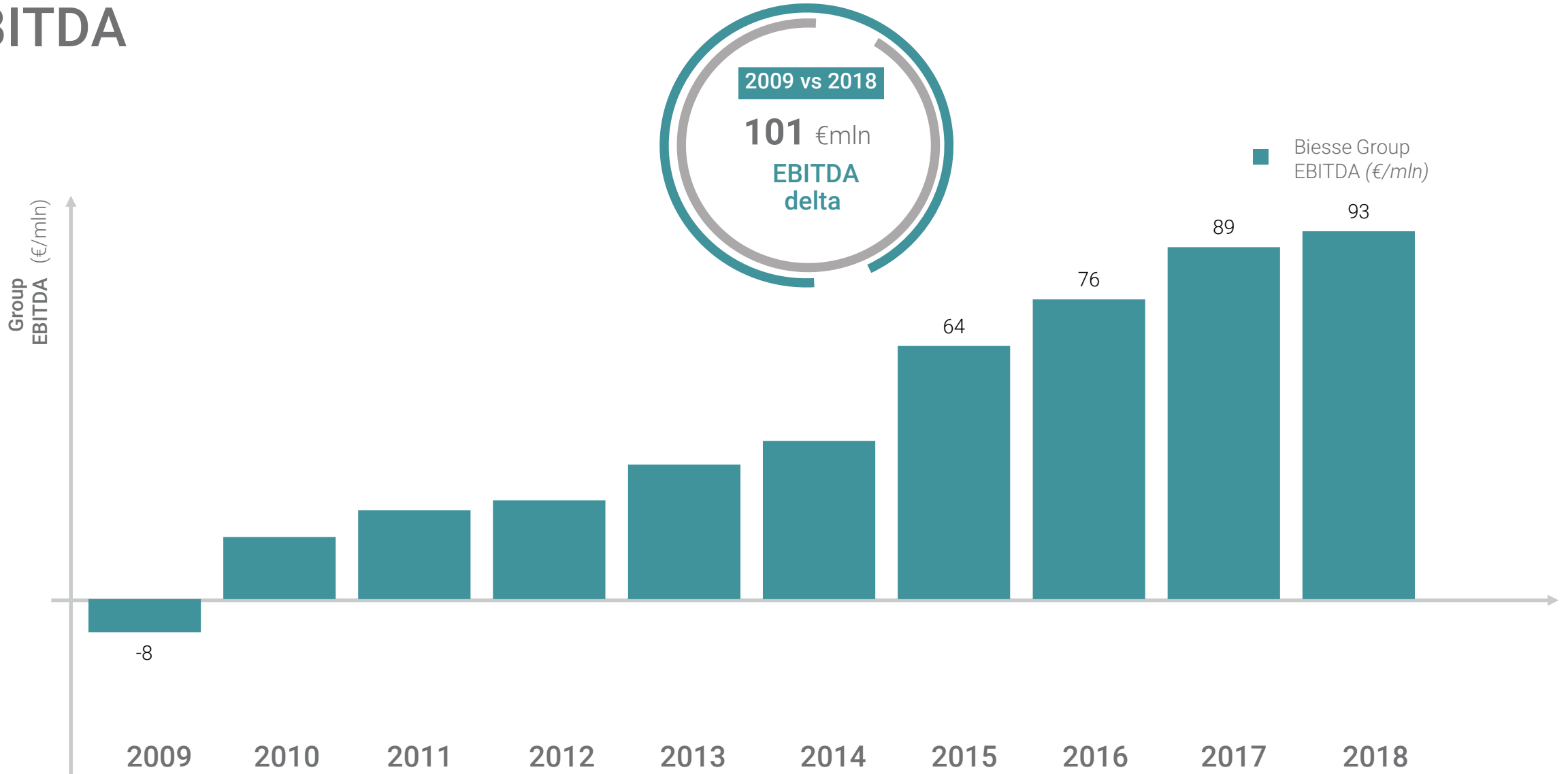
**SOPHIA**



Housing

# PROFIT

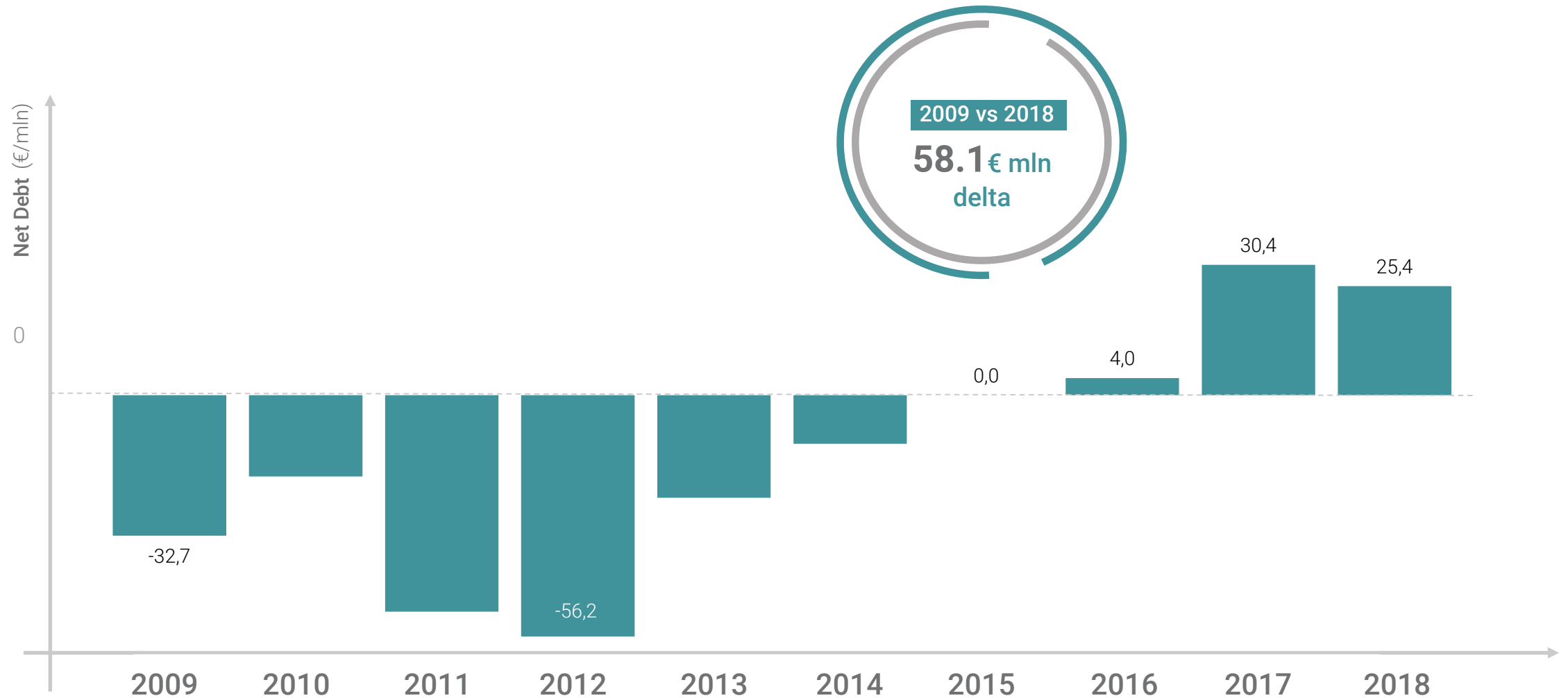
## EBITDA





# CASH

## NET FINANCIAL POSITION



# BUSINESS MODEL

# PRODUCTS

 **BIESSEGROUP**  
3 -Year Business Plan

## 01 Machines

We design, manufacture and distribute a comprehensive range of machinery and technologies for processing wood, glass, stone, metal and advanced materials

## 02 Systems

We create engineered solutions, from plant design to production, implementation, installation and maintenance

## 03 Mechatronics

We design, manufacture and deliver high-tech mechanical and electronic components for machinery INDUSTRY 4.0 ready.

## 04 Tooling

We manufacture tools for the processing of glass, stone and ceramic. Its synergy with Intermac has enabled it to develop a range of tools, which in terms of reliability, have become a benchmark in the market.

## 05 Service

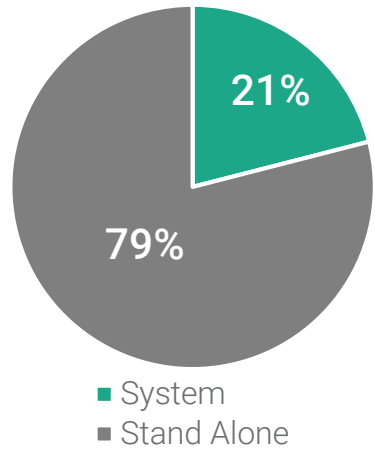
Through dedicated personnel, we provide professional pre-sale consulting services, and continuous after sales assistance to ensure the correct installation and start-up of machinery, software and Systems.

## 06 Software

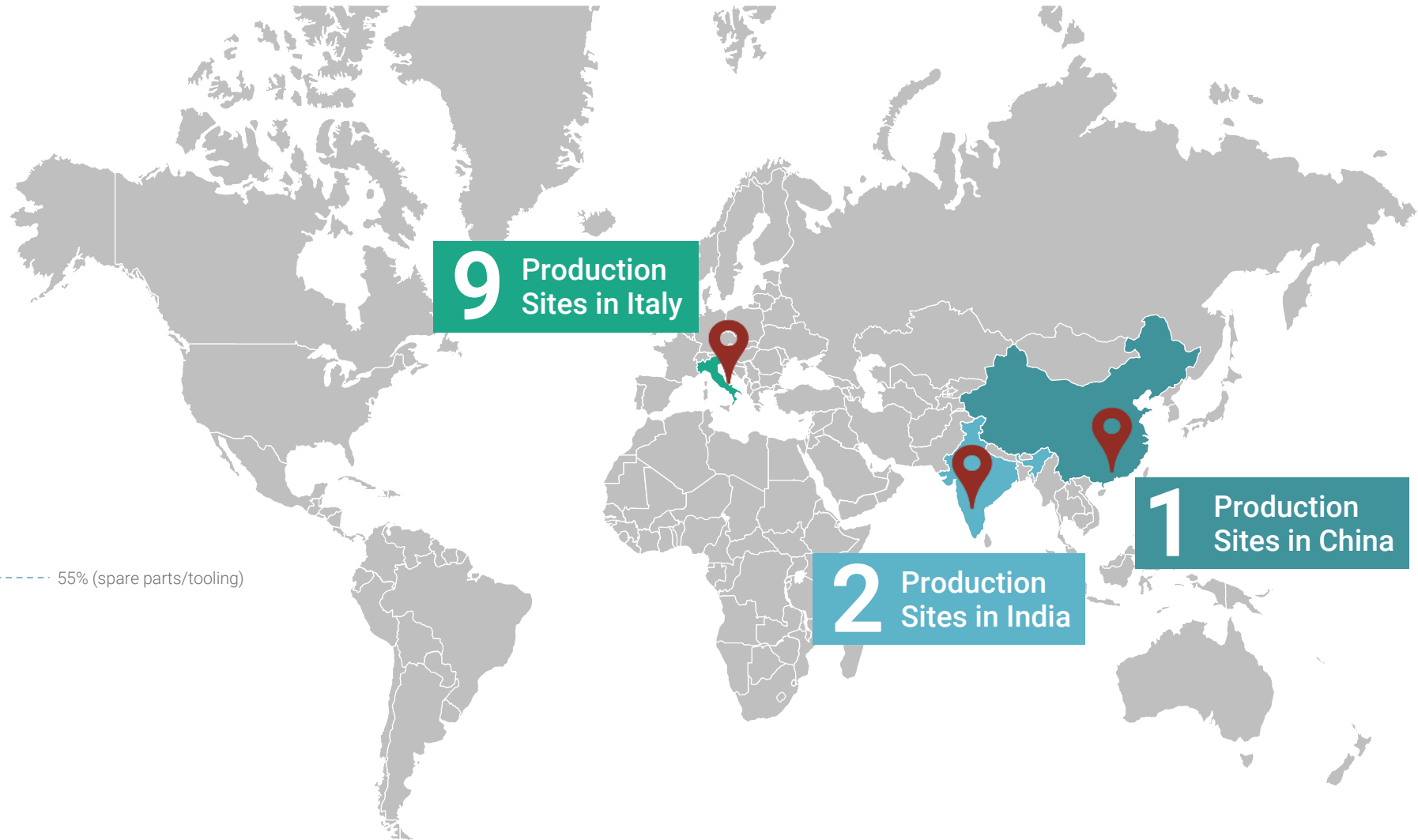
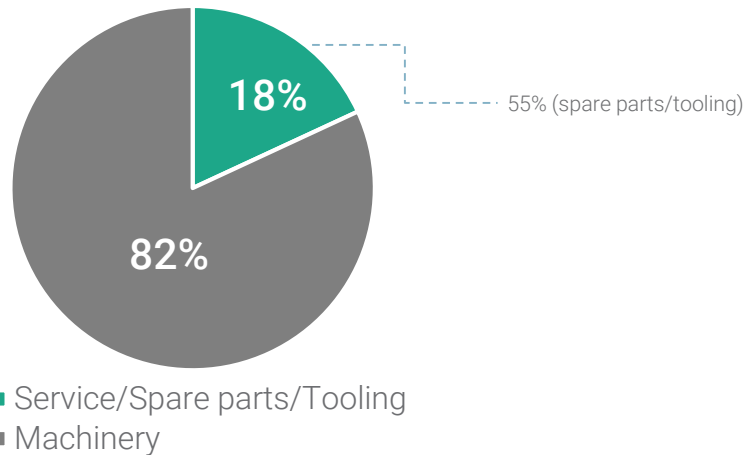
We have developed our software solutions by closely observing the work carried out by the customer every day, with simple interfaces, designed to make everyday use of the machine practical.

# FOOTPRINT

Sales breakdown  
by type on machines sales

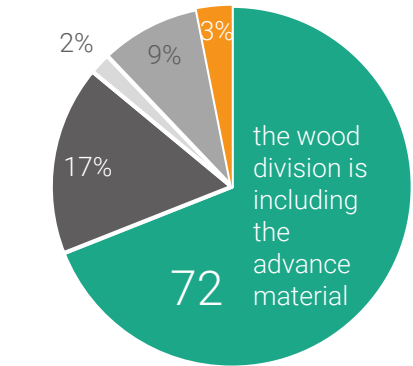


Sales breakdown by  
offering



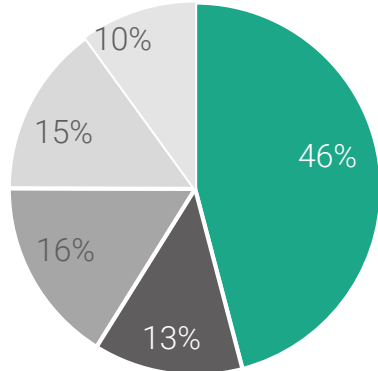
# DISTRIBUTION

Sales breakdown by division

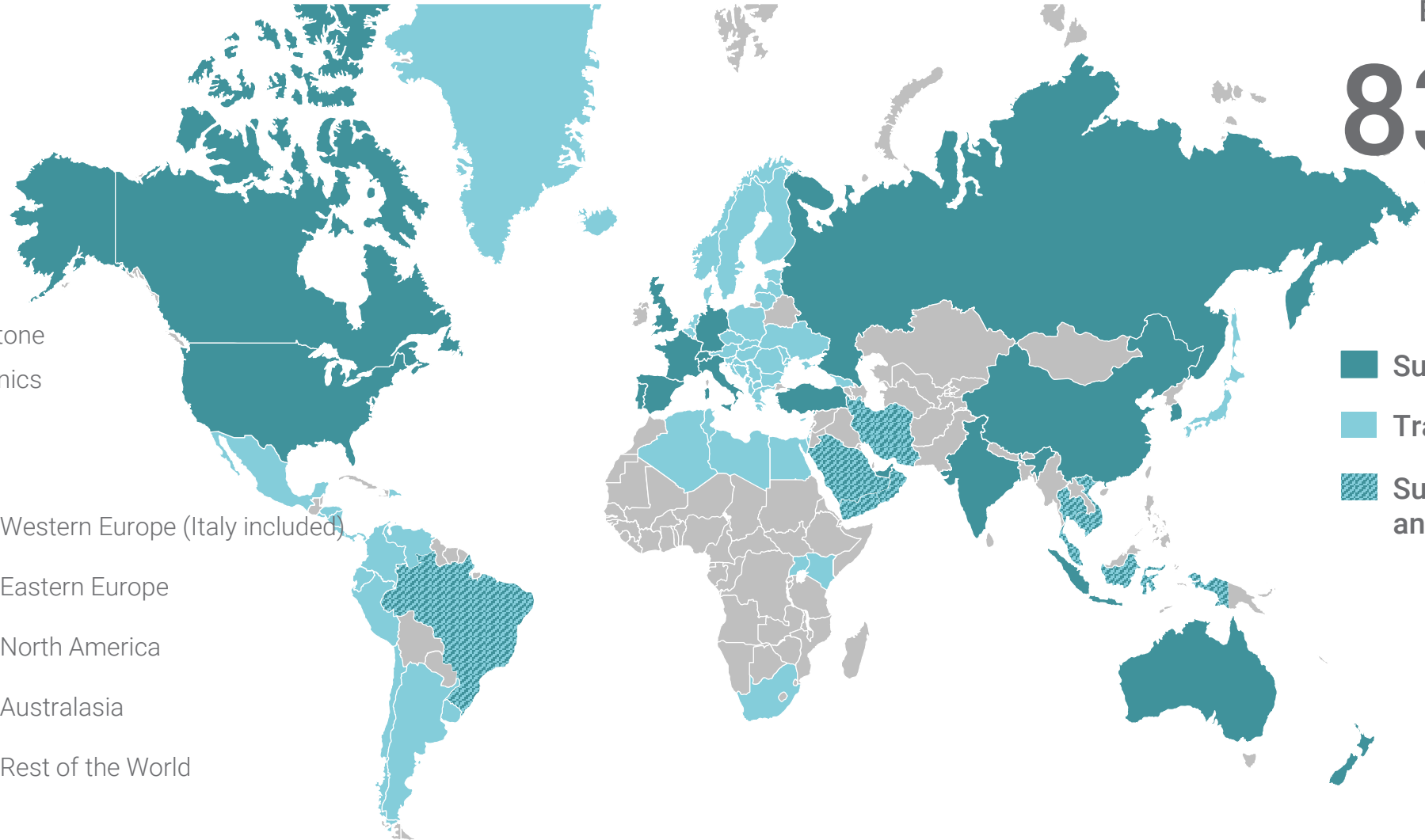


- Wood
- Glass & Stone
- Tooling
- Mechatronics

Sales breakdown by geo-areas



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



EXPORT  
around  
**83%**  
Of Sales

- Subsidiary
- Trade
- Subsidiary and Trade

# CUSTOMERS

(BY SEGMENT)

**BIESSE**GROUP  
3 -Year Business Plan



furnishing-design



furnishing



frames (doors/windows)



housing-structural wood



furnishing-interiors

# CUSTOMERS

(BY SEGMENT)

 **BIESSEGROUP**  
3 -Year Business Plan



office furniture



advanced materials



glass



stone-marble



automotive

# CUSTOMER SALES

**BIESSEGROUP**  
3 -Year Business Plan

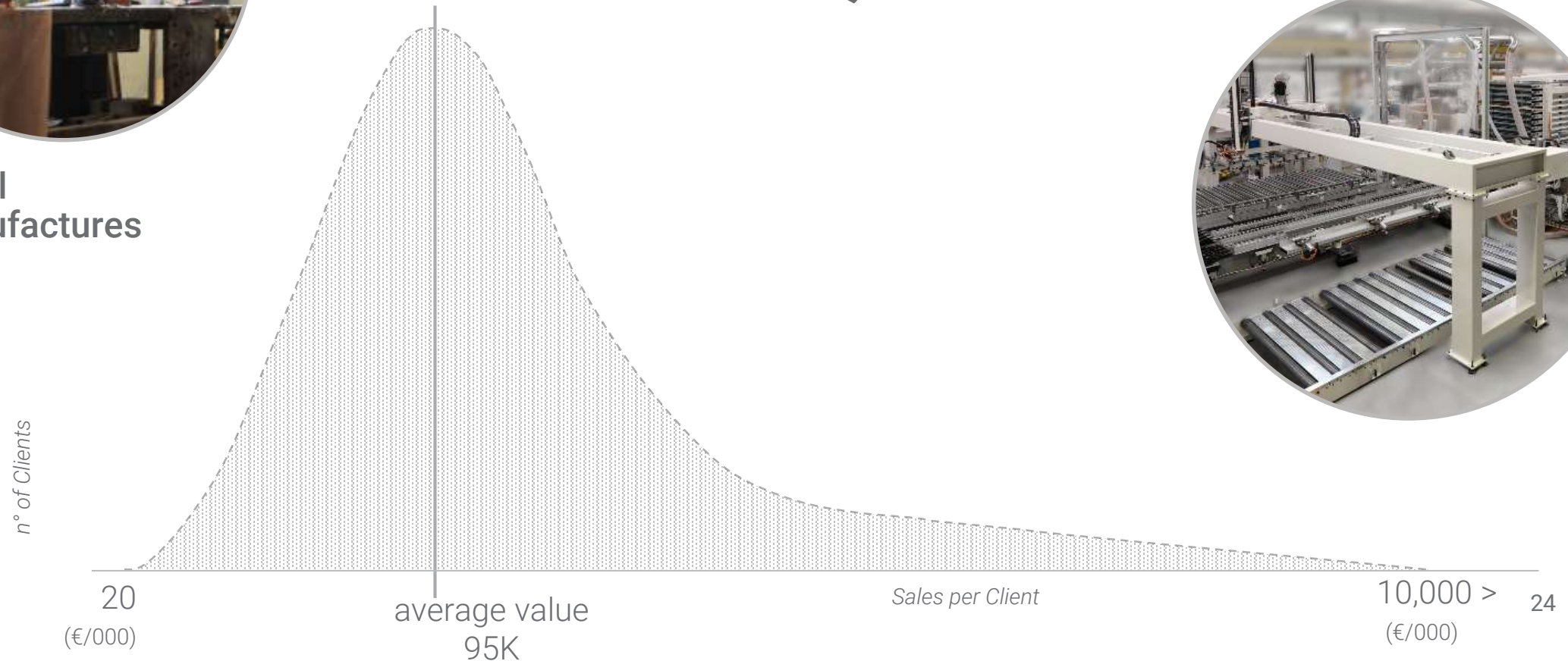
a wide and fragmented customer base with no risk of concentration

> 66,000

Medium/Large  
manufactures



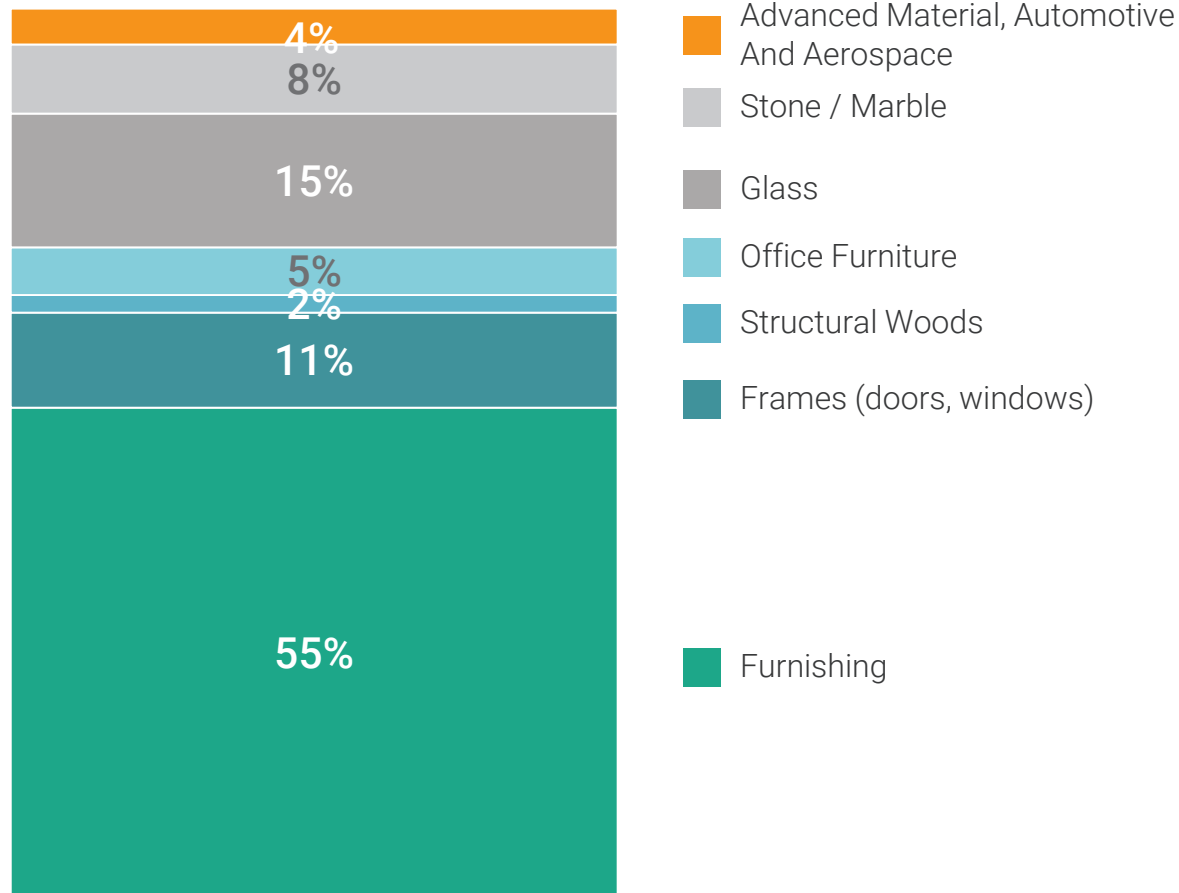
Small  
manufactures





# CUSTOMERS - MAIN REFERENCE MARKETS

% breakdown of Biesse machines sales by macro-sector



2018



# POLITICAL AND ECONOMIC UNCERTAINTIES

# THE TIME OF UNCERTAINTY

## Trade War

China - U.S.A.  
(decoupling & custom duties)

## Political uncertainties & turmoil

Russia - Turkey - Iran - Venezuela

## Brexit

## Worldwide slowdown and downgrade in economic growth

(i.e. China)

## Internal Conflicts

(i.e. "Yellow Vest" protest)

## Growing populism and nationalism

Change of economic Strategy

# RISK PERCEPTION

In the Global Risks Perception Survey, nearly 1,000 decision-makers assess the risks facing the world. Nine out of 10 respondents expect worsening economic and political confrontations between major powers.

