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releases the draft 2014 financial statements

Testo del comunicato

Vedi allegato.

IRAG01
IRAG06

press release

The Board of Directors of El.En. Spa releases the draft 2014 financial statements

- **Consolidated revenue increased to 180 million of euro (up 14,4%)**
- **EBIT 15,3 million of euro (up 59,7%)**
- **Consolidated net Income at 16,5 million of euro (6,1 million of euro in 2013)**
- **Net Financial Position: positive for 47,1 million of euro**
- **Net income of the Parent Company El.En. Spa at 23,5 million of euro (2 million in 2013)**
- **2015 Sales target at 200 million of euro**
- **Proposed dividend: 1,0 Euro per share**

Florence, March 13th, 2015 – The board of directors of El.En. S.p.A., leader on the laser market and listed on the STAR segment of the Italian Stock exchange, discussed and approved today the consolidated financial report as of December 31st, 2014 together with the El.En. Spa draft financial report as of the same date, to be proposed for approval at the Shareholder's meeting.

The year 2014 closed with a **consolidated turnover** of 180 million euro, up 14,4% compared to 2013 and with a **net profit** of 16.5 million, which improves by 171,7% result of the previous year. These results are of exceptional consistency, obtained thanks to the excellent performance in ordinary operations and to the capital gain of 4.5 of euro million realized on the sale of a batch of Cynosure shares in March 2014.

The sales level for the 4th quarter of 2014 was positive for all business units, enabling them to significantly improve their profitability. The excellent result of growth is particularly significant in the industrial sector (+ 20%) in which the performance on the Chinese territory is outstanding. Very significant and higher than the market average was also the 12% growth in the medical sector, with an 8% increase in aesthetic applications and 49% in surgical applications. And once again the group recorded higher growth rates on the extra European markets; nevertheless, even the most troubled Italian and European markets showed a remarkable development in turnover.

The Group has achieved and beaten the growth and ordinary income targets, and has in addition generated substantial financial and extraordinary income.

Gross Margin was 81,8 million of euro, up 9.8% from the previous year, with a 45,5% margin on sales, a slight decrease compared to the 47,4% of the previous year, due to the greater weight of sales in China in the industrial sector and a less favorable sales mix in the medical sector.

EBITDA was positive for 17,9 million of euro, a marked improvement over the 13,7 million euro of the previous year, also displaying an improved impact on sales, up to 10% compared to 8,7% in the comparable period.

EBIT was positive and sharply increasing to 15,3 million euro compared to 9,6 million in 2013, surpassing the initial guidance and with an 8.5% on sales, also sharply up from 6,1% last year. This result benefited from a positive non-recurring 1,5 million euro income, net of which the impact on sales the EBIT margin would have been 7.7%, still growing (+ 44%) compared to 2013.

Profit before tax as of December 31st 2014 reaches 24,4 million of euro, more than doubled compared to the previous year, when it had been 10,7 million euro (+ 128.2%).

The Group closed the year 2014 with a **net profit** of 16,5 million euro, up sharply from 6,1 million of euro registered for the previous year.

The **net financial position** as of December 31st 2014 was positive for 47,1 million of euro, an increase of about 25 million compared to December 31st 2013 (21,8 million euro). The increase is mostly due to the collection of approximately 32 million US dollars, amounting to 23 million of euro , resulting in the March 2014 transaction for the sale of Cynosure shares described above.

The 2014 income statements of the **parent company** El.En. S.p.A. closed with a turnover of 47 million of euro (up 1,5%), a Gross Margin of 21,7 million of euro (up 1,7%), an EBITDA of 3,8 million of euro (down 28,8%) influenced by an increase of 10,4% in personnel costs, operating profit of 2,1 million of euro (up 43,5%), a profit before tax of 25,6 million of euro (up 838,5%) and a net profit for the year of 23,5 million euro, a marked increase compared to 2 million of euro at December 31st, 2013 (up 1077,2%) thanks to the improvement in income from operations and to the capital gain on the sale of a batch of Cynosure shares.

The excellent results of 2014 benefited as it pertains to financial income, of the improvement in foreign exchange rates and, as it pertains ordinary operations, of the excellent positioning of the Group on its markets thanks to new products, innovating in the manufacturing techniques and applications, which are the basis for further new positive developments for 2015. We **expect** we could reach 200 million in revenue in 2015, and also improve the consolidated EBIT both in absolute terms and as margin on sales: the goal of 20 million is an ambitious aspiration, approachable only under the assumption of constantly favorable business environment, with the US dollar steadily below the \$ 1.1 Euro level.