**Economic** confrontation / frictions between major powers

Erosion of **multilateral trading rules**

Political frictions between major powers

Cyber-attack: Theft of data-money

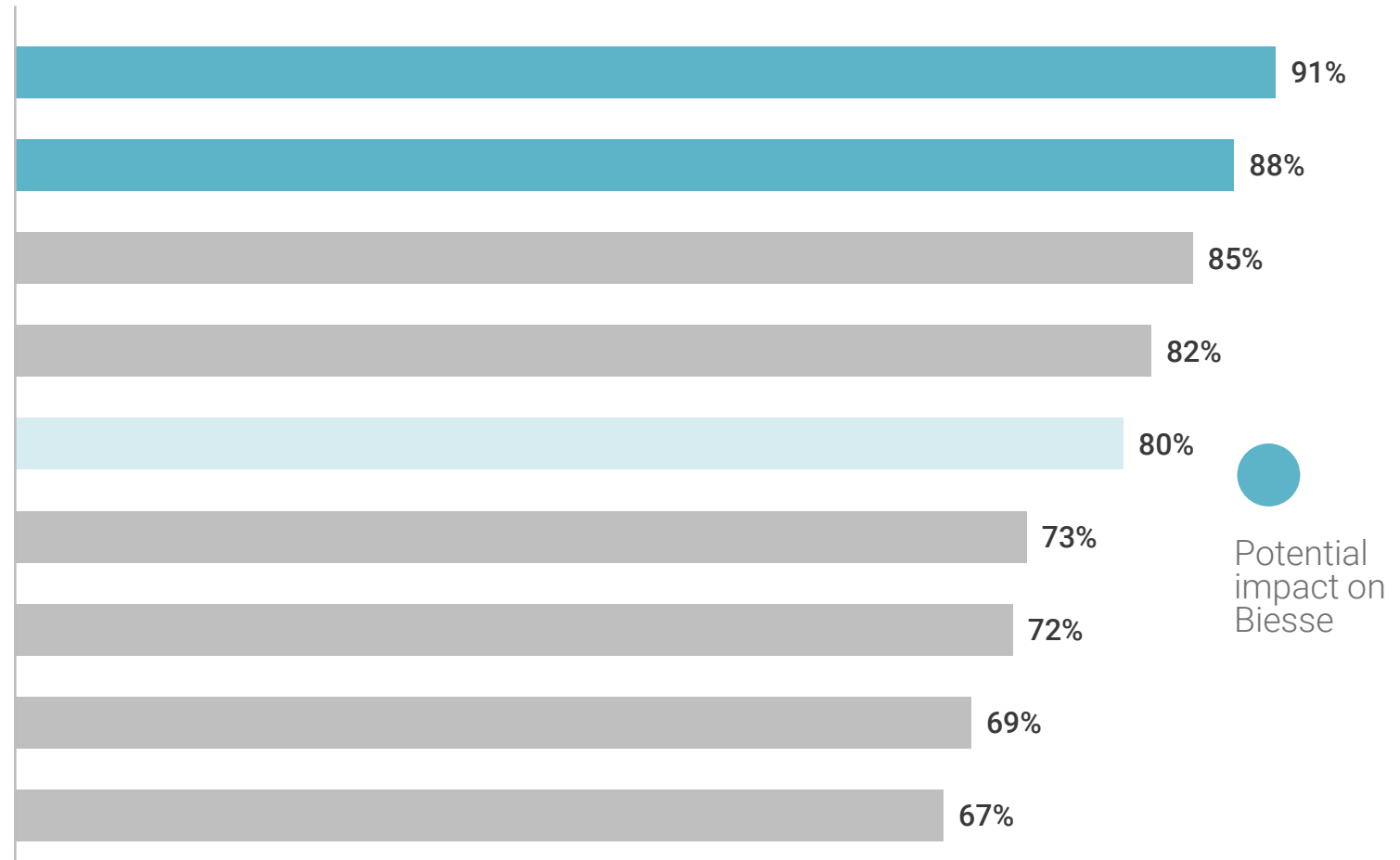
**Cyber-attack:** Disruption of operations and infrastructures

Loss of confidence in collective security alliances

Populist and nativist agenda

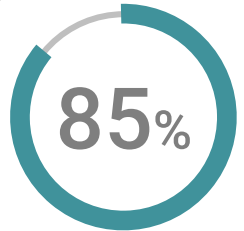
Media echo chambers and "fake news"

Domestic political polarization

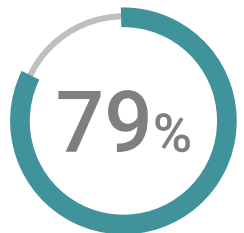


# NEW DIGITAL PARADIGM

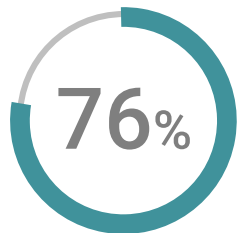
What will impact Business Model over next years?



**Digital channels and technologies** will significantly improve our interactions with **business customer**



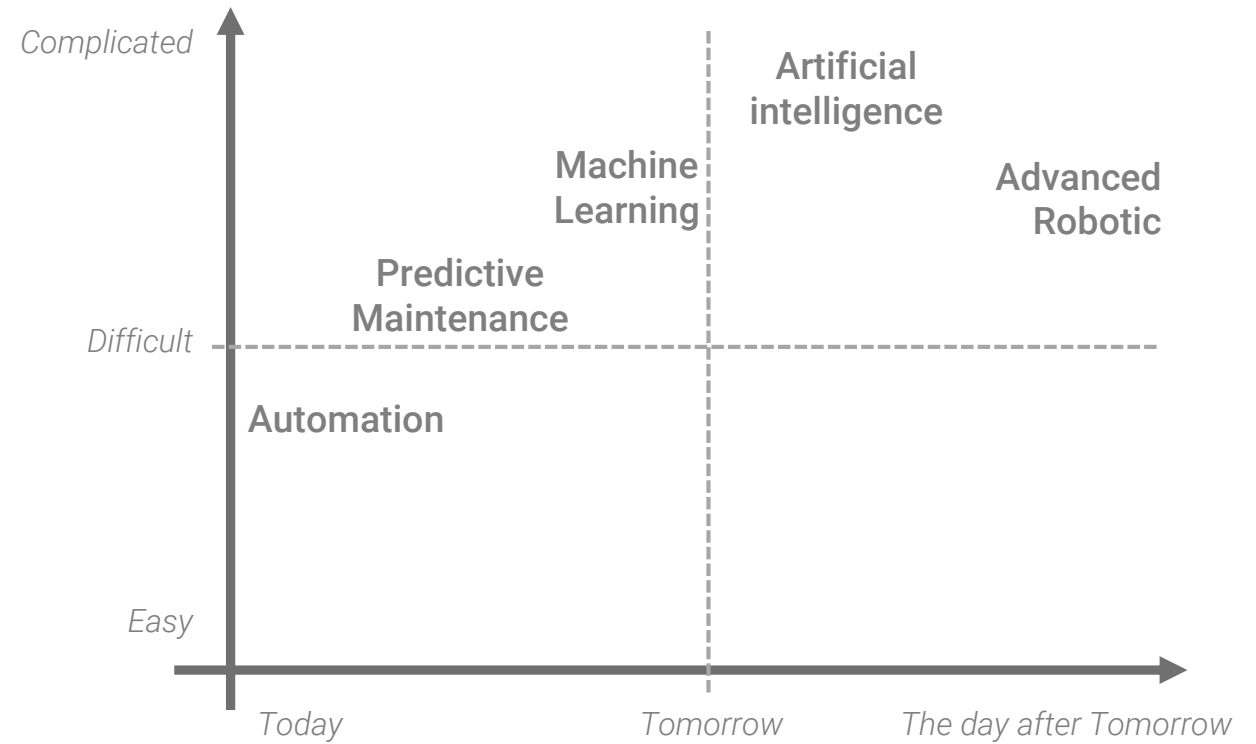
**Digital** will provide **significant** opportunities to **reduce cost**



**Digital** will help us **engage** our **partner** like never before

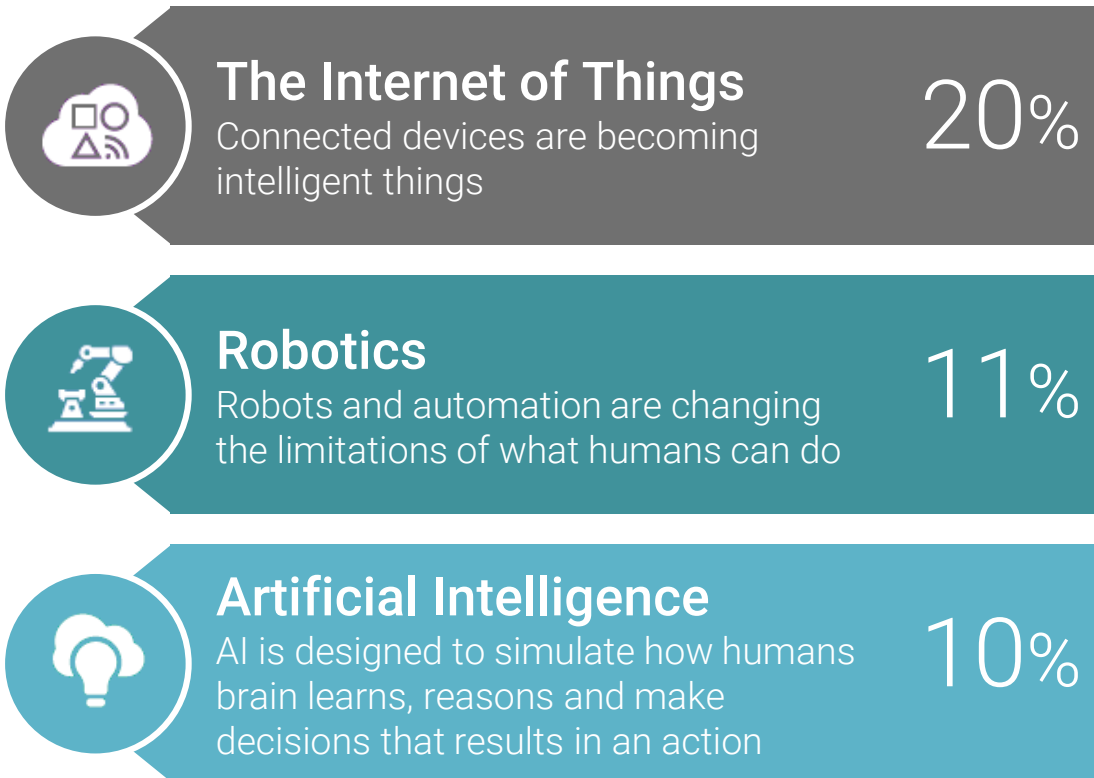
Source: Accenture Survey

*How, When, What will impact our business*

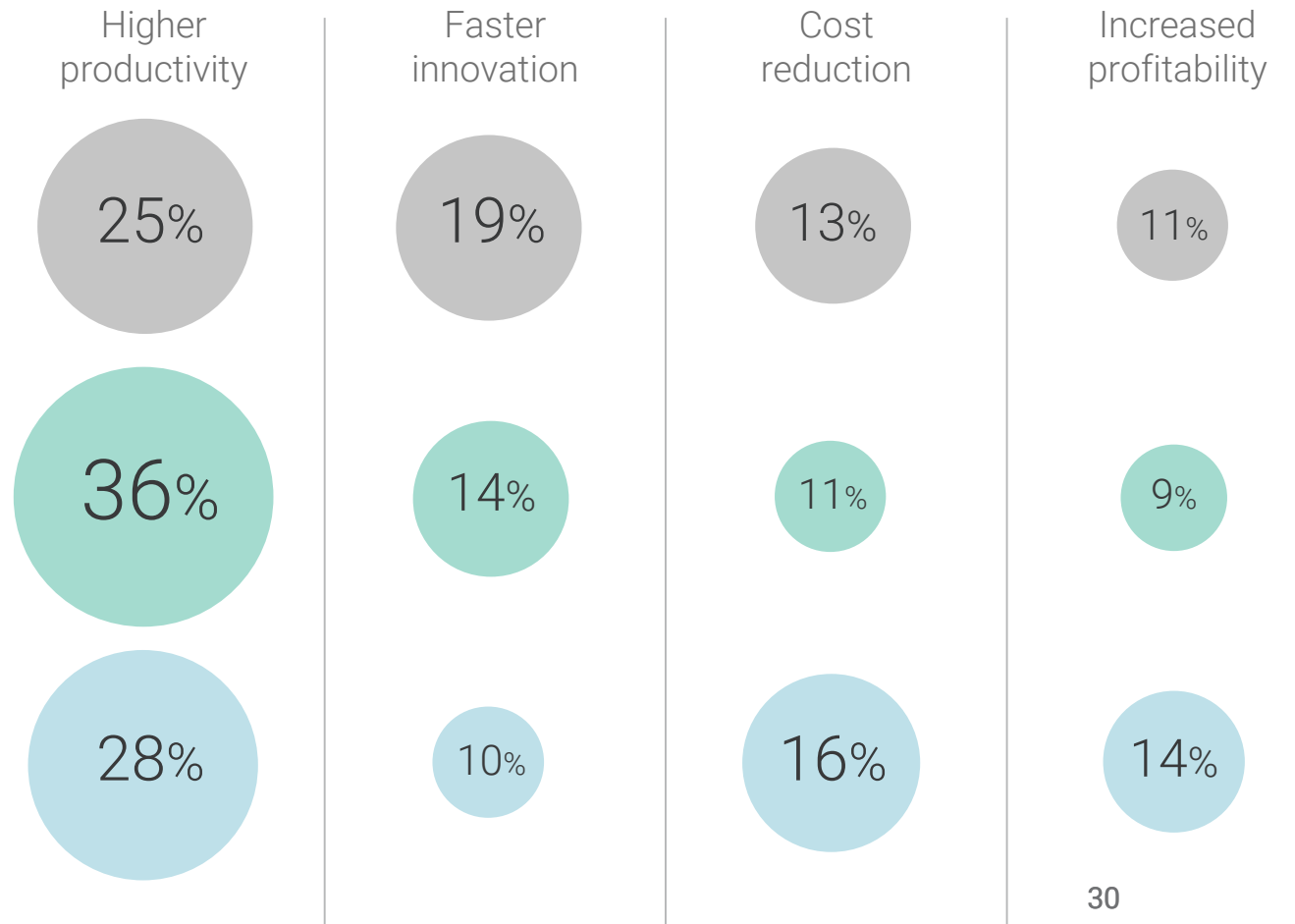


# DISRUPTIVE GROWTH

What are the top technologies that will drive business disruption over the next three years?  
A survey to 750 Global Industry Leaders (C-Level).



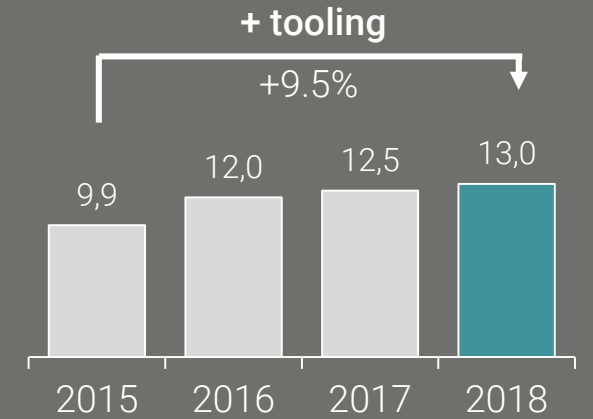
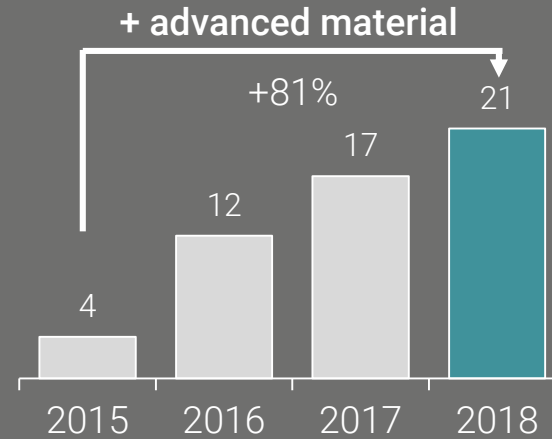
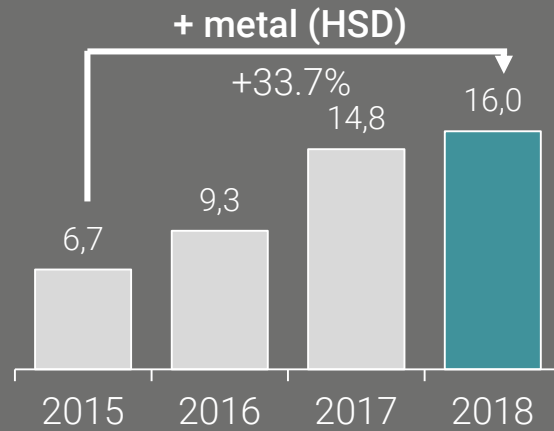
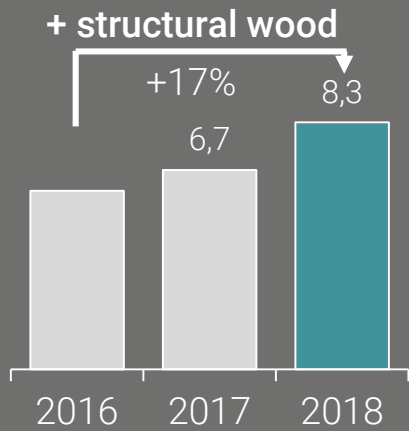
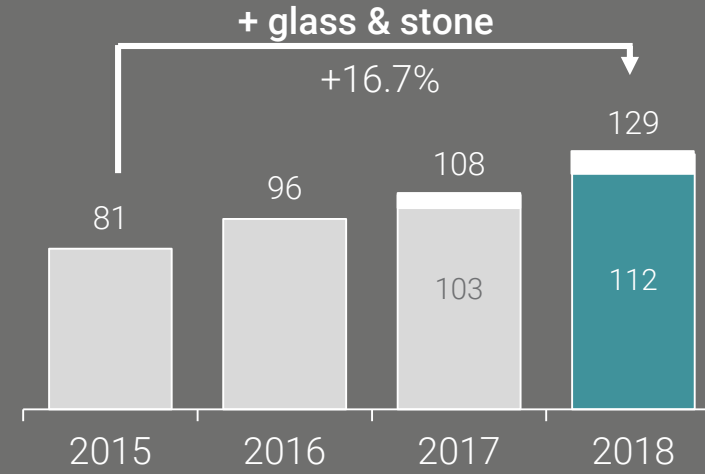
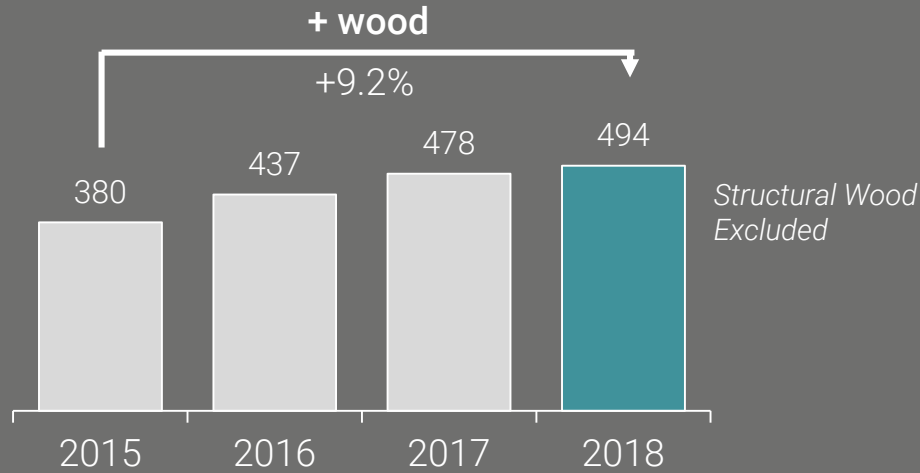
## Impact on Business Model and Business Benefits



# CONTINUOUS GROWTH

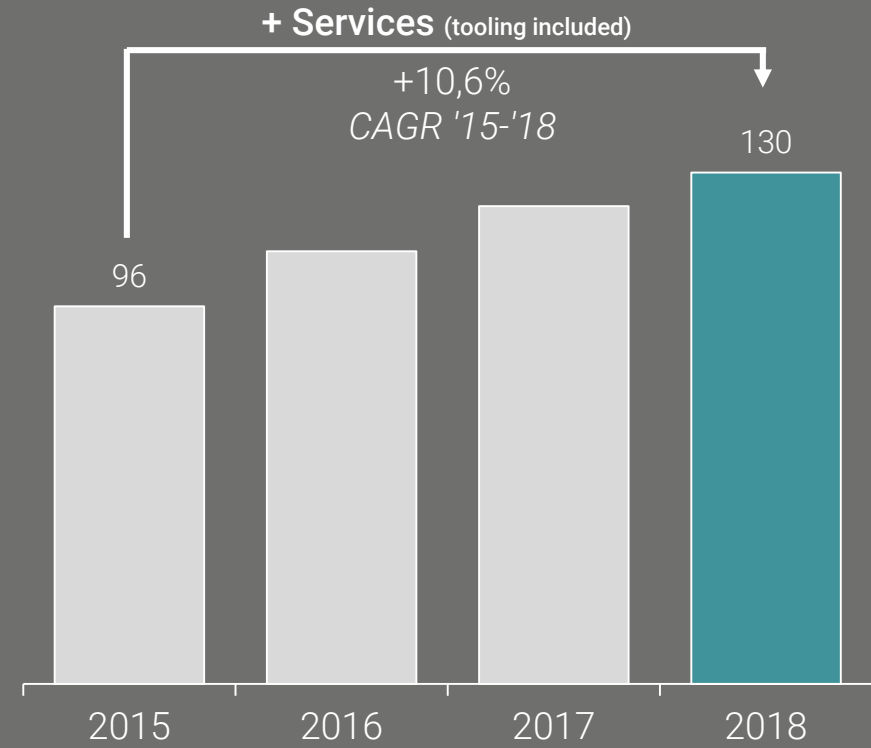
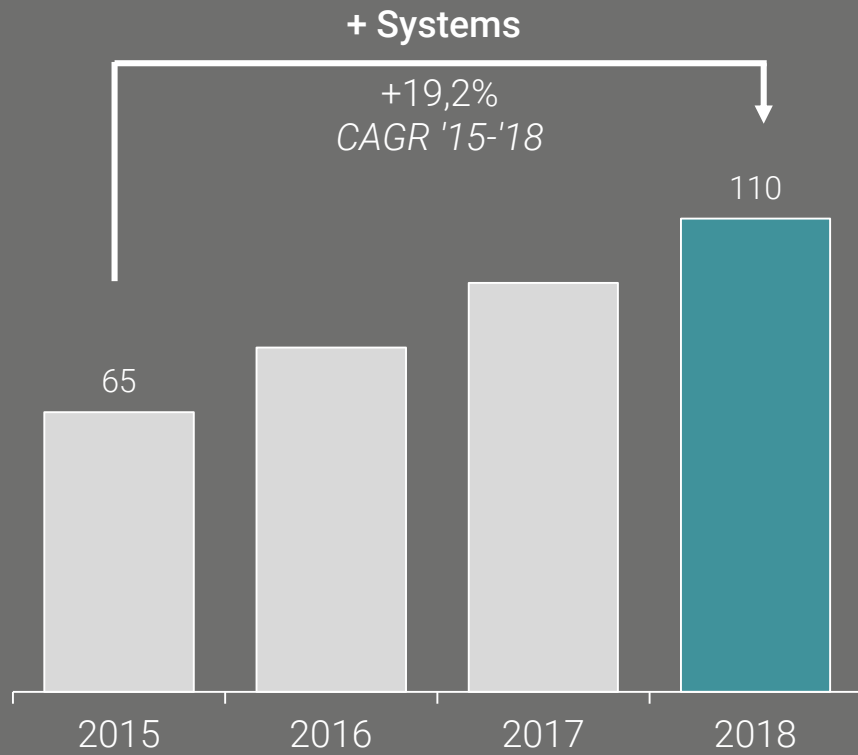
# OUR TRACK RECORD

CAGR  
2015-2018



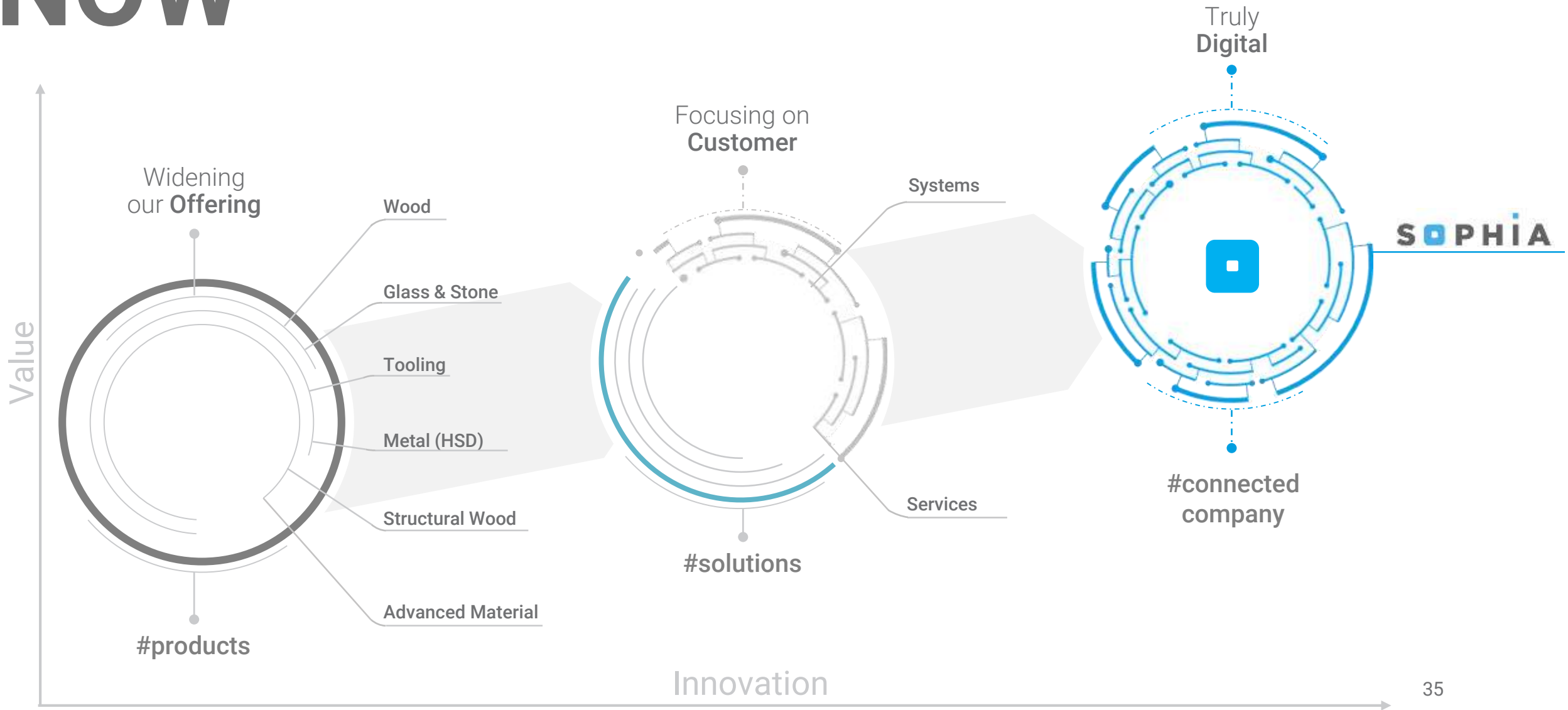


# OUR TRACK RECORD



# STRATEGY

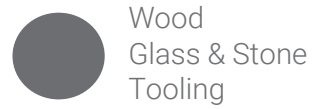
# FUTURE IS NOW



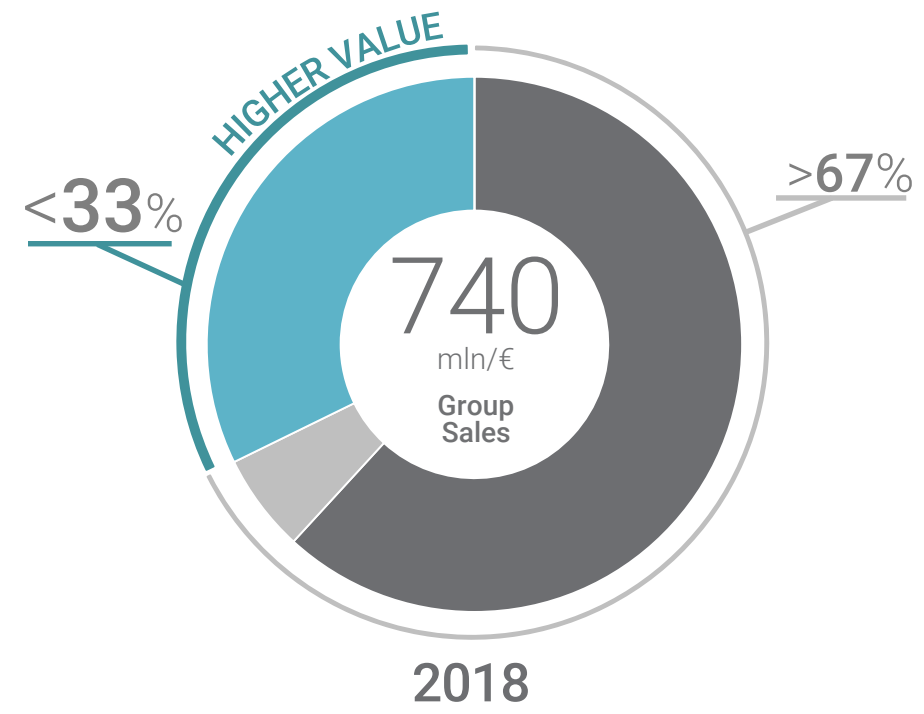
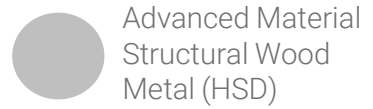
# OUR STRATEGY IN FIGURES

## Widening our offering

Products  
**Core segments**



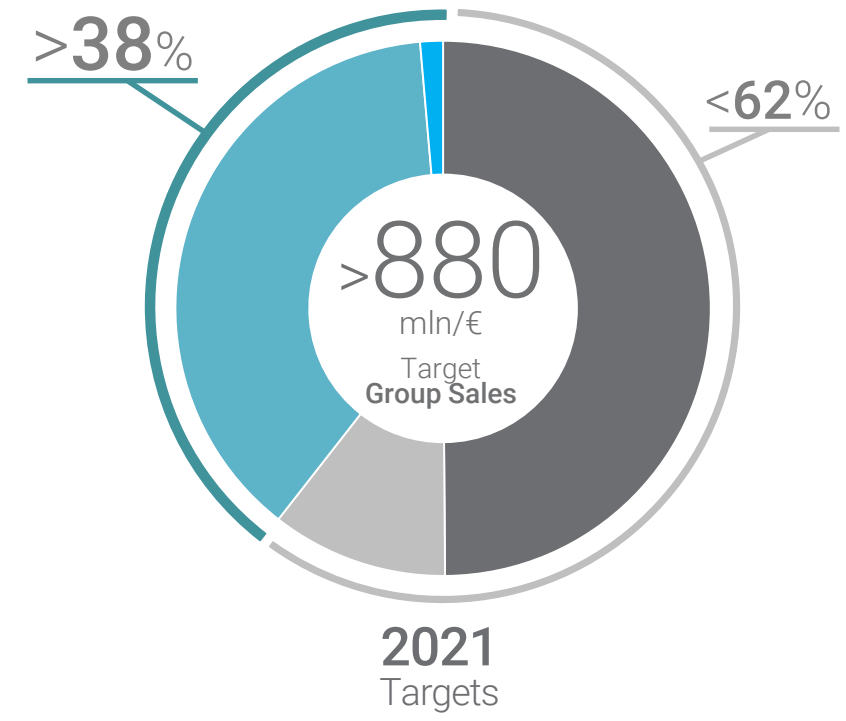
Products  
**New segments**



Focusing on  
**Customer**

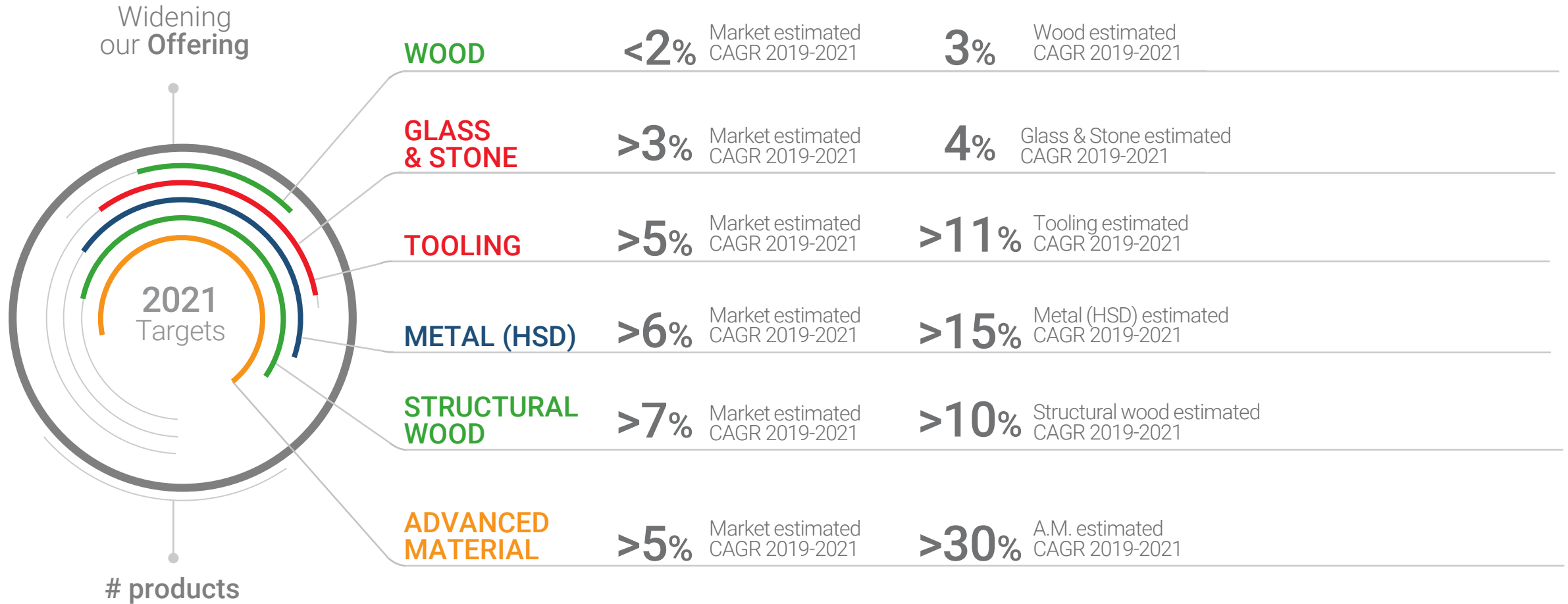


**Truly Digital**



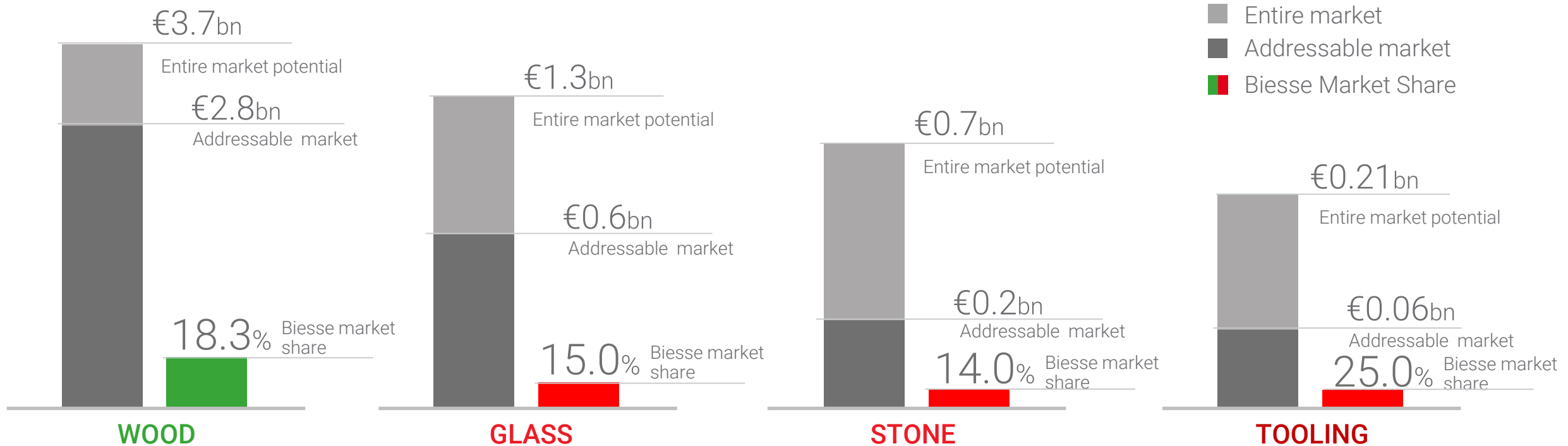
# #PRODUCTS

# TARGETS



# CORE SEGMENTS MARKET 2018

We are among leaders in our reference markets: Wood, Glass, Stone working machinery and Tooling



We are the fastest growing company and among the world **leaders** in the sector.

We are the world **industry leader** in the glass processing market in which we operate.

We are the world **industry leader** in the stone market in which we operate.

We are the world **industry leader** in the tooling market in which we operate.

3%

**Wood** Estimated  
CAGR 2019-2021

<2%

**Market** Estimated  
CAGR 2019-2021

We defined guidelines of the **Action Plan** to achieve our targets:

- 01 **Expand** our **product offering** to meet **Customers** needs for **more automation, more flexibility** and **easy-use machines**
- 02 **Enlarge** our offering of **Full Liner products** and machines integrated with our **handling** and **storage solutions**
- 03 Strengthen our R&D on **innovative solutions** to **process furnishing** (new materials)



4%

**G&S Division** Estimated  
CAGR 2019-2021

3%

**Market** Estimated  
CAGR 2019-2021

We defined guidelines of the **Action Plan** to achieve our targets:

01

**Expand** our offering in **Automation** and **Full Liner**.

02

Focus on the **new product range** for **space, storage** and **handling** needs of **Ceramic working** Factories

03

**Protect** our leading position in the **stand-alone** machines segment.

# TOOLING

>11%

**Tooling Division** Estimated  
CAGR 2019-2021

>5%

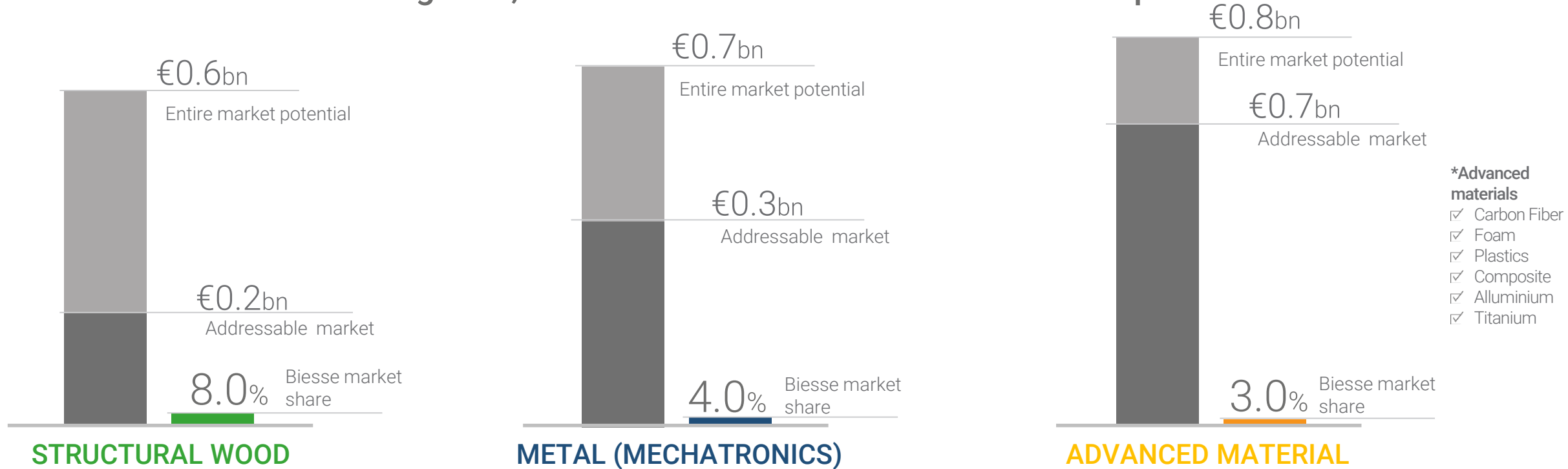
**Market** Estimated  
CAGR 2019-2021

We defined guidelines of the **Action Plan** to achieve our targets:

- 01 In **2018** Biesse Group made its **debut in the Ceramic sector**. The Group approached this new segment through an **innovative range of tools and solutions** dedicated to the squaring, lapping and polishing of all **ceramic materials**. **In next three years we want to enlarge our offering of tooling products** for ceramic **CNC machines**.
- 02 **Expand our presence in the U.S. market**, through a **dedicated production line** inside the Biesse America Campus.

# NEW SEGMENTS MARKET 2018

We entered in new market segment, we want to continue increase our market penetration.



Our competitors are mainly located in Germany and in Italy. The most important are **Hundegger** (the Market Leader), **HOMAG** and **Weinmann**.

Our main competitors are **KESSLER**. **IBAG**. **GMN**. **WEISS** (Siemens). **FISHER** and **STEPTEC**.

Highly fragmented market, our main competitors are **Geiss**, **Belotti CMS Industrie**, **Breton**, **Mecanumeric**, and **Multicam**.

# STRUCTURAL WOOD

>10%

Estimated CAGR 2019-2021

We defined guidelines of the **Action Plan** to achieve our targets:

- 01 Expand our offering, introducing **new products** both **in high-end and mid-end segment**: RC and CLT series
- 02 **Empower our salesforce** team especially in Key Markets
- 03 Increase our **production capacity (Italy)**

6%

**Market**  
Estimated  
CAGR 2019-2021

15%

**metal spindle sales**  
estimated  
CAGR 2019-2021

We defined guidelines of the **Action Plan** to achieve our targets:

- 01 **Introduce a new product category: rotary tables**, that allows a more effective metal working process.
- 02 **Enlarge our product offering** for metal working machines.
- 03 **Expand abroad**, especially in Asian (Taiwan) and Western Europe Market
- 04 Increase our **production capacity (Italy)**

# ADVANCED MATERIALS

>30%

Estimated CAGR 2019-2021

We defined guidelines of the **Action Plan** to achieve our targets:

01

Invest in **Commercial development**, empowering our **sales organization worldwide** with special focus on the **American market**

02

**Enlarge our product offering** for Advanced Materials working also in **Full Liner solutions**

03

Invest to **increase our production capacity** of Advanced Materials Machines

**\*Advanced materials**

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

# ENLARGE OUR PRODUCT OFFERING

 **BIESSEGROUP**  
3 -Year Business Plan

New **thermoforming** machine.