The Board of Directors has resolved to call the annual Shareholder meeting for April 28th, 2015 (first call) and May 15th, 2015 (second call) and it resolved to propose to distribute a **dividend** of 1,0 euro per share, in accordance with art. 2357-ter c.c., to be paid on May 27th 2015, to be assigned on May 25th, 2015 (coupon no. 13) with record date May 26th 2015.

The shareholders' meeting will be also called to appoint a new Board of Directors replacing the current one that is ending its term.

The manager in charge of preparing the corporate accounting records, Enrico Romagnoli, declares, pursuant to paragraph 2, article 154-bis of the Consolidated Finance Law, that the accounting disclosures provided in this document correspond to the accounting records, books and entries.

The Board of directors also discussed, based on the information received by the involved Directors, the persistence of the independence requisites for the Directors that declared themselves independent, and approved the annual Governance Report and Shareholding Report.



On 3rd October 2012 the board of directors resolved, by opting-out as allowed by artt. 70, paragraph 8 and 71, paragraph 1-*bis* of the Issuers' Regulation Consob 11971/99, to make exceptions to make available to the public the provided informative documents in the event of significant mergers, spin-offs, share capital increase by means of the conferral of assets in kind, takeover and transfers.

The annual financial Report, including the yearly financial Report draft, the consolidated financial Report, the management Report and the statement as required by art. 154-bis, comma 5, TUF, the Auditors report and the Board of Statutory Auditors Report, the Board of Directors report on the agenda of the Shareholders meeting and also the report on remuneration ex art. 123-*ter* TUF will be available to the public at the company's premises, on the internet site www.elengroup.com, at Borsa Italiana and in the authorized storage device www.emarketstorage.com within the time deadlines required by the law. Within the term provided by law and regulation further documents and information about the shareholders' meeting shall be available on the website of the company.

Attachments:

1. El.En. Group Profit and Loss account
2. El.En. Group Balance sheet
3. El.En. Group Net financial position
4. El.En. S.p.A. Profit and Loss account
5. El.En. S.p.A. Balance Sheet
6. El.En. S.p.A. Net financial position

(With reference to the attached financial statements, it should be noted that the audit has not yet been completed).

El.En., an Italian company, is the parent of a high-tech industrial group operating in the optoelectronics sector. Based on proprietary technology and multidisciplinary know-how, the El.En Group manufactures laser sources (gas, semiconductor, solid-state and liquid) and innovative laser systems for medical and industrial applications. The El.En. Group is the laser market leader in Italy and among the top operators in Europe. It designs, manufactures and sells worldwide:

- Medical laser equipment used in dermatology, cosmetics, physiotherapy, dentistry and gynecology;
- Industrial laser systems for applications ranging from cutting, marking and welding metals, wood, plastic and glass to decorating leather and textiles and restoring/conserving artwork;
- Laser systems for scientific research

EL.EN has been listed on the Star (MTA) of Borsa Italiana. Its market floatation is approximately 36% and its market capitalization amounts to Euro 168 million.

Cod. ISIN: IT0001481867

Code: ELN

Listed on MTA

Mkt capt.: 168.8 mln/Euro

Cod. Reuters: ELN.MI

Cod. Bloomberg: ELN IM

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Tab. 1 – El.En. Group Profit and Loss account on December 31st , 2014