Development of **System** for  
Advanced Material working.

**Expansion** and complete **renewal**  
of the Rover and Materia product  
lines.

New projects based on **additive  
manufacturing** from 2021.



# #SOLUTIONS



# SYSTEM TARGETS

>10%

**Systems Sales**  
Estimated  
CAGR 2018-2021

We **increased our market share becoming a leading company** in the engineering solutions sector.

The **guiding strategy** of the Biesse Systems team is based on clear **key concepts**:

- Define lead times
- Increase Automation
- Improve Stock Management
- Solutions modularity
- Total Quality

# SYSTEM ACTION PLAN



We defined guidelines of the **Action Plan** to achieve our targets:

- 01 **Automaction:** strong focus on **Industry 4.0** oriented solutions
- 02 Introduce and integrate **new software solution** (MES - Manufacturing Execution System) to manage the entire factory production processes
- 03 Becoming leader in the **engineering solutions sector**, focusing also on small and medium Clients
- 04 Approach the market with **Global Key Accounts** for large manufacturing companies

# AUTOMATION

## **Automaction**

Automaction is a Biesse's new concept that represents the concreteness of the new technological innovations developed by the company.

## **Robot**

The company's spirit of innovation takes a huge step forward in the evolution of robotic systems for panel handling

## **B\_Avant**

Automated supervisor (software) for the integrated and efficient management of all production flows according to machining requirements.



# SERVICE TARGETS

21.5%

**Expected Service Contribution** to net sales  
in 2021

50%

Target of **Spare Parts Orders made with Sophia** in 2021

<1h

2021 target **response time** on machine down for **Sophia Customers**

We will focus on Services development, increasing **covering** and **efficiency**.

We defined guidelines of the **Action Plan** to achieve our targets:

- 01 Increase services sales using **SOPHIA** and **Predictive Maintenance Services**
- 02 **Services market place** development: **Parts**
- 03 Integration of **Self Diagnostic Systems** on machines
- 04 Establish the **Academy Service** in **Headquarter** (Italy), **Asia** and **America**

# ONE SERVICE One Company

Empower **corporate culture** to achieve greater results.



01

**"One Service"** wants to be the way to work well and efficiently together and with Lean processes.

02

**Training**, through the Biesse Academy we intend to manage the skills of the Services resources and to increase knowledge about products and processes.

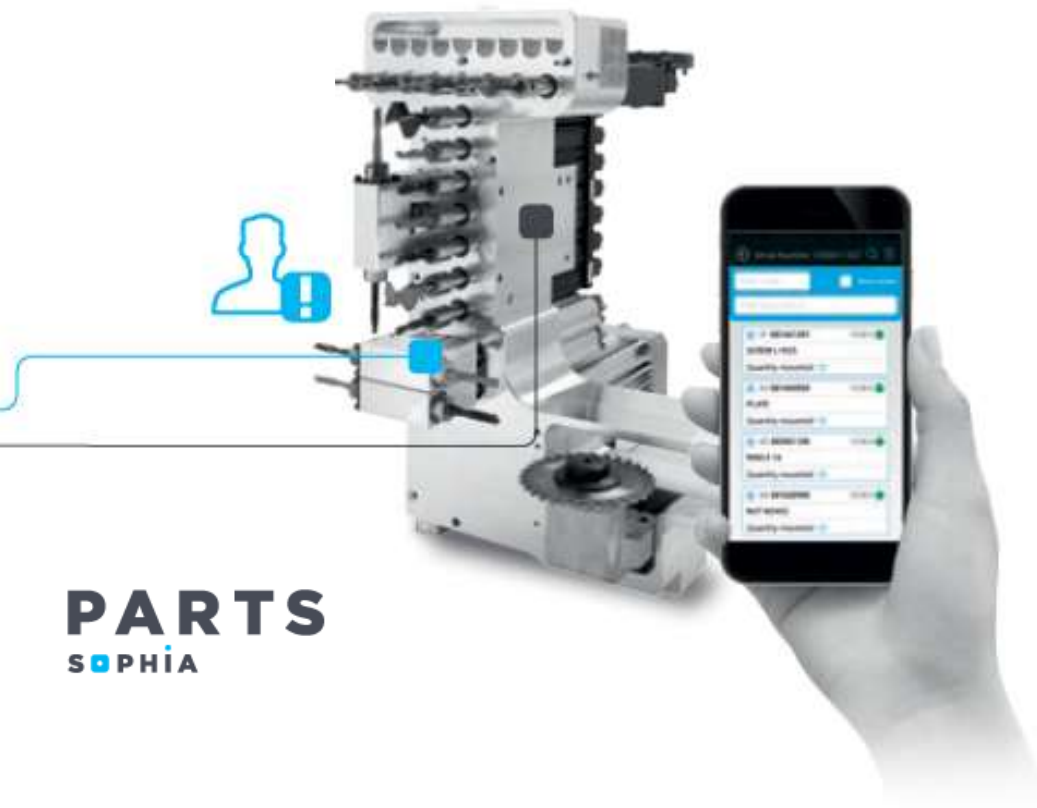
03

After the successful experience of the CRM project for the Commercial Area, Biesse has also activated **Salesforce teams to support the Service processes**.

04

**New Global Organization**, to simplify the relation with our Client introducing the **Customer Care Manager**

# PARTS



**PARTS**  
SOPHIA

**Parts Sophia** is the easy, **intuitive and personalized** new tool for **ordering Biesse spare parts**

The **main features of Parts** services are:

- the **automatic creation** of a **spare parts basket** following an IoT maintenance task
- the **opening** of a **technical intervention request** via the portal or PARTS - SOPHIA app

**#DIGITAL**

# LEADING THE CHANGE

With **SOPHIA**, Biesse is defining new standards in **digital technologies** that **enable Smart Factory**.

SOPHIA is **Biesse's IIoT** (Industrial Internet of Things) **platform**, developed with Accenture and Microsoft, that **enable new services**: long distance diagnostics, analysis and proactive maintenance, analysis of manufacturing events in order to optimize our Client's production.

SOPHIA is made up of **two integrated areas: IoT and Parts**. They're linked with **two apps** so that the customer can easily access the functions offered by the platform.

**SOPHIA**

**IoT**

**PARTS**





# SOPHIA TO SUPPORT BIESSE CUSTOMERS

## SERVICES

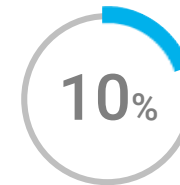
Biesse supports its customers, offering technological connectivity, sharing of expertise, professional consulting services, training and ongoing assistance.

## PREDICTIVE

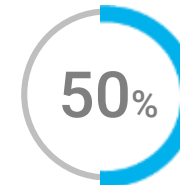
SOPHIA helps to prevent problems that could damage customer production. Biesse takes proactive steps to contact customers, reducing machine downtime and inefficient wasted time.

## ANALYSIS

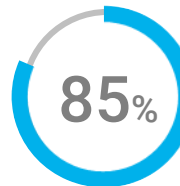
The information gathered and analysed is transformed into useful indications for optimising customer production and product quality, providing extremely opportunities for growth.



Increase in productivity



Reduction in machine downtime



Reduction in the time necessary for diagnostic



Cost reduction for Biesse Customer

# SOPHIA TARGETS

>1,000

Machines already sold having SOPHIA package

## Route to the future

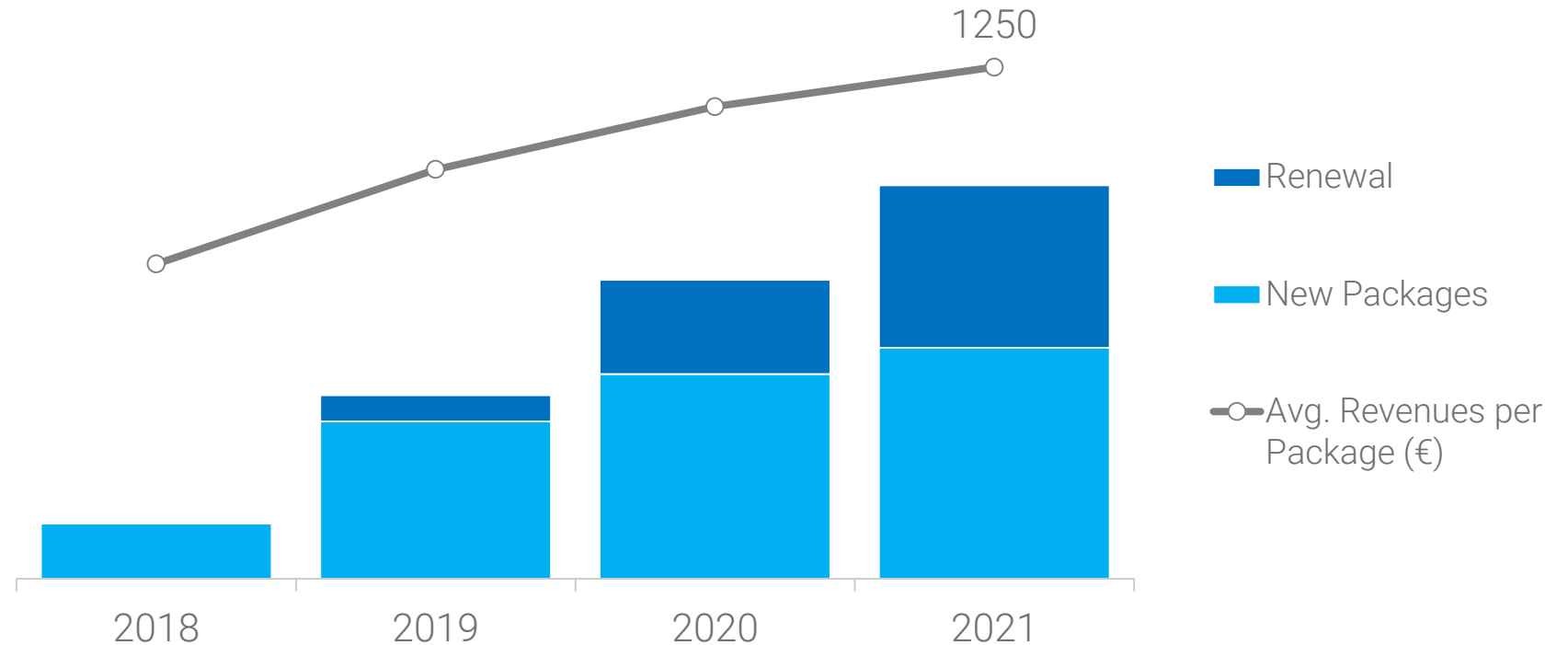
Digital innovation creates the future: an inevitable process, that is yet to be developed in machinery industry.

SOPHIA paves the way for the future of Industry 4.0, starting now.

*Number of Machines sold with SOPHIA Packages and average revenues per package 2018-2021*

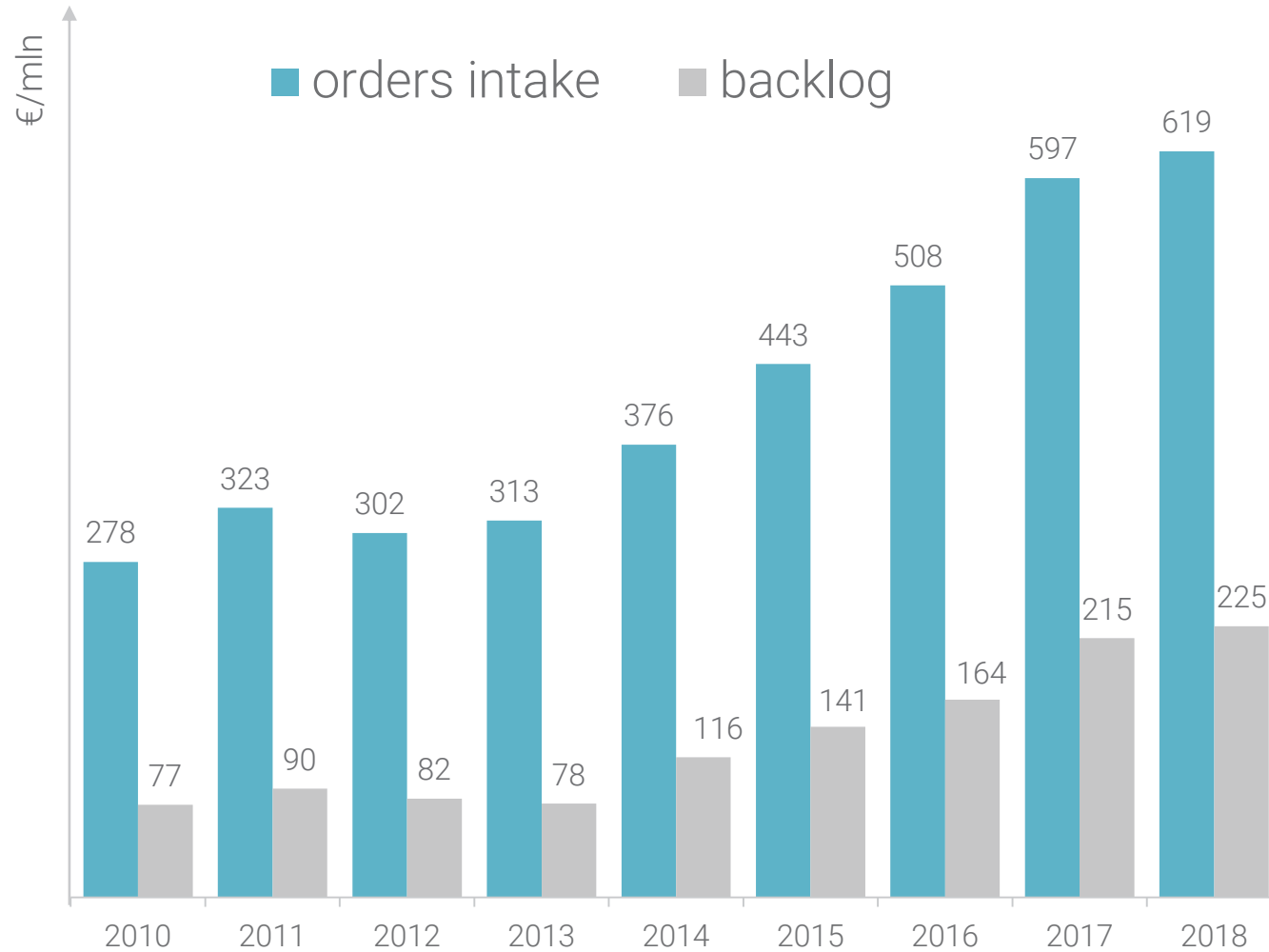
SOPHIA will connect  
>7,000

machines by 2021 and make them intelligent.



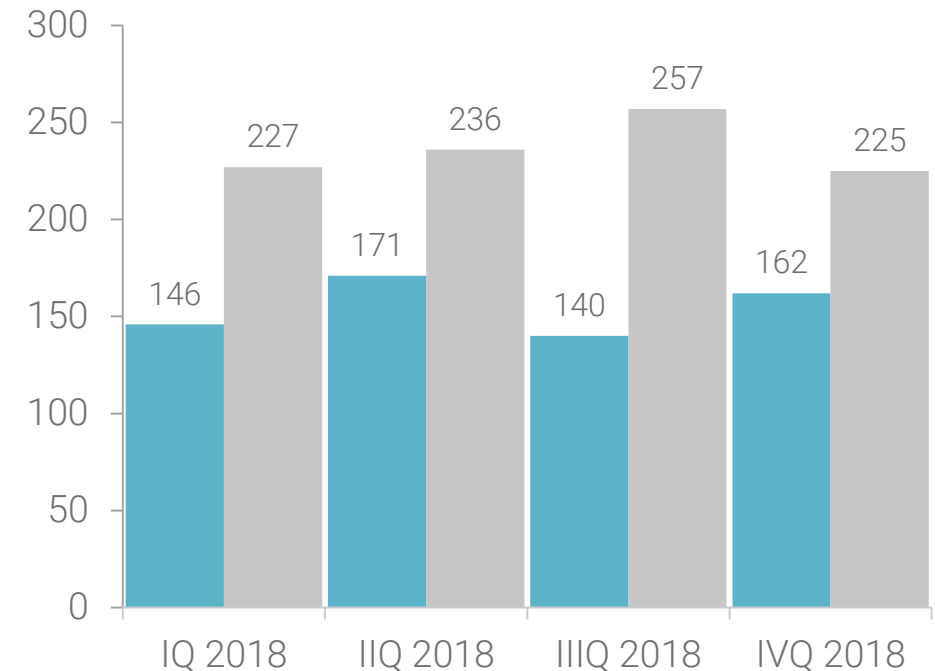
# OUR FUTURE IN FIGURES

# GROUP ORDERS INTAKE & BACKLOG



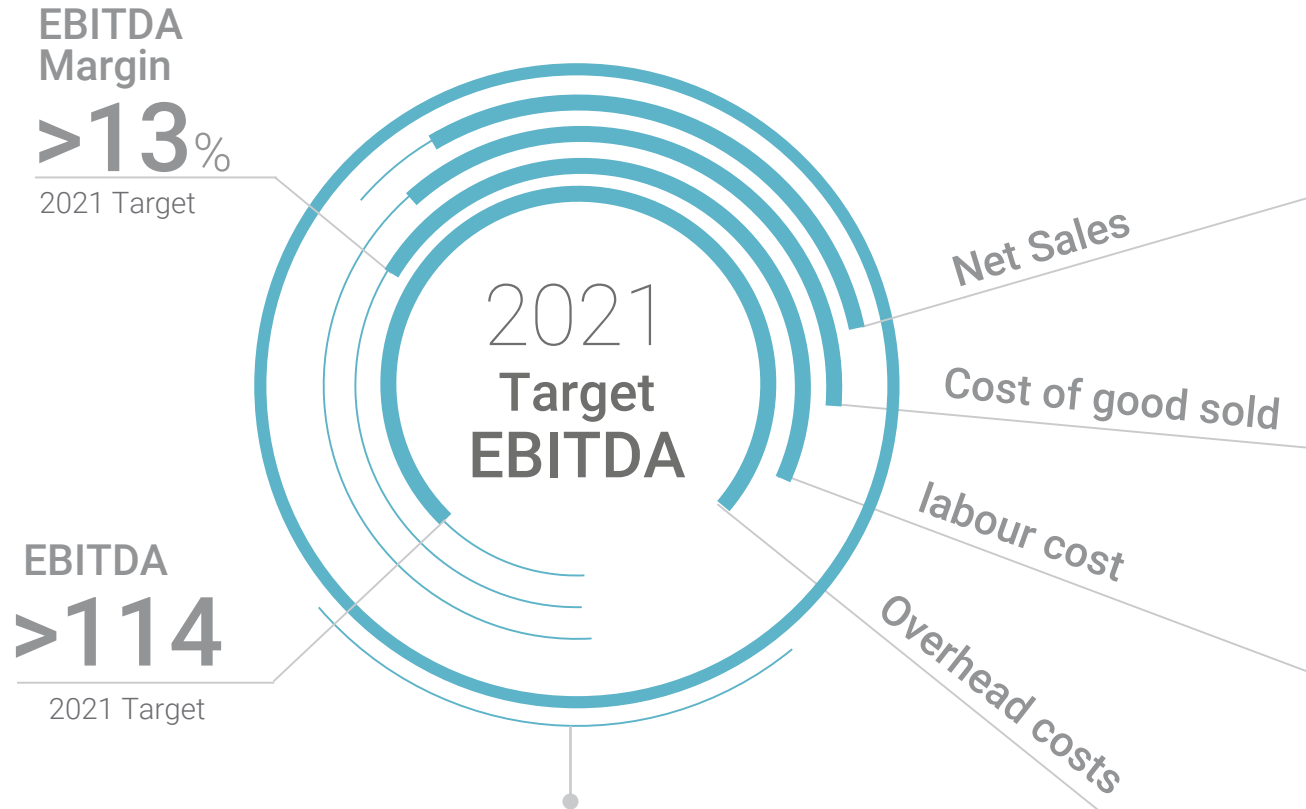
✓ 2018: Group orders intake **+3.7%** (vs. 2017)

✓ 2018: Group backlog **+4.9%** (vs. 2017)



only machines

# STABILIZE THE PROFITABILITY



strengthening our financial health

6%

Net sales  
CAGR 2019-2021 vs 2018

<40%

Target COGS  
incidence on Net Sales

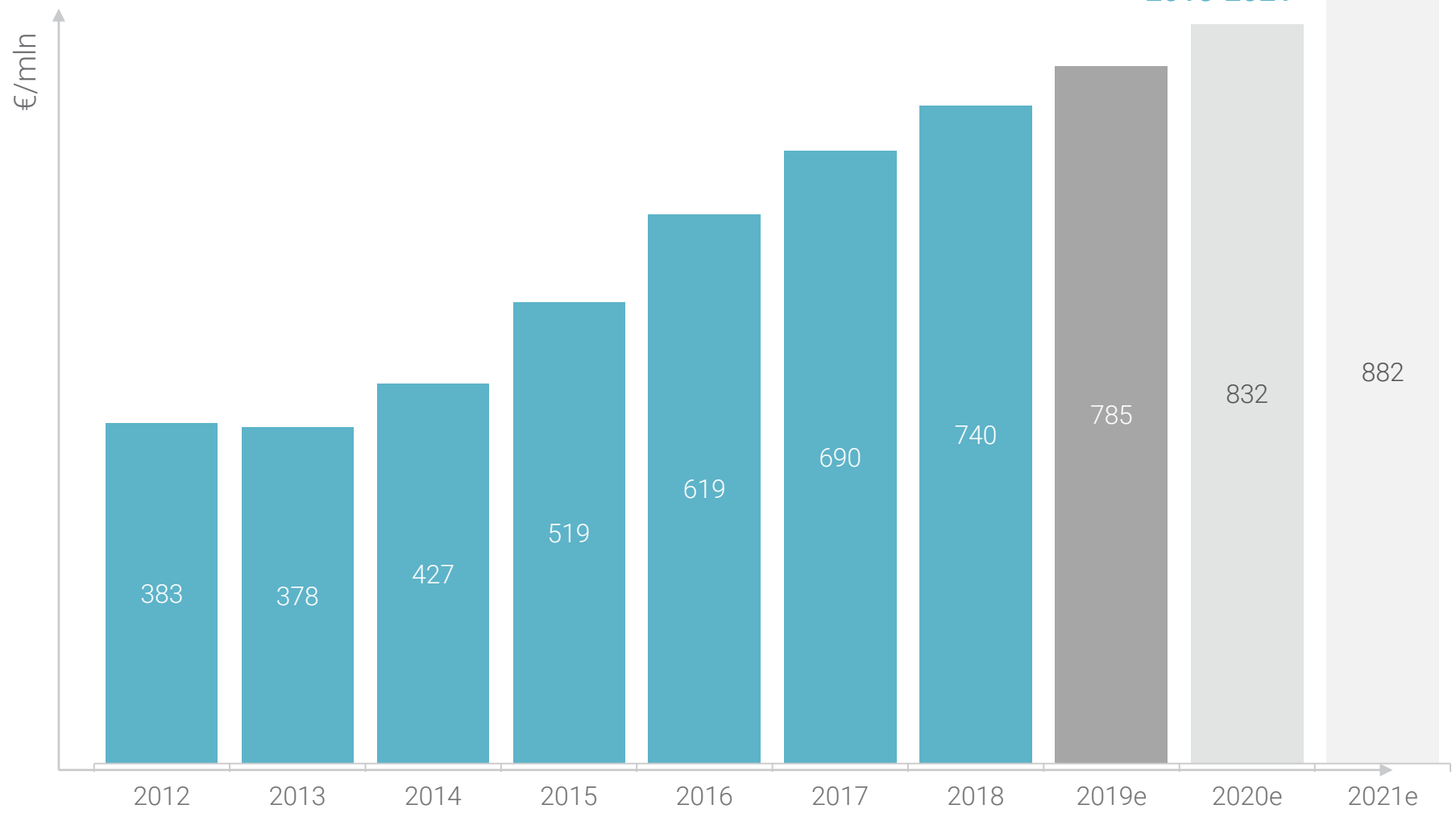
<30%

Target labour Cost  
incidence on Net Sales

<20%

Target Overhead Cost  
Incidence on Net Sales

# NET SALES

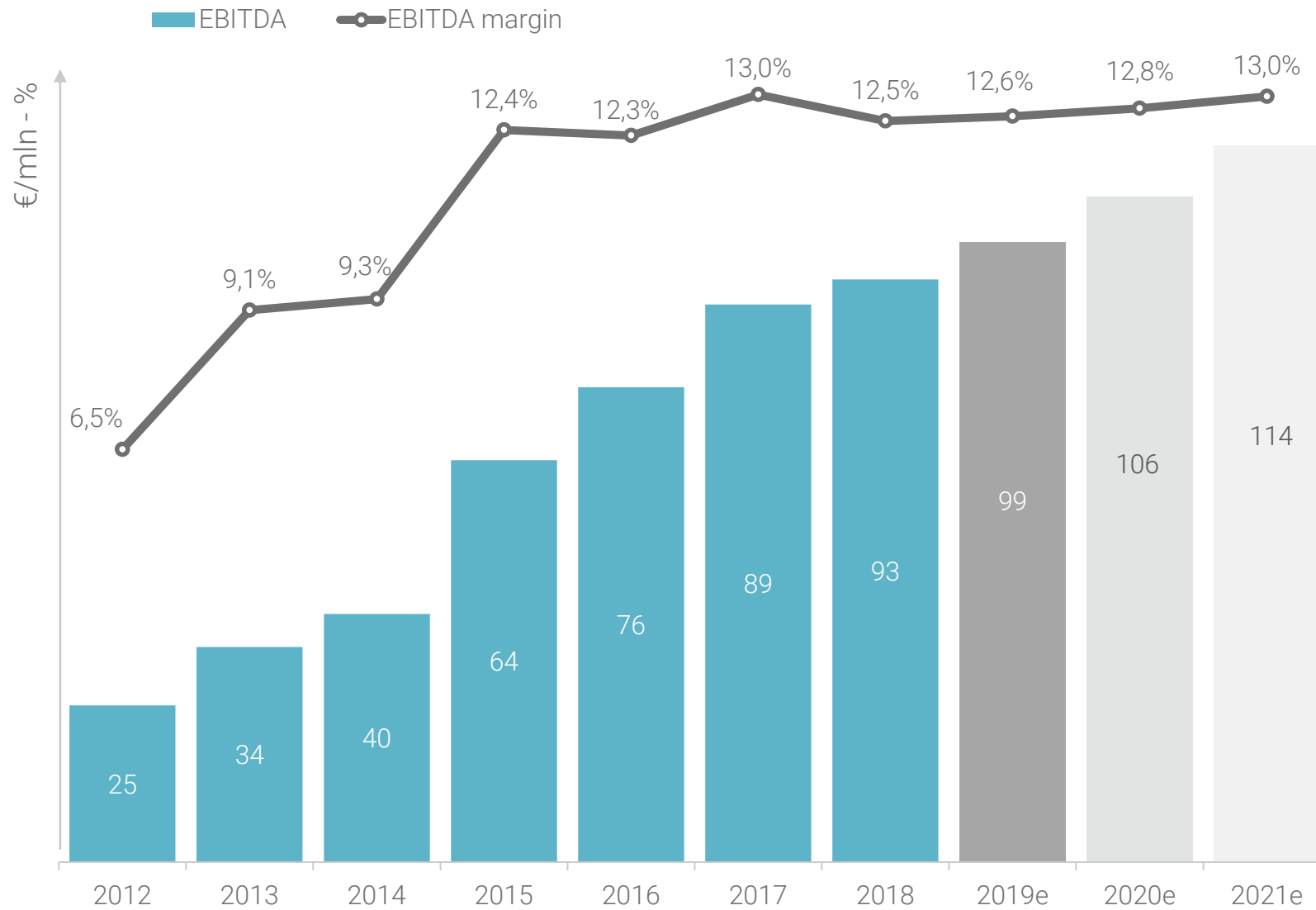


**6%**  
CAGR  
2018-2021

**9.5%**  
CAGR  
2018-2020

**organic growth**

# EBITDA

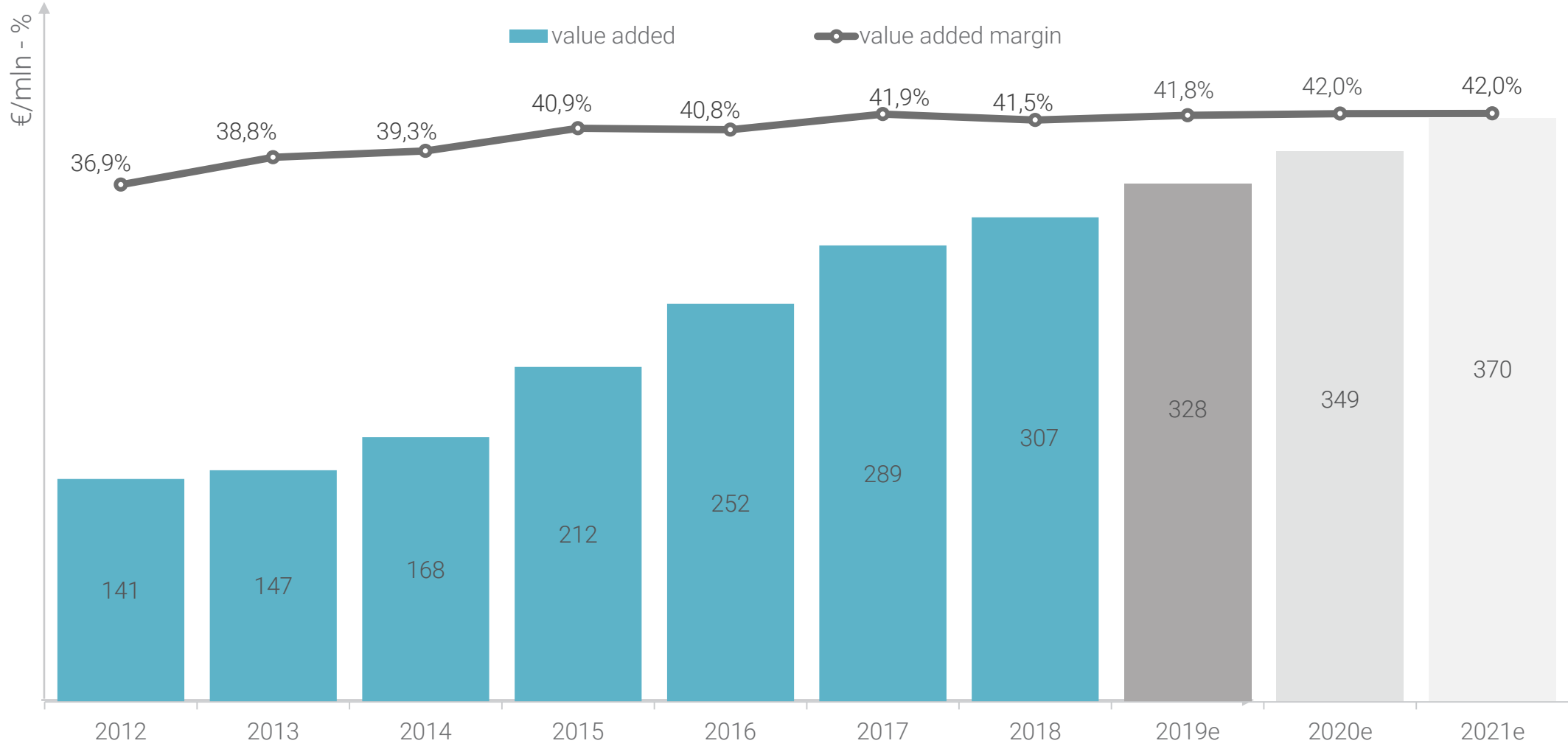


*Without IFRS impacts*

- ✓ **COGS** on Net Sales below **40%**
- ✓ **labour Cost** on Net Sales less than **30%**
- ✓ **overhead** on Net Sales less than **20%**

**13.7%**  
**EBITDA margin**  
**2018-2020 plan**

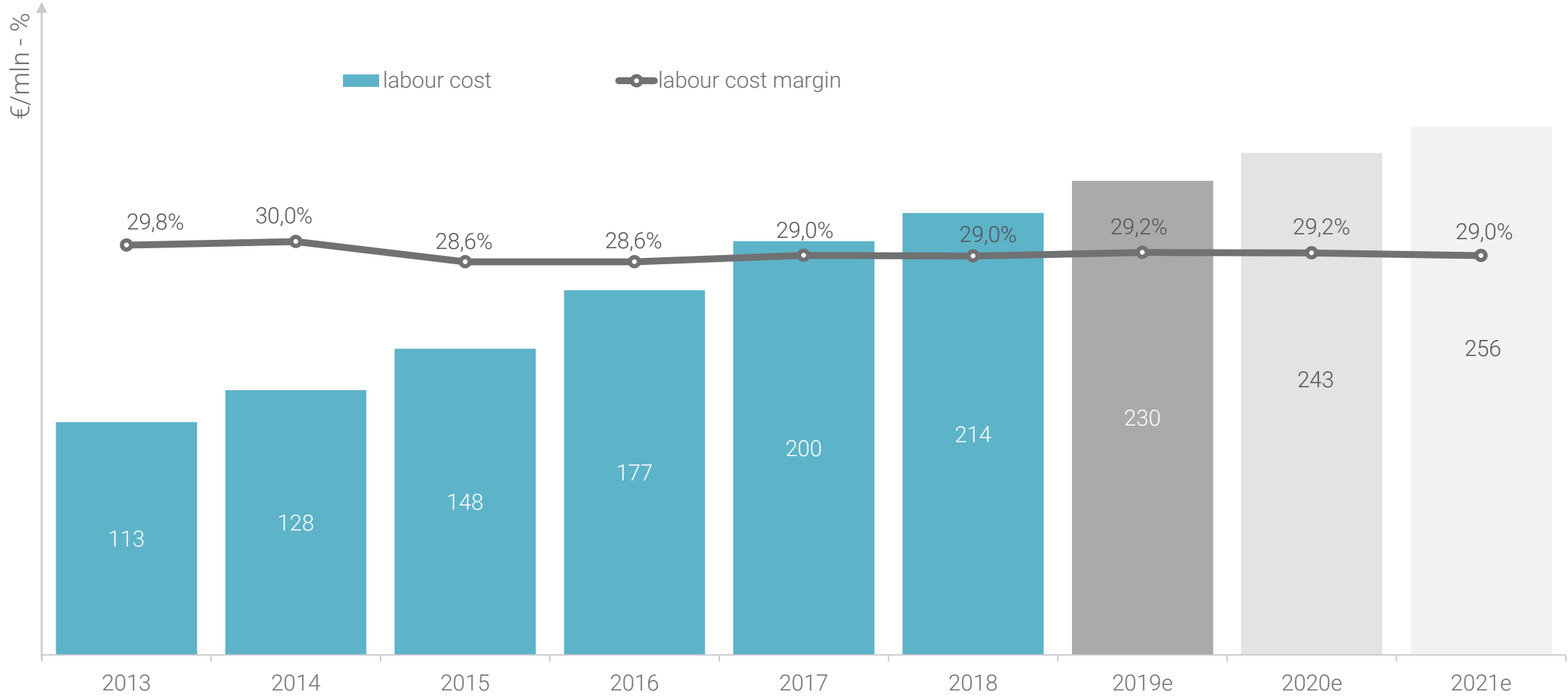
# VALUE ADDED



43%  
Value Added margin 2018-2020 plan

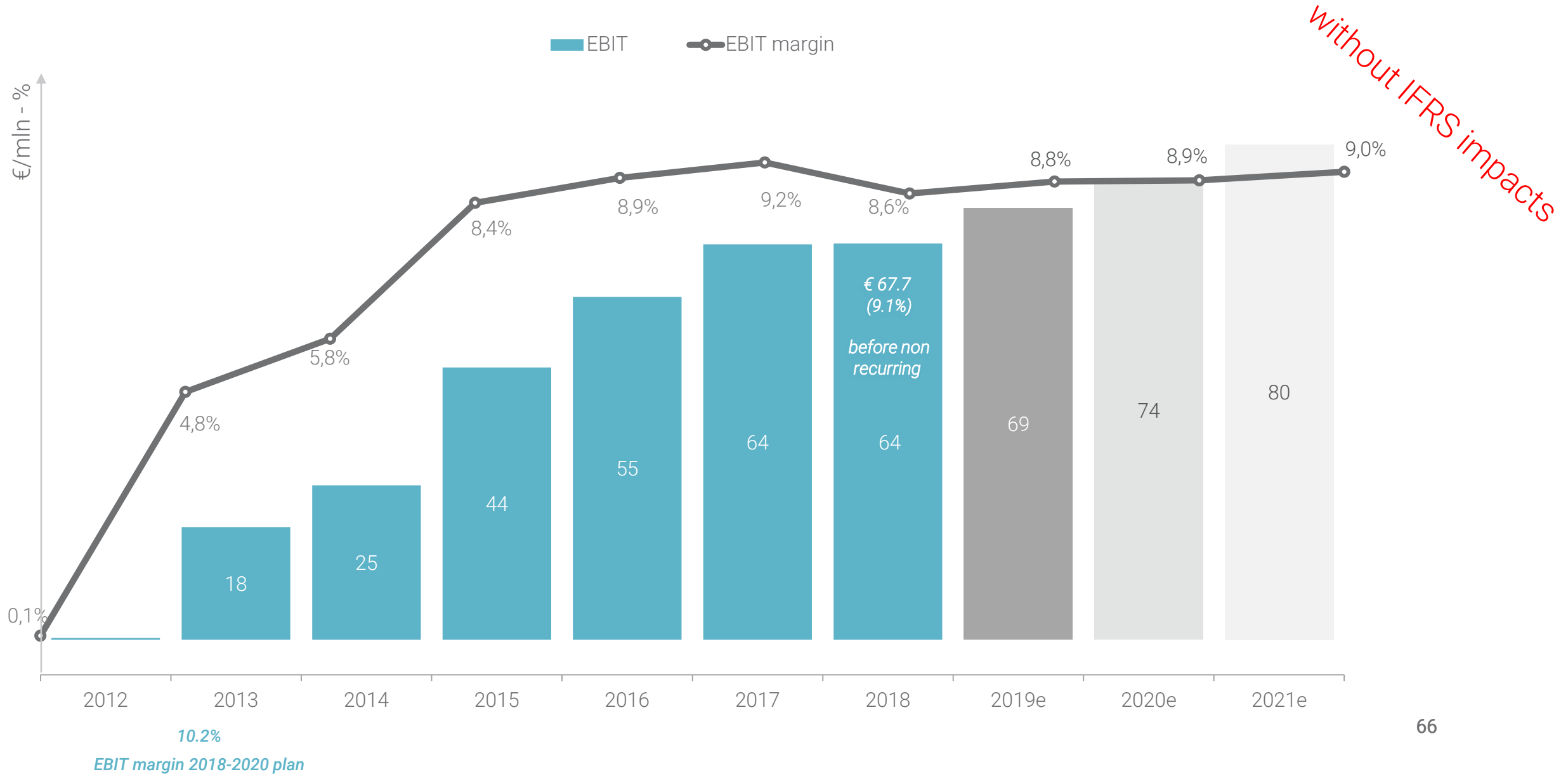


# LABOUR COST



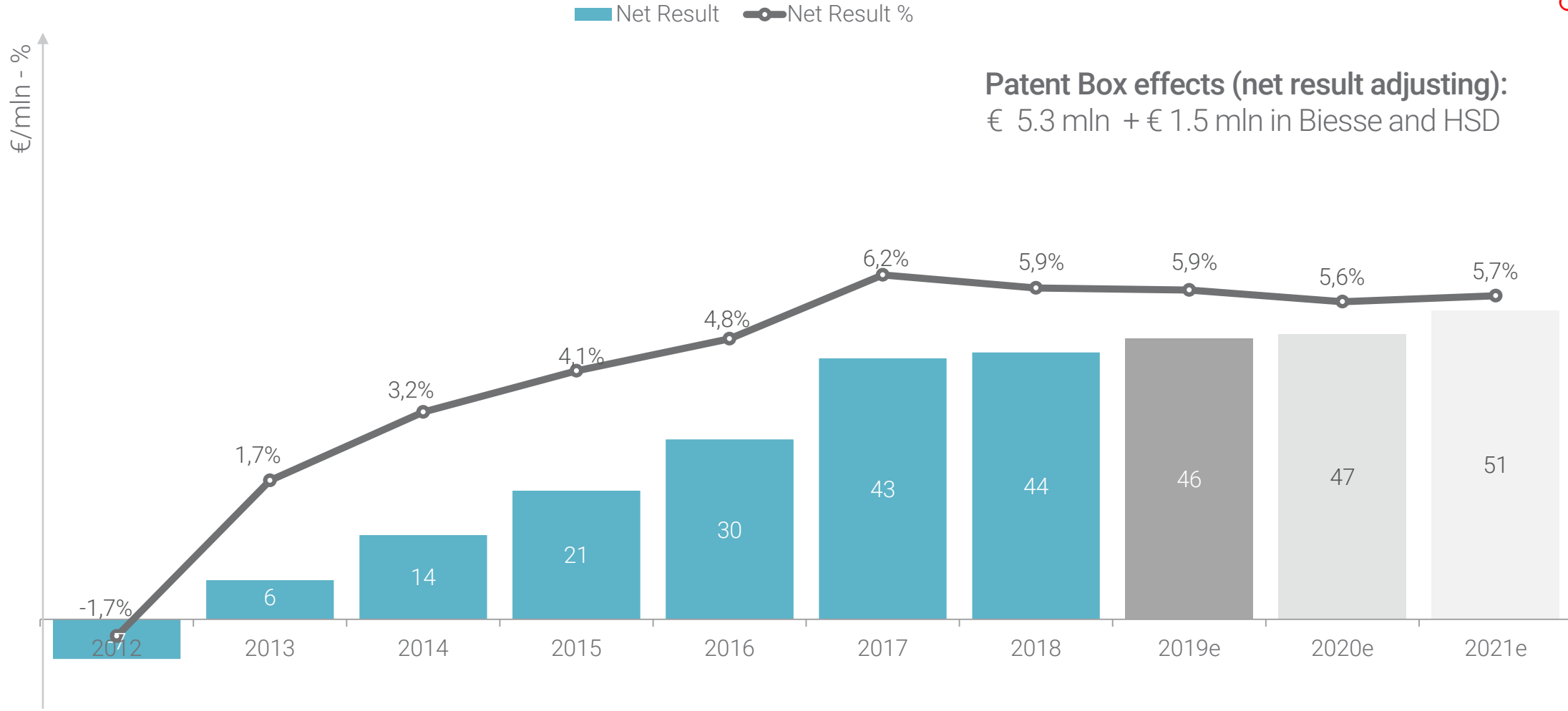
29.3%  
Labour Cost margin 2018-2020 plan

# EBIT



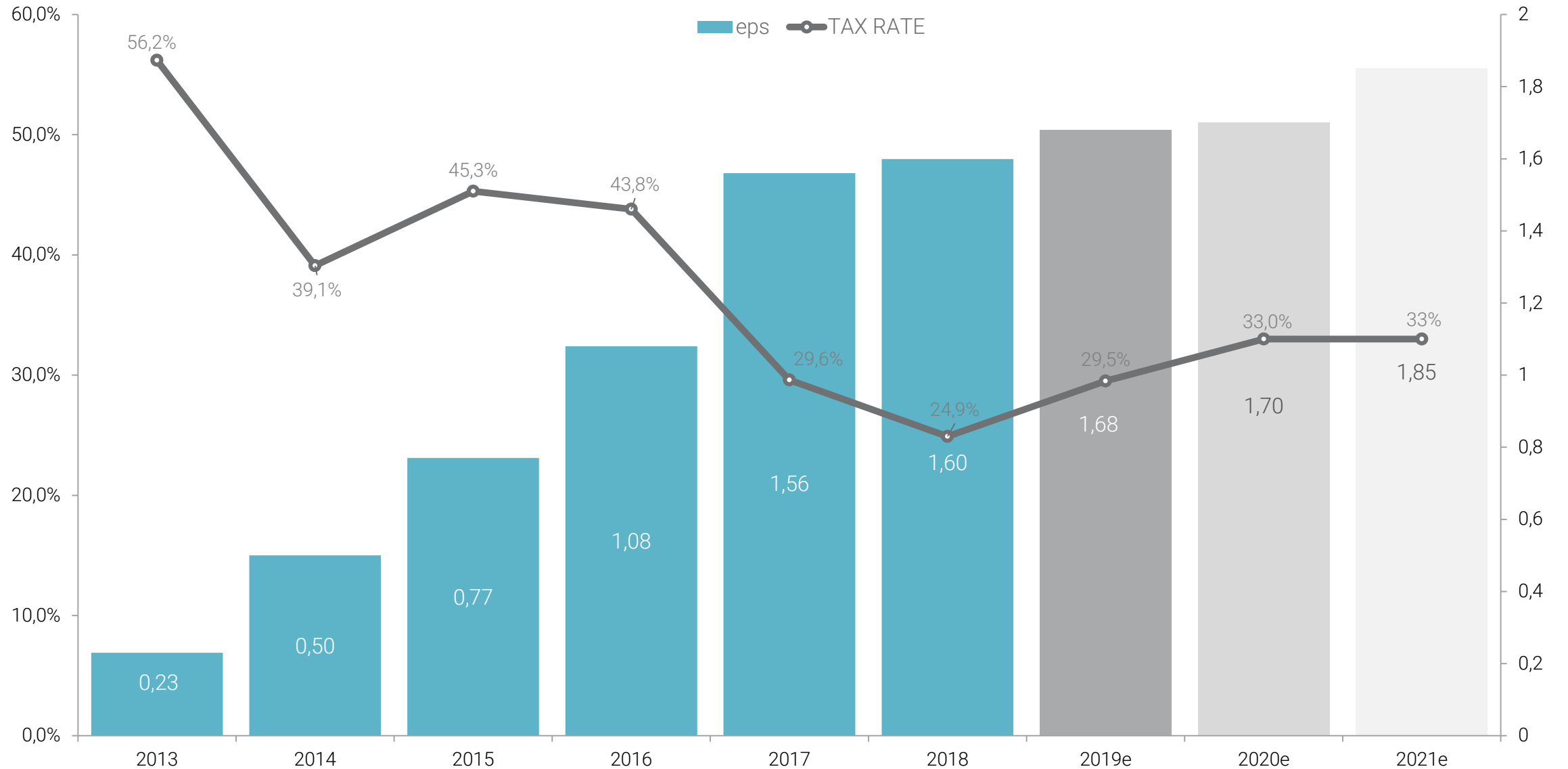
# NET RESULT

**BIESSEGROUP**  
3 -Year Business Plan



*Without IFRS impacts*

# EPS – TAX RATE



# EXTRACT OF THE P&L

**BIESSE GROUP**  
3 -Year Business Plan

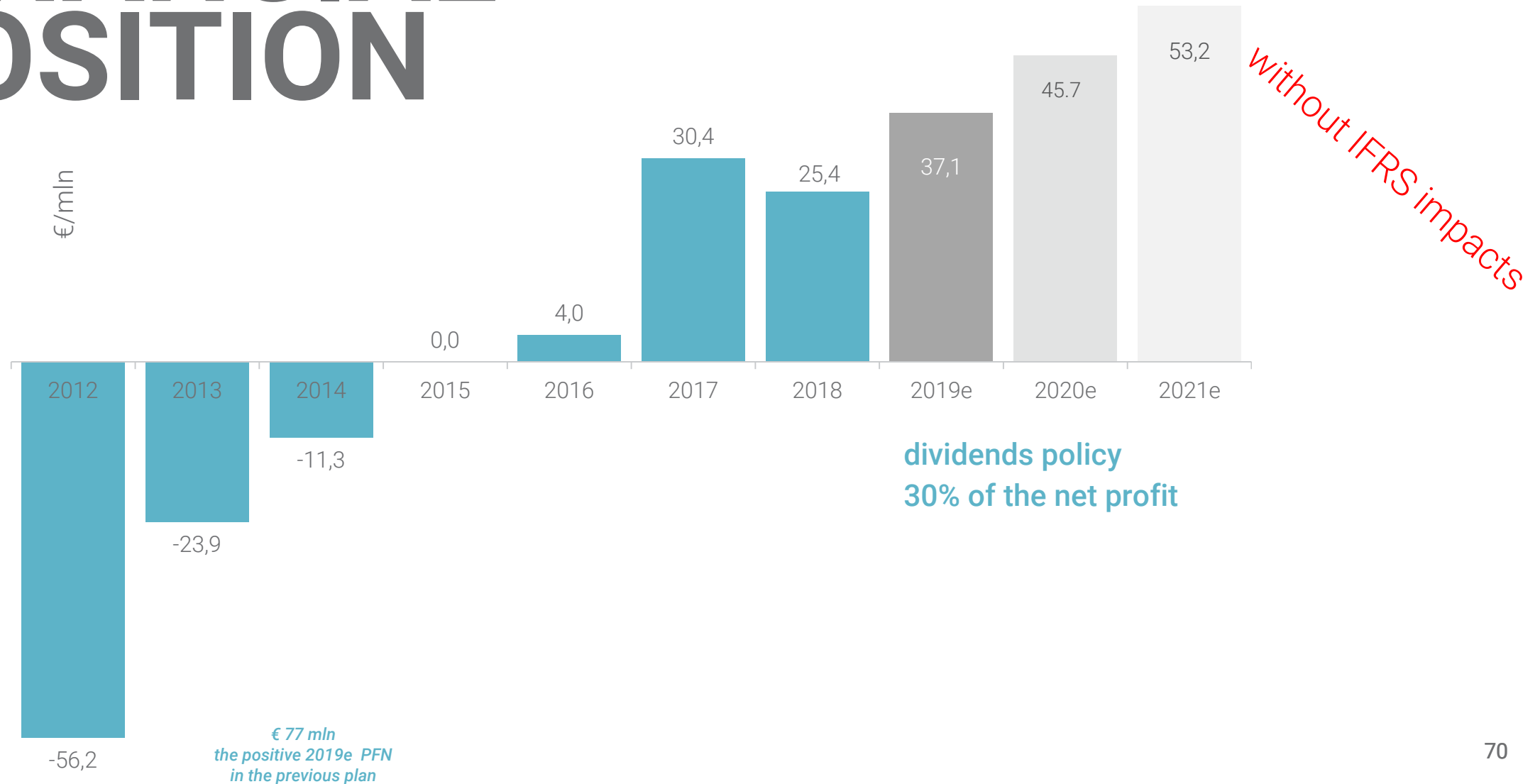
€/mln	2014	2015	2016	2017	2018		2021e	
<b>Net sales year -1</b>	427 <b>+12.9%</b>	519 <b>+21.5%</b>	618 <b>+19.1%</b>	690 <b>+11.6%</b>	740 <b>+7.3%</b>	CAGR 2009-2018 <b>11.9%</b>	<b>882</b>	
Cost of goods sold	178 41.6%	206 39.8%	245 39.6%	270 39.1%	295 39.9%		349 39.6%	
<b>Value added %</b>	<b>168 39.3%</b>	<b>212 40.9%</b>	<b>252 40.8%</b>	<b>289 41.8%</b>	<b>307 41.5%</b>		<b>370 42.0%</b>	
Labour cost	128 30.0%	148 28.6%	177 28.6%	199 28.9%	214 29.0%		256 29.0%	< 30.0% incidence
Overhead	91 21.3%	105 20.2%	125 20.1%	136 19.7%	144 19.5%		168 19.0%	< 20.0% incidence
<b>EBITDA %</b>	<b>40 9.3%</b>	<b>64 12.4%</b>	<b>76 12.3%</b>	<b>89 13%</b>	<b>93 12.5%</b>		<b>114 13.0%</b>	
<b>EBIT %</b>	<b>25 5.8%</b>	<b>44 8.4%</b>	<b>55 8.9%</b>	<b>64 9.2%</b>	<b>64* 8.6%</b>		<b>80 9.0%</b>	

*Without IFRS impacts*

\*after non recurring items

**before € 67.7 (9.1%)**

# NET FINANCIAL POSITION



# CASHFLOW

**BIESSE**GROUP  
3 -Year Business Plan

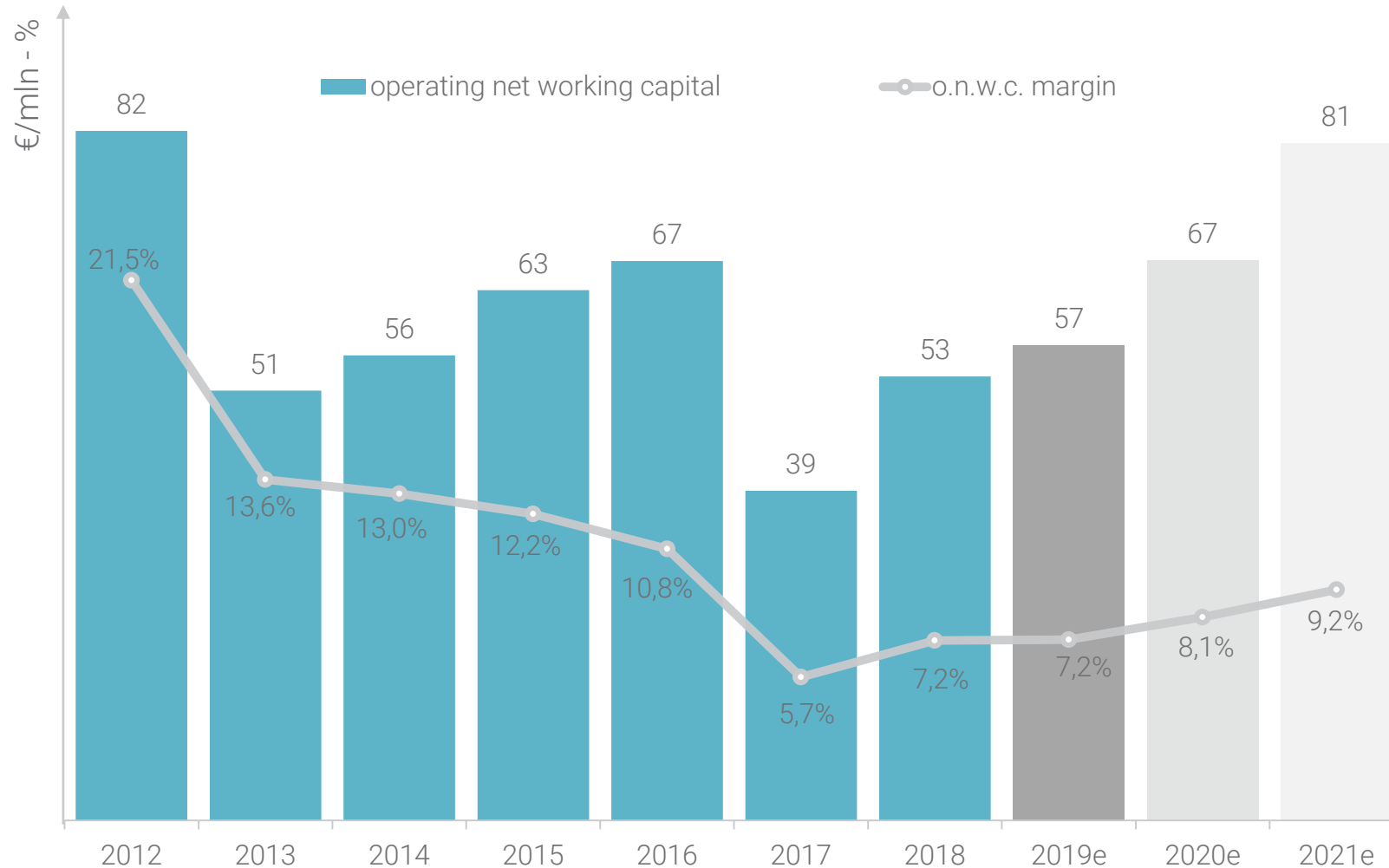
*Without IFRS impacts*

€/mln	2014	2015	2016	2017	2018	2021e
<b>Gross Cashflow(*)</b> % net sales	<b>38</b> <b>9.0%</b>	<b>46</b> <b>8.9%</b>	<b>47</b> <b>7.4%</b>	<b>74</b> <b>10.9%</b>	<b>53</b> <b>7.1%</b>	<b>69</b> <b>7.9%</b>
Capex % net sales	-21 4.9%	-25 4.9%	-32 5.2%	-39 5.7%	-45 6.1%	-48 5.4%
<b>Net Cashflow</b> % net sales	<b>17</b> <b>4.1%</b>	<b>21</b> <b>4.1%</b>	<b>15</b> <b>2.2%</b>	<b>35</b> <b>5.2%</b>	<b>8</b> <b>1.1%</b>	<b>21</b> <b>2.4%</b>
Dividends	-4.8 0.18 per share	-9.8 0.36 per share	-9.8 0.36 per share	-9.8 0.36 per share	-13.1 0.48 per share	-14.0 30% of net profit(e)

(\*) Gross Cashflow calculated: net profit + amortization + provisions +/- delta operative CCN +/- delta funds (taxes)

without IFRS16 effects

# OPERATIVE NET WORKING CAPITAL



- ✓ **inventories** below **22%** incidence on Net Sales
- ✓ Group **DSO** around **50-60 days max**
- ✓ Group **DPO** around **105-110 days**

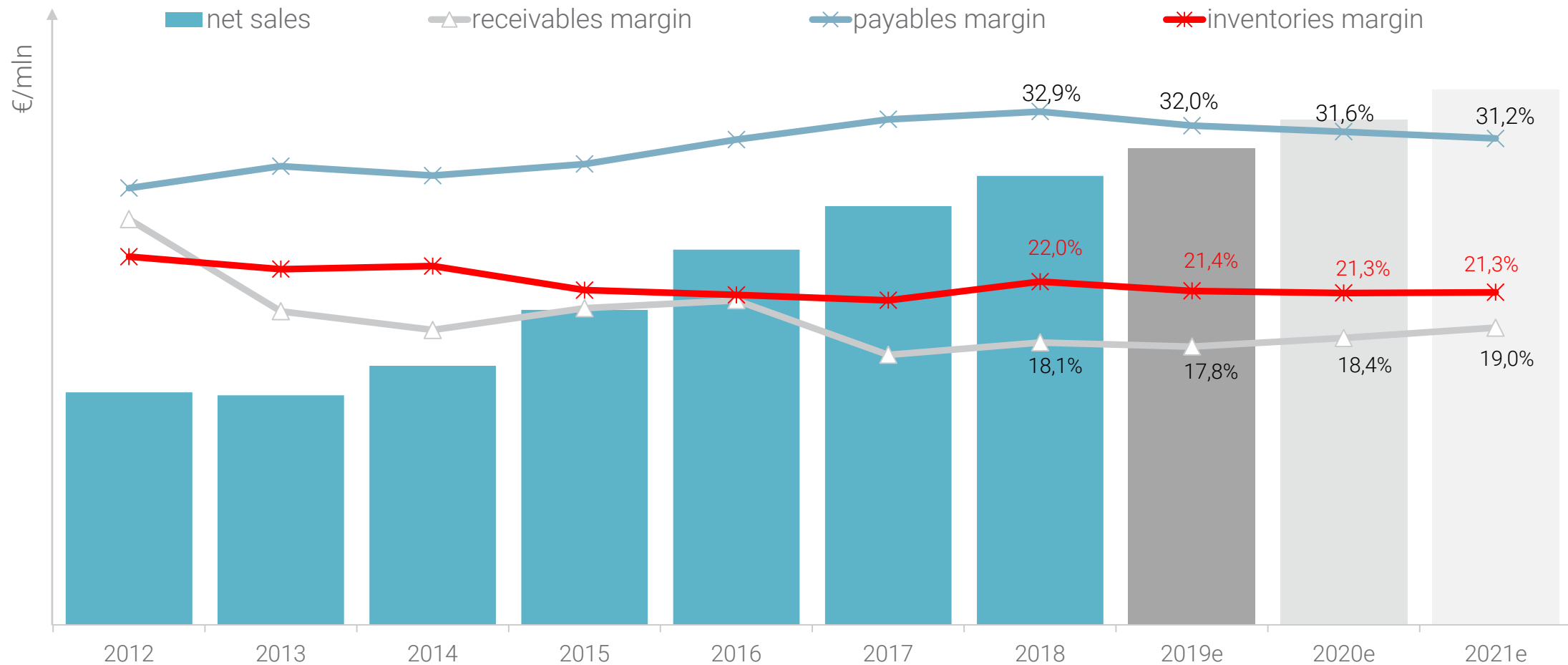
7.4% O.N.W.C. incidence  
2018-2020 plan



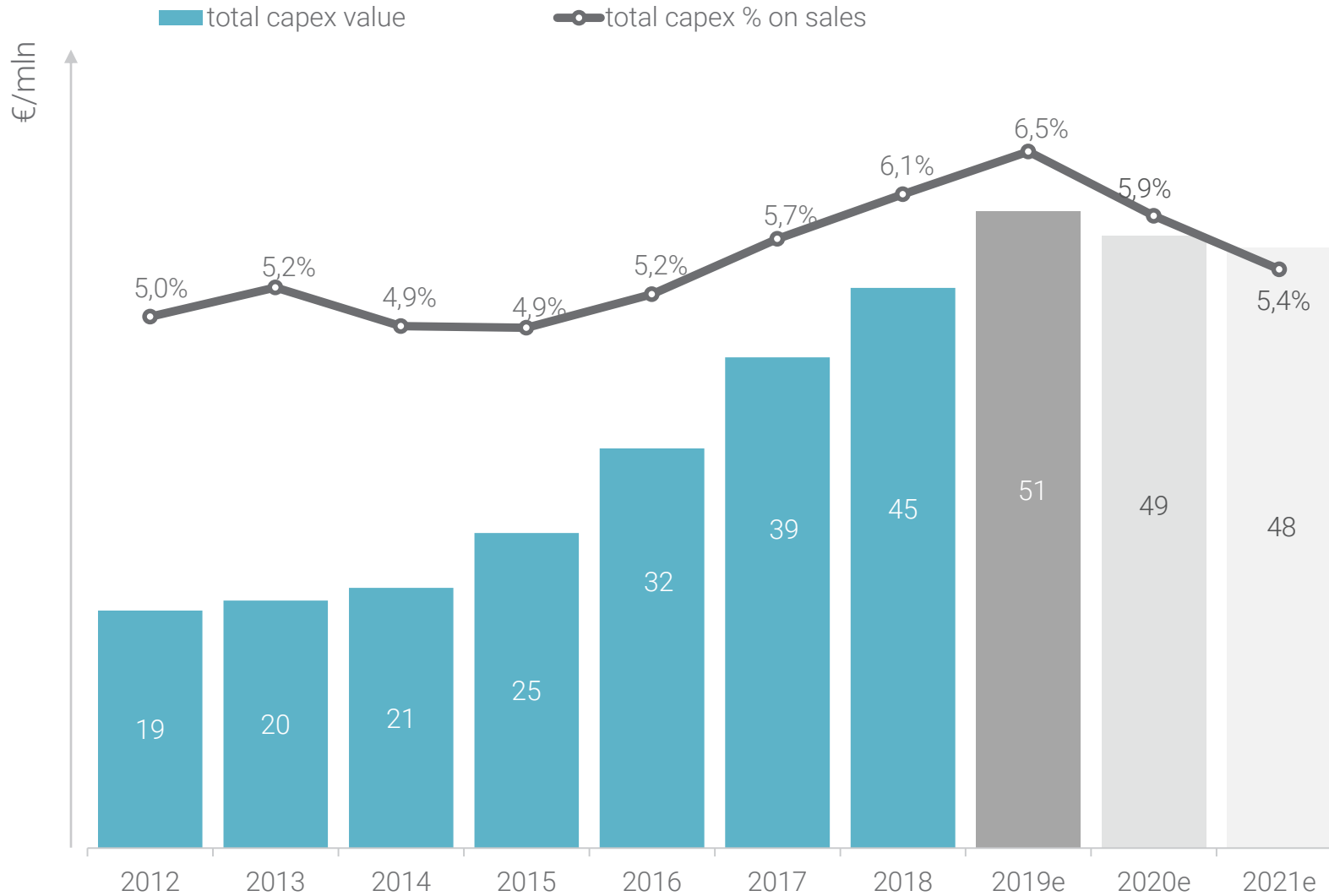
# OPERATIVE NET WORKING CAPITAL

€/mln	2014	2015	2016	2017	2018	2021e
Inventories % net sales	23.0%	21.5%	21.1%	20.8%	22.0%	21.3%
Receivables % net sales	18.9%	20.3%	20.8%	17.3%	18.1%	19.0%
Payables % net sales	28.8%	29.5%	31.1%	32.4%	32.9%	31.2%
<b>operative Net Working Capital % net sales</b>	<b>56 13.0%</b>	<b>63 12.2%</b>	<b>67 10.8%</b>	<b>39 5.6%</b>	<b>53.1 7.2%</b>	<b>81 9.2%</b>

# RECEIVABLES PAYABLES INVENTORIES



# CAPEX



5.7% capex incidence 2019 2018-2020 plan

## 2019e

tangible: € 32.9mln

intangible: € 18mln

main investments items:

- ✓ **Mechatronics** – HSD takeover of the Bi.Fin srl leasing (existing site in Gradara)
- ✓ **Wood – stand alone machines** vertical auto-warehouse (traslo)
- ✓ **Subsidiary** Biesse America campus
- ✓ **Components** Cosmec working centers
- ✓ **I.T.** Service CRM – product configurator – I.I.o.T.
- ✓ **R&D** (4% of the net sales)

# EMPLOYEES

# PEOPLE DISTRIBUTION

(without interim people)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>Production</b> % of total people	1,250 46%	1,265 45%	1,175 44%	1,201 42%	1,335 42%	1,482 41%	1,494 39%	<b>1,621</b> <b>38%</b>
<b>Service &amp; After sale</b> % of total people	577 21%	574 21%	613 22%	628 22%	690 22%	803 22%	894 23%	<b>1,001</b> <b>24%</b>
<b>R&amp;D</b> % of total people	316 12%	338 12%	321 12%	361 13%	383 13%	436 12%	479 12,5%	<b>551</b> <b>13%</b>
<b>Sales &amp; Marketing</b> % of total people	361 13%	364 13%	351 13%	439 15%	495 15%	587 16%	641 17%	<b>715</b> <b>17%</b>
<b>G&amp;A</b> % of total people	233 9%	242 9%	235 9%	252 9%	273 9%	310 8,5%	338 8,8%	<b>339</b> <b>8%</b>
<b>ITALY</b> % of total people	1,656 61%	1,646 59%	1,547 57%	1,605 56%	1,780 56%	2,009 56%	2,176 56%	<b>2,483</b> <b>59%</b>
<b>OUTSIDE ITALY</b> % of total people	1,081 39%	1,136 41%	1,148 43%	1,276 44%	1,396 44%	1,609 44%	1,670 44%	<b>1,744</b> <b>41%</b>
<b>TOTAL</b>	<b>2,737</b>	<b>2,782</b>	<b>2,695</b>	<b>2,881</b>	<b>3,176</b>	<b>3,618</b>	<b>3,846</b>	<b>4,227</b>

# PEOPLE EVOLUTION

	FY 2017	FY 2018	DELTA %
Production	1,494	1,621	<b>+8.5</b>
Service & After Sales	894	1,001	<b>+12.0</b>
R&D	479	551	<b>+15.0</b>
Sales & Marketing	641	715	<b>+11.5</b>
G&A	338	339	...
ITALY	2,176	2,483	<b>+ 14.1</b>
OUTSIDE ITALY	1,670	1,744	<b>+ 44.3</b>
TOTAL	3,846	4,227	<b>+9.9</b>

the labour cost increase is EURO 16.3 mln (2018 vs 2017)

interim people at the end of Dec 2018: 170  
interim people at the end of Dec. 2017: 196  
interim people at the end of Dec. 2016: 181

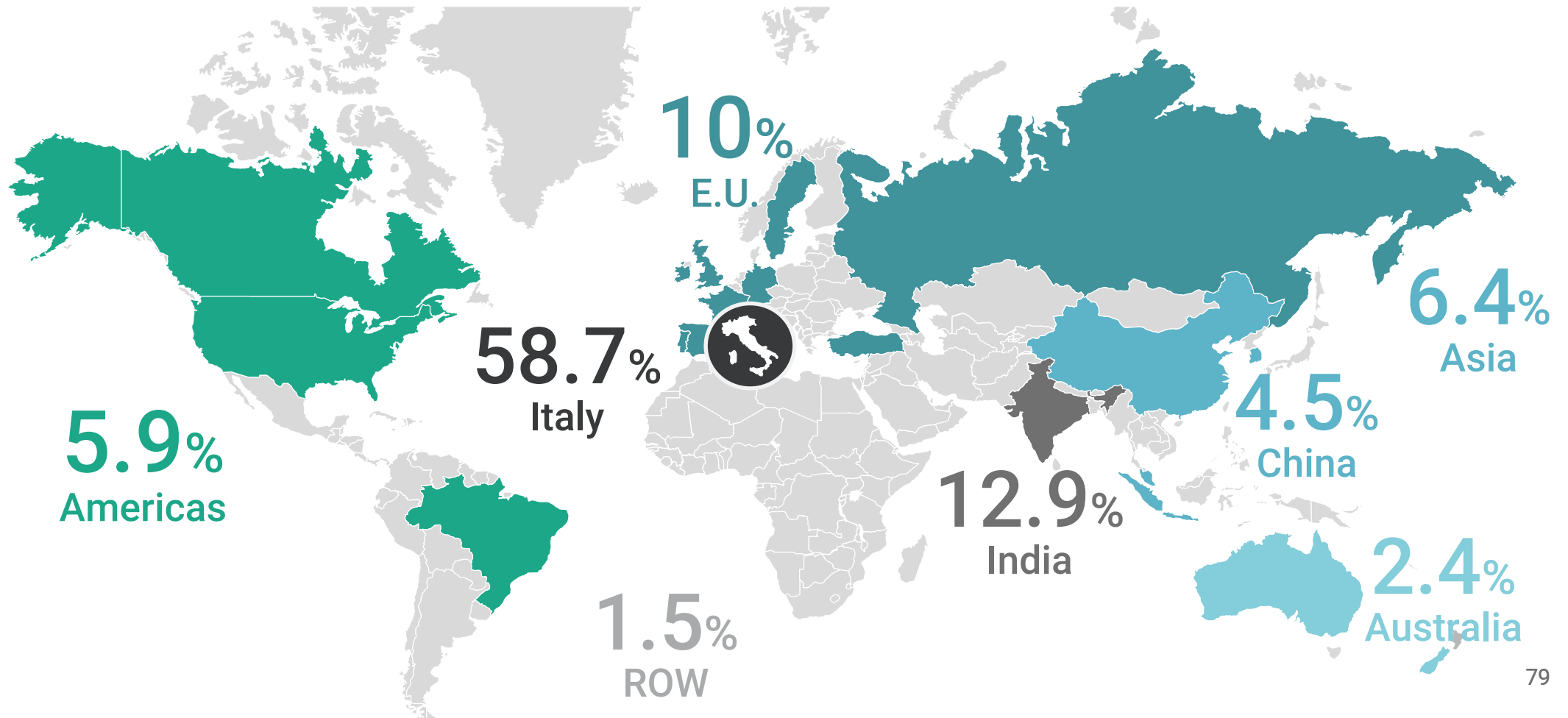
employees  
**4,397**  
including interim people

# PEOPLE DISTRIBUTION

## BY MAIN COUNTRIES – 2018

**BIESSEGROUP**  
3 -Year Business Plan

people outside Italy: nr. 1,744  
people in Italy: nr 2,483

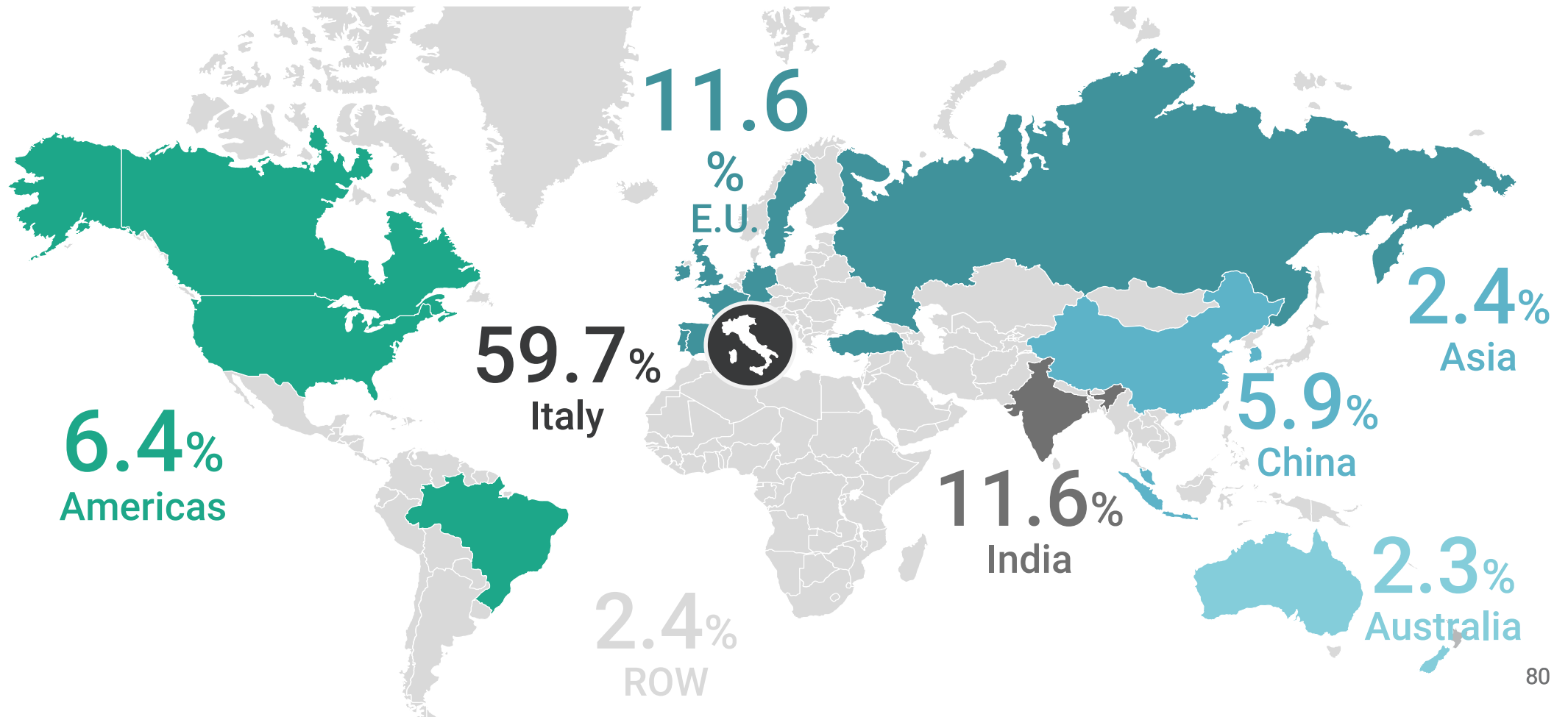


# PEOPLE DISTRIBUTION

BY MAIN COUNTRIES – 2019e

**BIESSEGROUP**  
3 -Year Business Plan

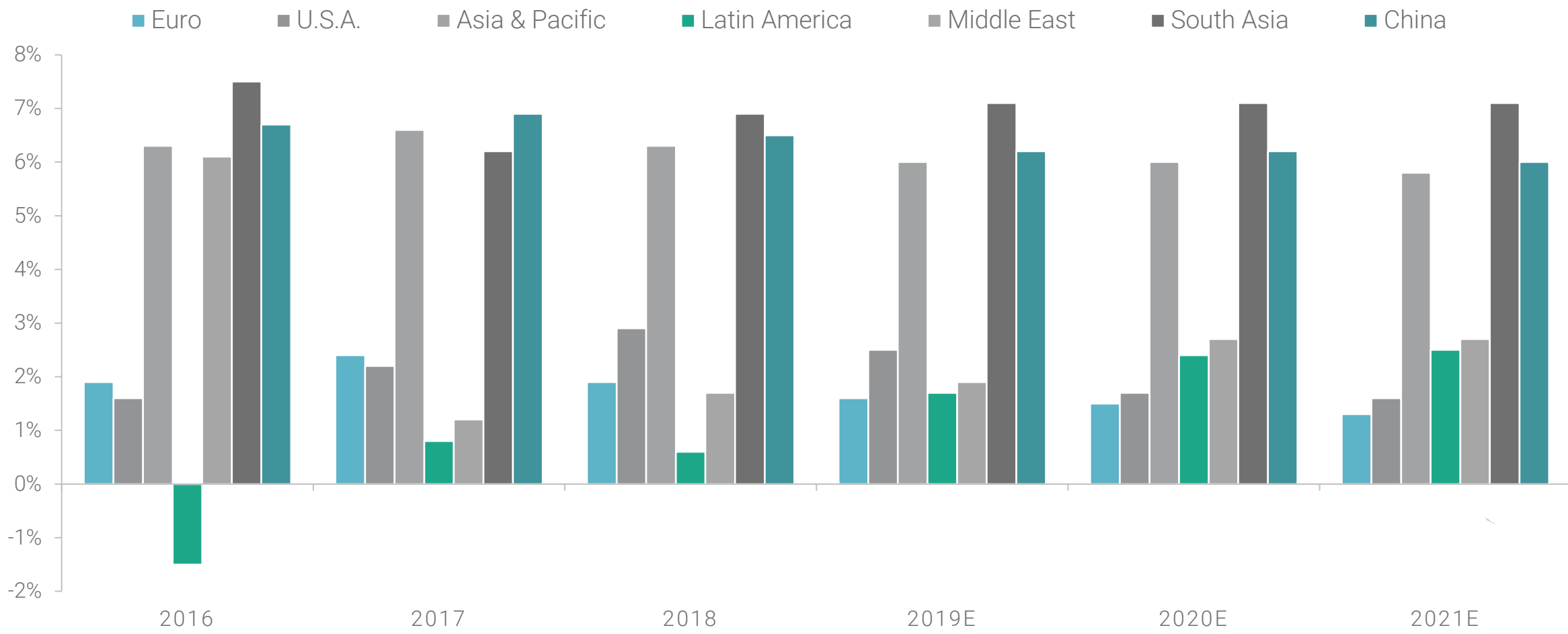
a) staff outside Italy: nr. 1,915  
b) staff in Italy: nr 2,831  
a+b (4,746)= +7.9% vs 2018





# MACROECONOMIC CONTEXT - GDP BY COUNTRY

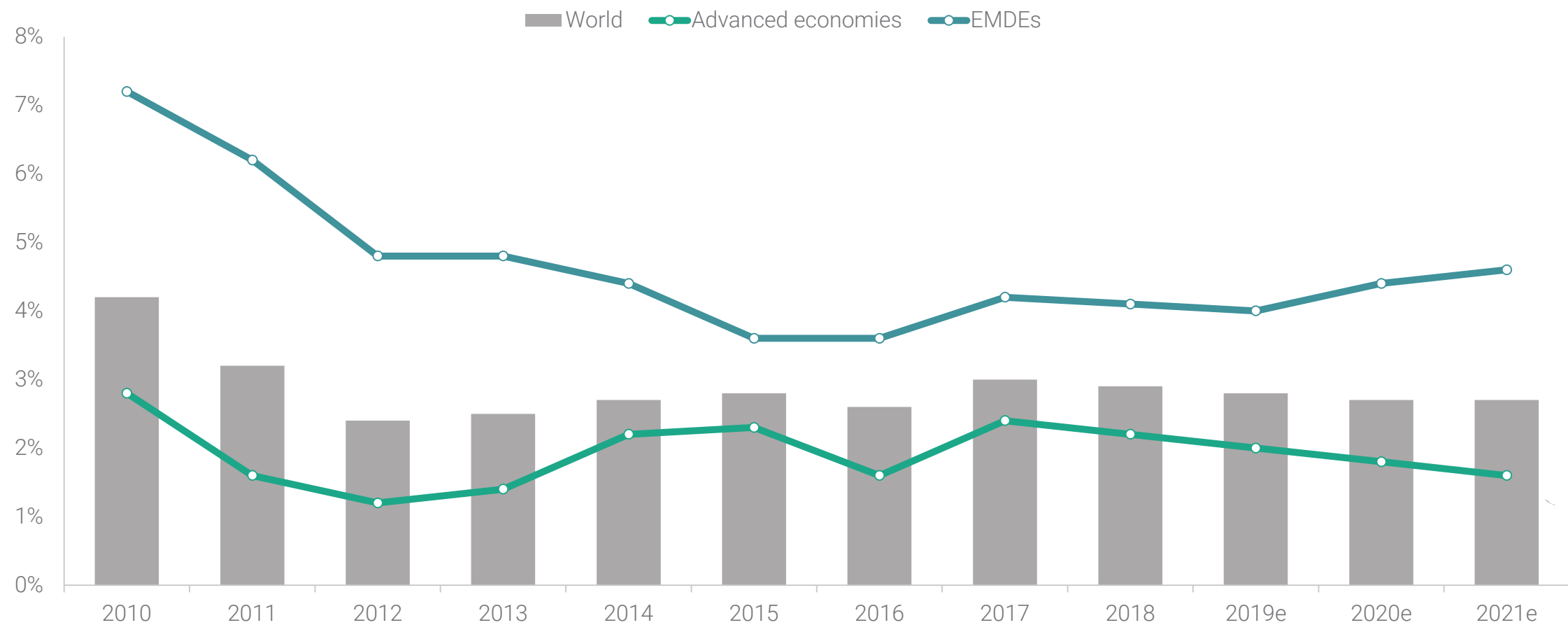
GDP YoY Growth (%)



Source: Bloomberg, January 2019

# MACROECONOMIC CONTEXT - GDP BY COUNTRY

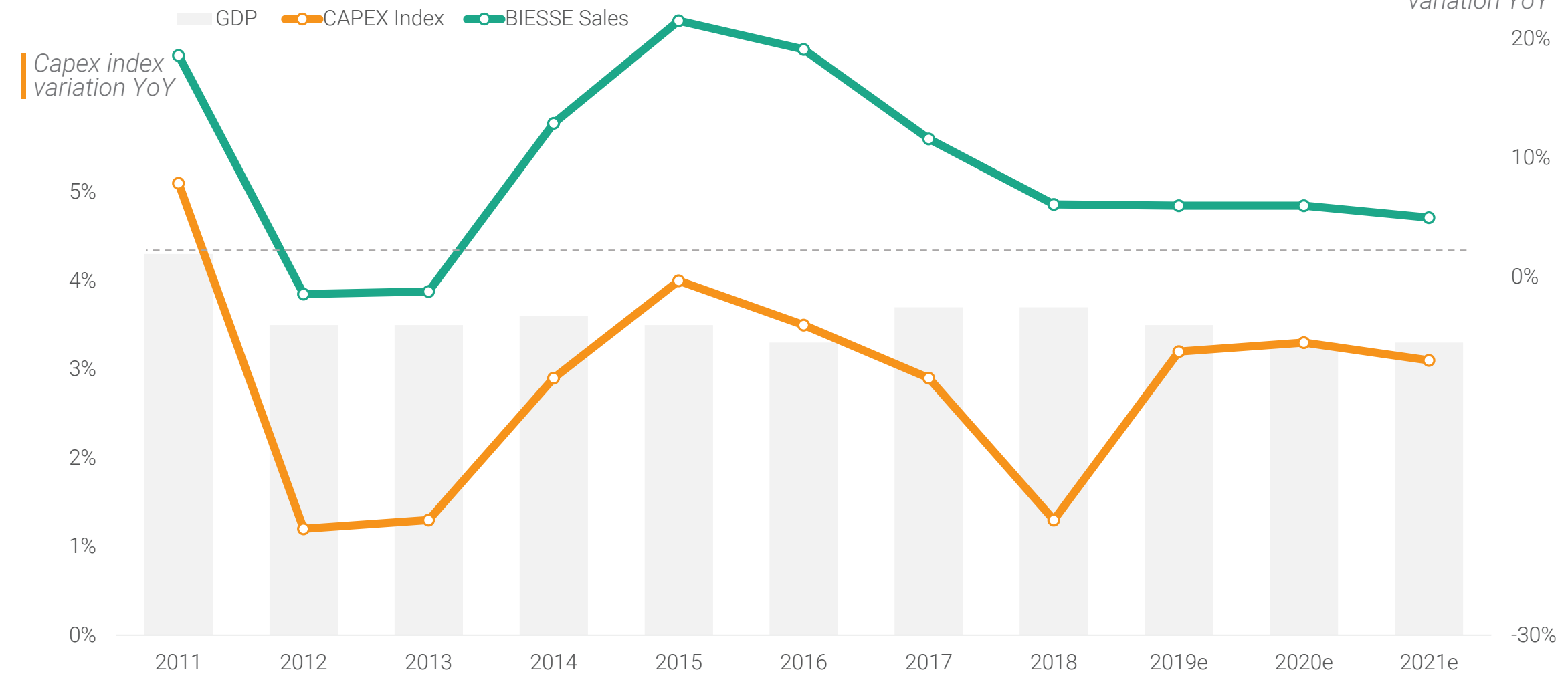
World, Advanced Economies & EMDEs YoY Growth (%)



Source: Bloomberg, January 2019

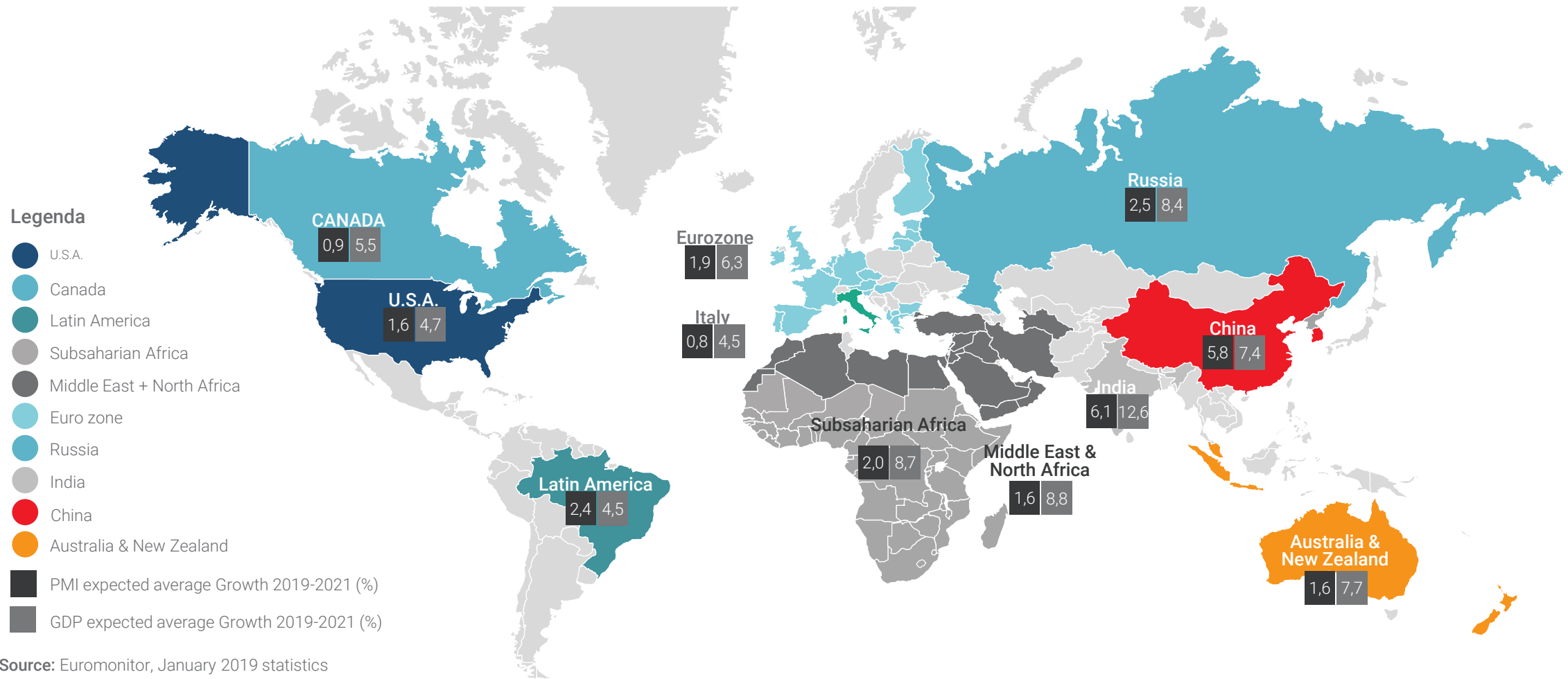
# MACROECONOMIC CONTEXT - BIESSE PERFORMANCE

GDP, Capex Index and Biesse sales YoY Growth (%)



Source: Bloomberg, January 2019, Biesse

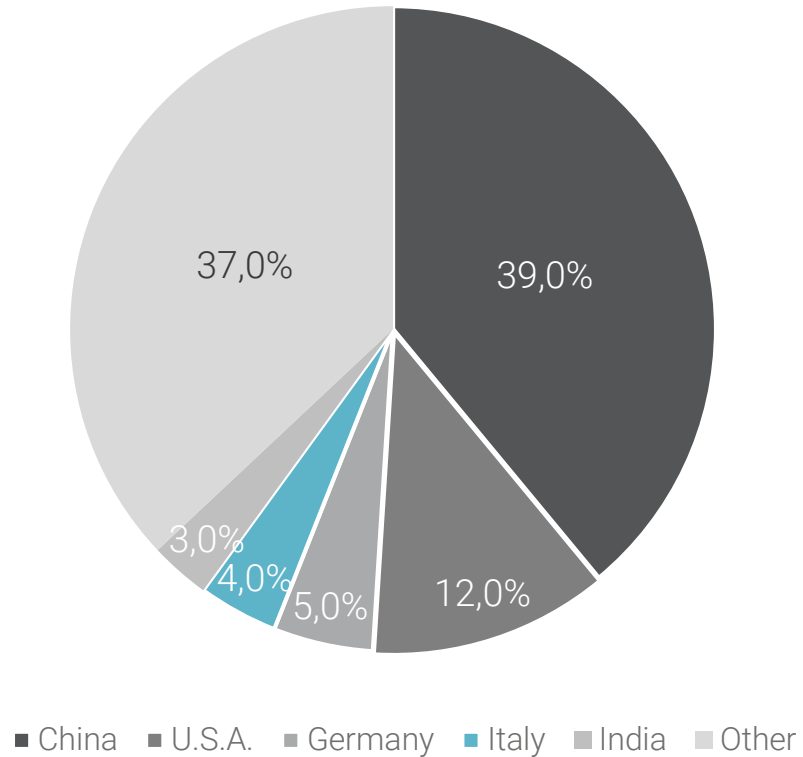
# WORLD GDP & PMI BY MAIN MACRO AREA



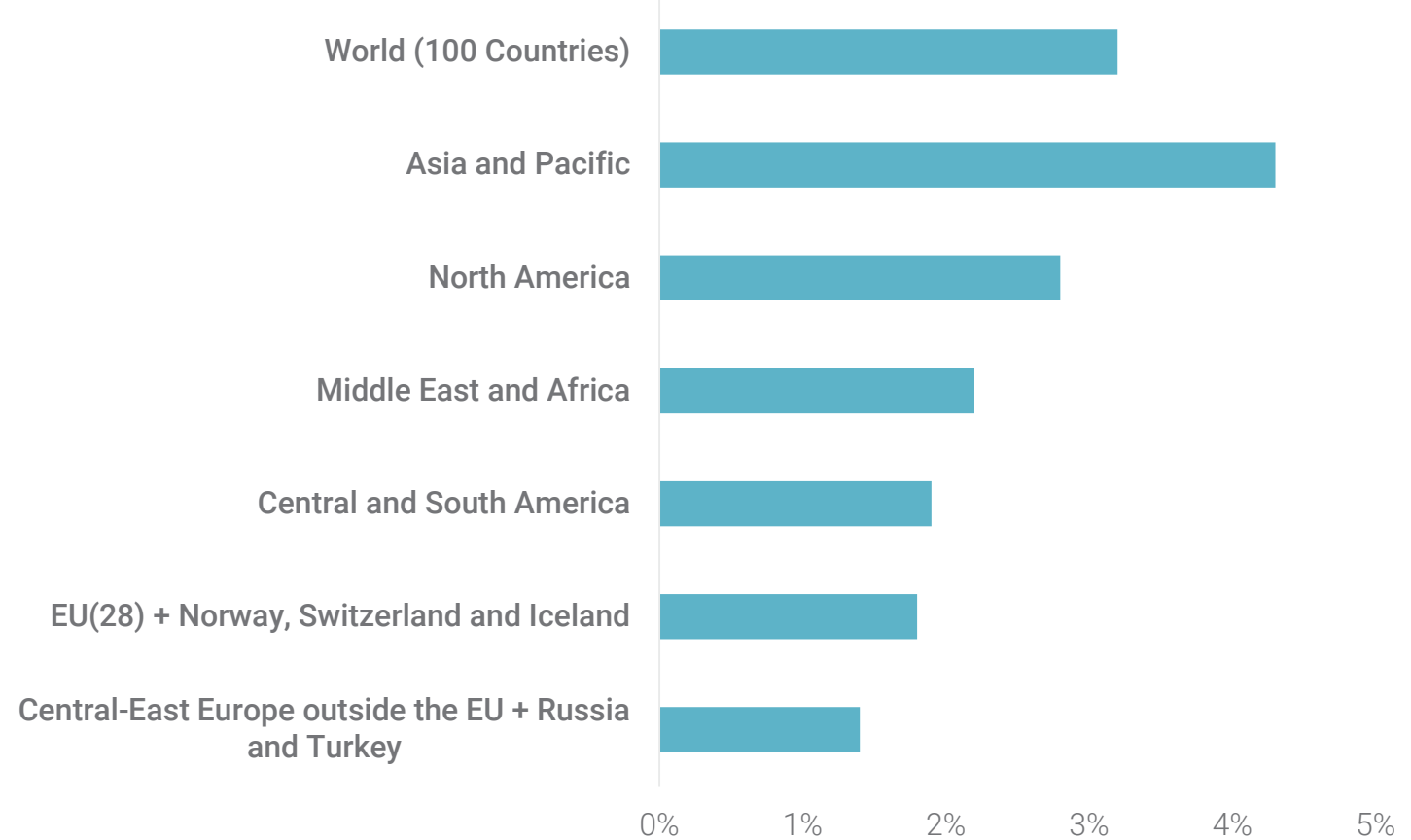
Source: Euromonitor, January 2019 statistics

# FURNITURE

Furniture demand by countries

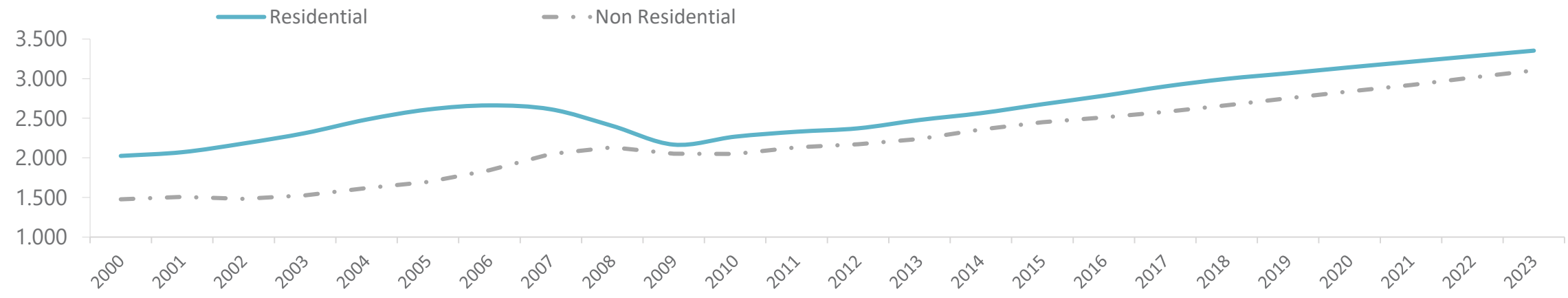


Furniture consumption. Countries grouped by geographical region, 2019. Forecast of yearly changes in real terms.

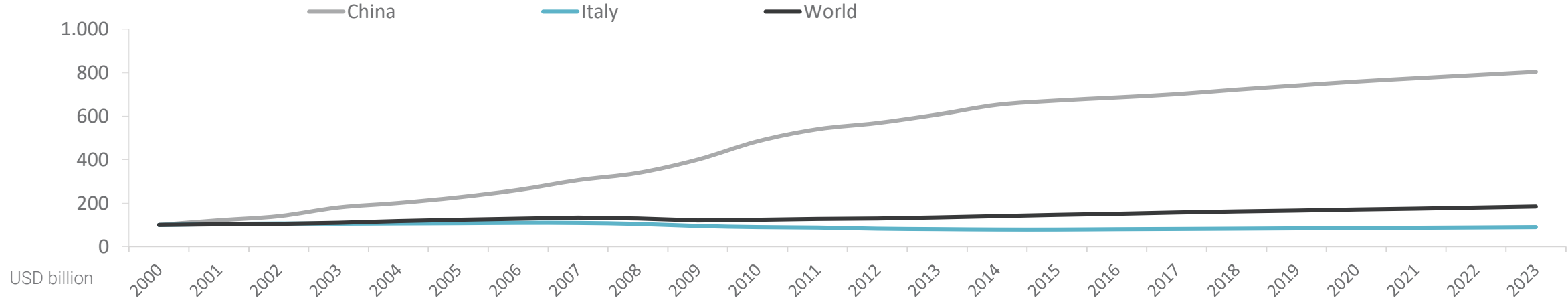


# CRESMET & CSIL VIEW (1)

## Building Investments World trends



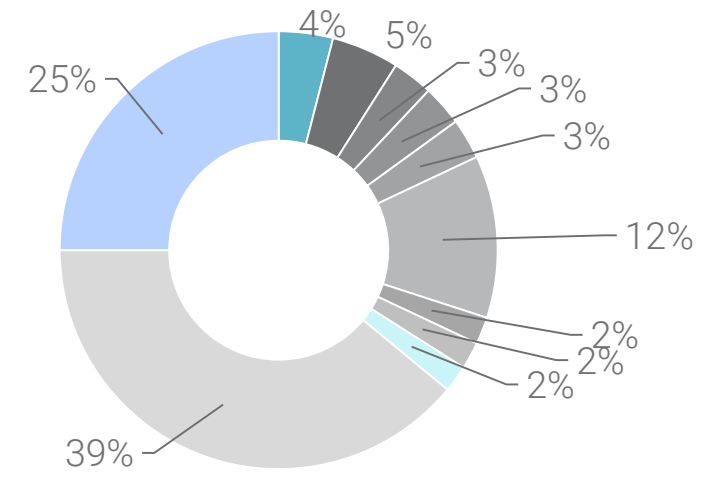
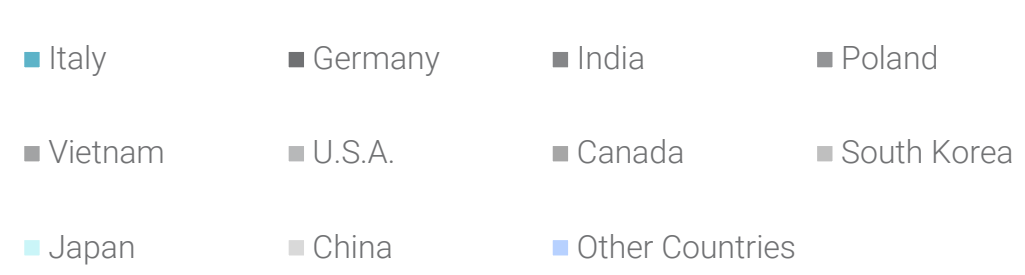
## Building Investments comparing China, Italy, World



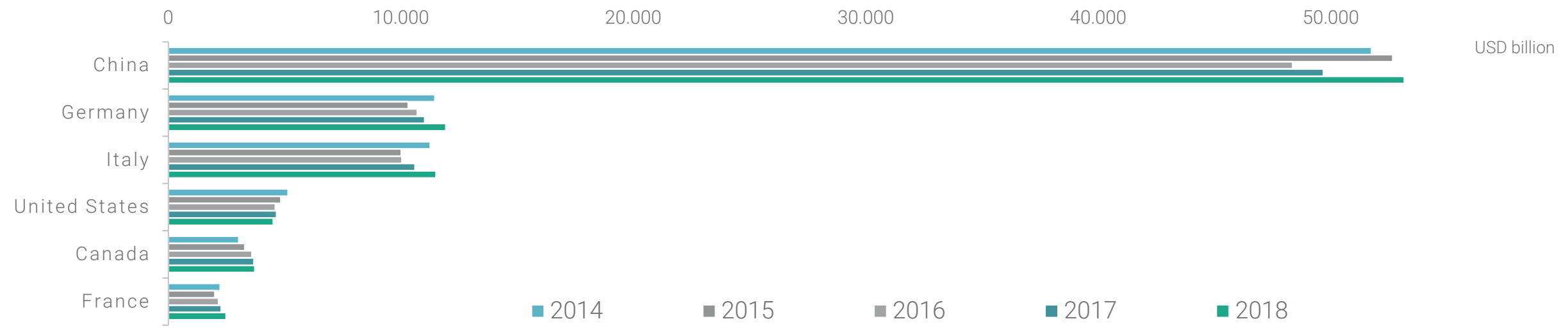
Note: (\*) Preliminary; (\*\*) Projected  
Source: CSIL 2018

# CRESME & CSIL VIEW (2)

% breakdown of world furniture production, 2018



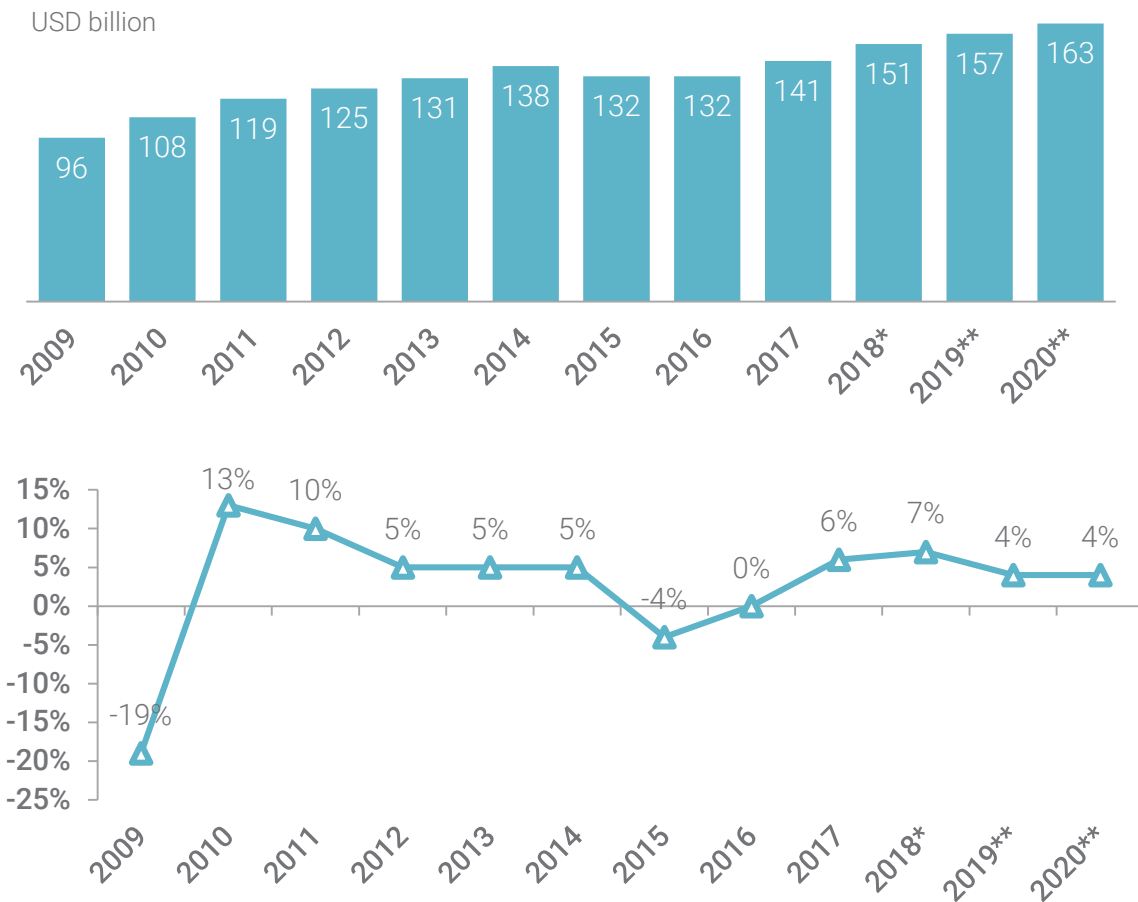
Main furniture exporting countries 2012-2018



Note: (\*) Preliminary; (\*\*) Projected  
Source: CSIL 2018

# CRESME & CSIL VIEW (3)

## World trade of furniture and annual percentage changes.



## China – Main furniture trading partners

Origin of furniture imports		Destination of furniture exports	
Italy	18,8%	USA	36,9%
Germany	14,8%	Japan	5,6%
Vietnam	8,5%	UK	4,9%
Poland	7,0%	Australia	3,8%
USA	6,0%	Germany	3,7%
JAPAN	5,7%	Hong Kong	3,3%
South Korea	4,4%	South Korea	3,2%
Taiwan	2,9%	Canada	3,1%
China	2,7%	France	2,4%
UK	2,6%	Singapore	2,2%

Note: (\*) Preliminary; (\*\*) Projected

Source: CSIL 2018



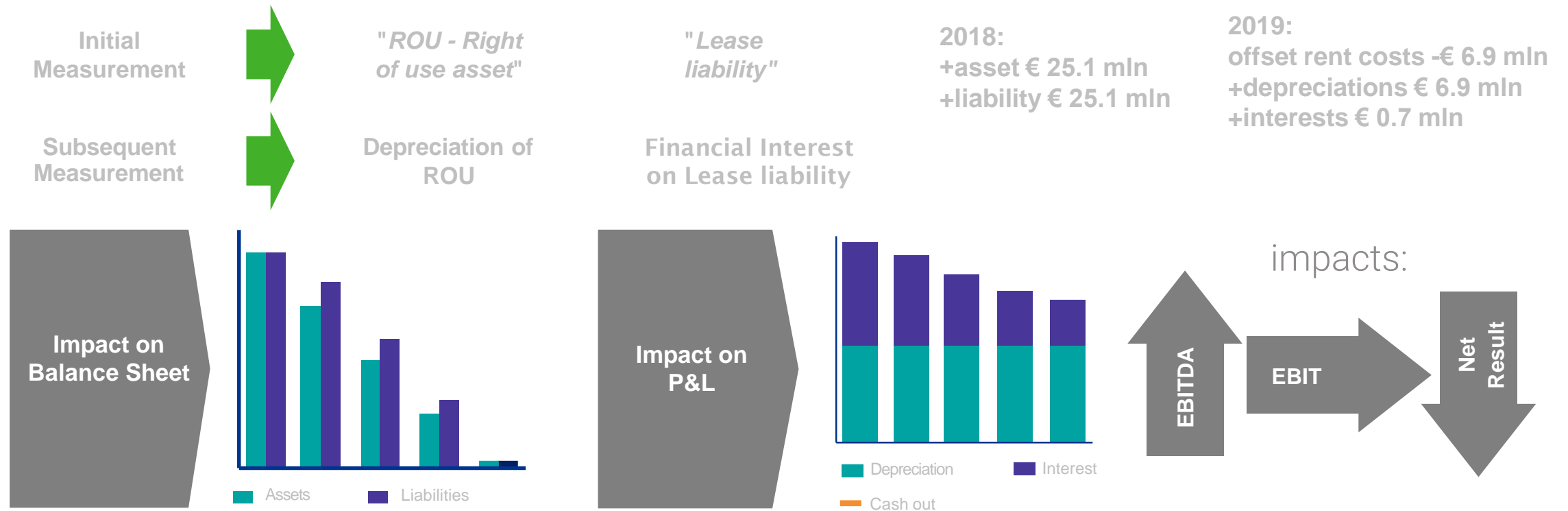
# ANNEXES

**IFRS IMPACTS** (INITIAL EVALUATION)

**ORDERS** (INTAKE & BACKLOG)

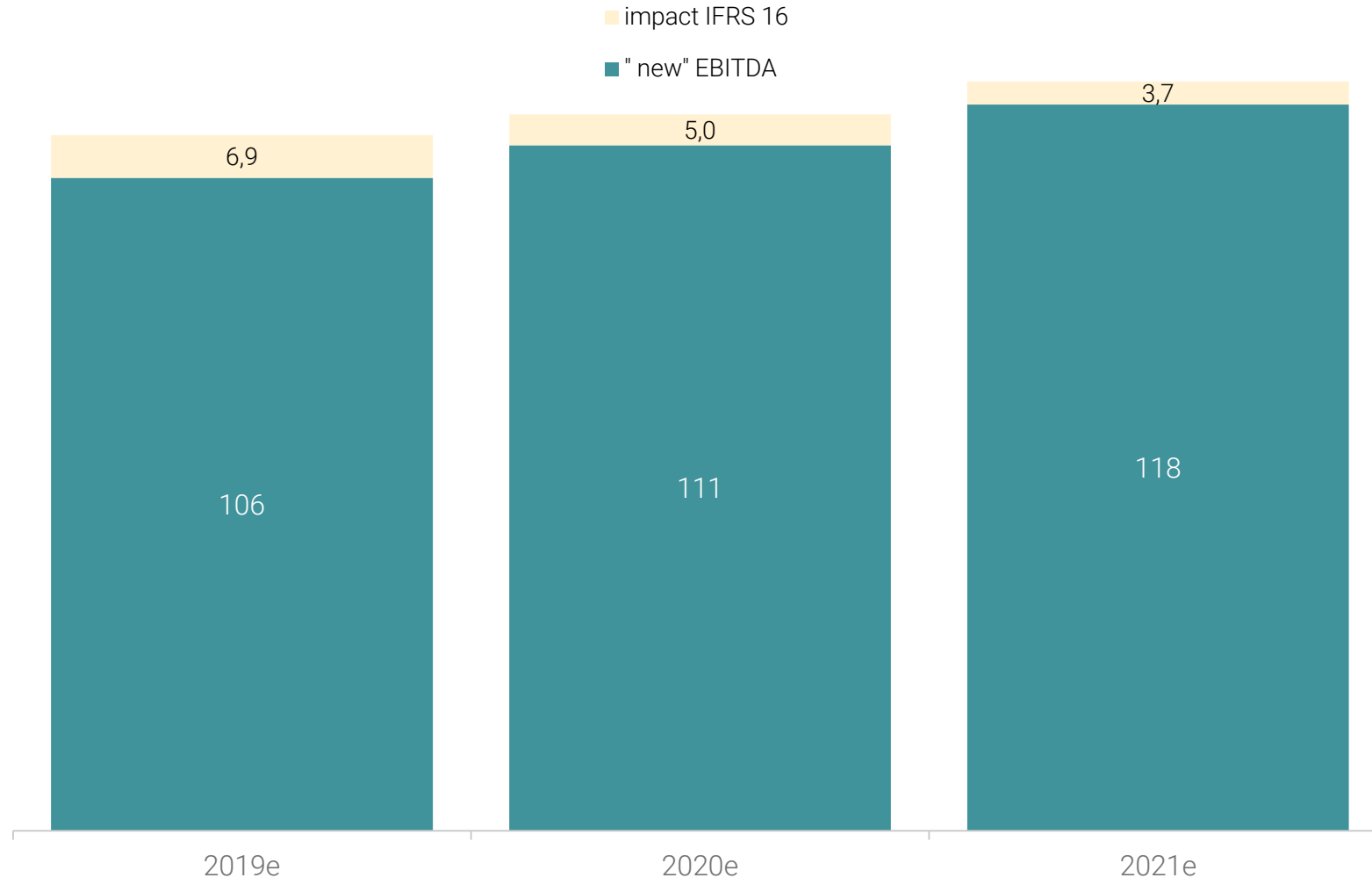
# IFRS 16 IMPACTS

“.....IFRS 16 is an International Financial Reporting Standard (IFRS) providing guidance on accounting for leases. IFRS 16 was issued in January 2016 and will be effective for most companies that report under IFRS in 2019. Upon becoming effective, it will replace the earlier leasing standard, IAS 17. ....The new standard will provide much-needed transparency on companies’ lease assets and liabilities, meaning that off balance sheet lease financing is no longer lurking in the shadows. It will also improve comparability between companies that lease and those that borrow to buy.....”



# EBITDA WITH THE IFRS 16 IMPACTS

€/mln



# NET FINANCIAL POSITION WITH THE IFRS 16 IMPACTS

€/m

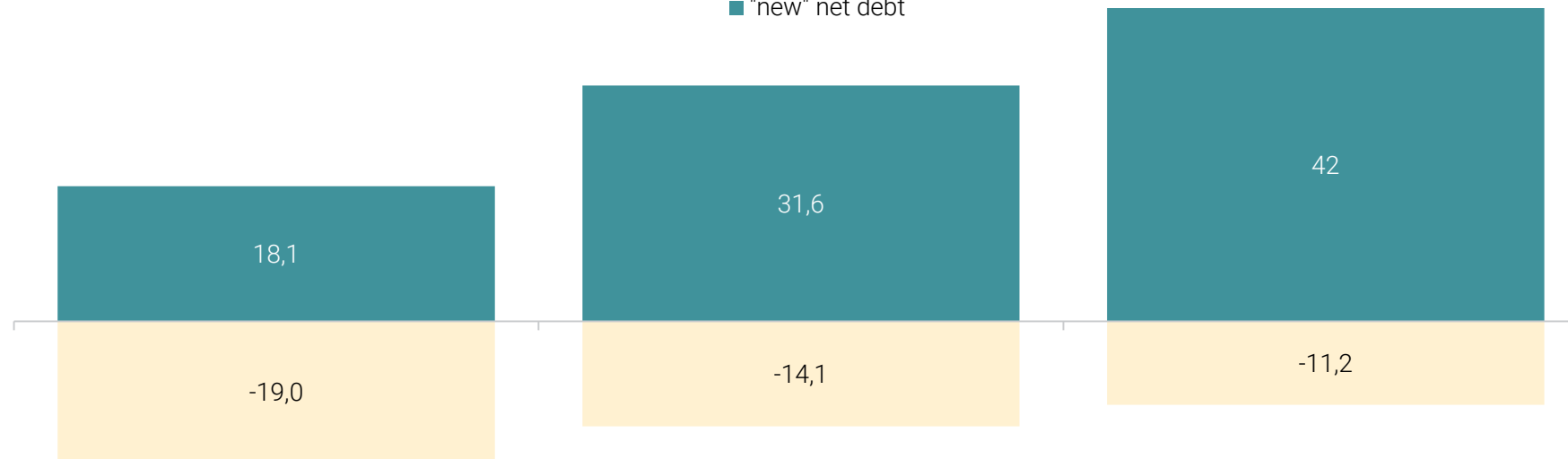
2019e

2020e

2021e

■ impact IFRS 16

■ "new" net debt





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**BIESSEGROUP.COM**