| Income Statement | 31/12/14 | Inc.% | 31/12/13 | Inc.% | Var.% |
|---|-----------------|---------------|-----------------|---------------|---------------|
| Revenues | 180.009 | 100,0% | 157.380 | 100,0% | 14,4% |
| Change in inventory of finished goods and WIP | 3.114 | 1,7% | 1.586 | 1,0% | 96,3% |
| Other revenues and income | 2.380 | 1,3% | 1.989 | 1,3% | 19,6% |
| Value of production | 185.502 | 103,1% | 160.955 | 102,3% | 15,3% |
| Purchase of raw materials | 89.136 | 49,5% | 76.679 | 48,7% | 16,2% |
| Change in inventory of raw material | 366 | 0,2% | (2.797) | -1,8% | |
| Other direct services | 14.151 | 7,9% | 12.511 | 7,9% | 13,1% |
| Gross margin | 81.849 | 45,5% | 74.563 | 47,4% | 9,8% |
| Other operating services and charges | 25.658 | 14,3% | 25.661 | 16,3% | 0,0% |
| Added value | 56.191 | 31,2% | 48.902 | 31,1% | 14,9% |
| For staff costs | 38.228 | 21,2% | 35.161 | 22,3% | 8,7% |
| EBITDA | 17.963 | 10,0% | 13.741 | 8,7% | 30,7% |
| Depreciation, amortization and other accruals | 2.661 | 1,5% | 4.159 | 2,6% | -36,0% |
| EBIT | 15.301 | 8,5% | 9.582 | 6,1% | 59,7% |
| Net financial income (charges) | 4.638 | 2,6% | (1.180) | -0,7% | |
| Share of profit of associated companies | 40 | 0,0% | (474) | -0,3% | |
| Other net income (expense) | 4.430 | 2,5% | 2.767 | 1,8% | 60,1% |
| Income (loss) before taxes | 24.409 | 13,6% | 10.694 | 6,8% | 128,2% |
| Income taxes | 6.409 | 3,6% | 4.275 | 2,7% | 49,9% |
| Income (loss) for the financial period | 18.000 | 10,0% | 6.419 | 4,1% | 180,4% |
| Minority interest | 1.480 | 0,8% | 339 | 0,2% | 336,7% |
| Net income (loss) | 16.520 | 9,2% | 6.080 | 3,9% | 171,7% |
| Earning per shares | 3,42 | | 1,27 | | |

Tab. 2 – El.En. Group balance sheet on December 31st , 2014

| | 31/12/2014 | 31/12/2013 | Var. |
|---|----------------|----------------|----------------|
| Statement of financial position | | | |
| Intangible assets | 3.613 | 3.397 | 216 |
| Tangible assets | 26.927 | 21.853 | 5.074 |
| Equity investments | 25.549 | 41.568 | -16.019 |
| Deferred tax assets | 5.682 | 6.123 | -440 |
| Other non current assets | 3 | 34 | -32 |
| Total non current assets | 61.775 | 72.976 | -11.201 |
| Inventories | 50.481 | 48.372 | 2.109 |
| Accounts receivables | 47.947 | 42.545 | 5.402 |
| Tax receivables | 6.618 | 4.254 | 2.364 |
| Other receivables | 8.415 | 6.324 | 2.091 |
| Financial instruments | | 300 | -300 |
| Cash and cash equivalents | 73.804 | 42.868 | 30.935 |
| Total current assets | 187.264 | 144.663 | 42.601 |
| TOTAL ASSETS | 249.039 | 217.639 | 31.400 |
| Total equity | 150.536 | 134.306 | 16.230 |
| Severance indemnity | 3.700 | 3.115 | 585 |
| Deferred tax liabilities | 1.461 | 1.303 | 157 |
| Other accruals | 2.695 | 4.485 | -1.790 |
| Financial liabilities | 5.907 | 6.968 | -1.061 |
| Non current liabilities | 13.763 | 15.872 | -2.109 |
| Financial liabilities | 21.494 | 15.763 | 5.732 |
| Accounts payables | 35.267 | 31.227 | 4.040 |
| Income tax payables | 2.223 | 1.726 | 497 |
| Other payables | 25.756 | 18.745 | 7.010 |
| Current liabilities | 84.740 | 67.461 | 17.279 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 249.039 | 217.639 | 31.400 |

Tab. 3 – El.En. Group net financial position on December 31st , 2014

| Net financial position | 31/12/2014 | 31/12/2013 |
|--|----------------|----------------|
| Cash and cash equivalents | 73.804 | 43.168 |
| Short term financial receivables | 714 | 1.383 |
| Financial short term liabilities | (21.494) | (15.763) |
| Net current financial position | 53.023 | 28.788 |
| Financial long term liabilities | (5.907) | (6.968) |
| Net financial position | 47.116 | 21.820 |

Tab. 4 – El.En. S.p.A. Profit and Loss account on December 31st , 2014

| Income Statement | 31/12/14 | Inc.% | 31/12/13 | Inc.% | Var.% |
|---|-----------------|---------------|-----------------|---------------|----------------|
| Revenues | 47.013 | 100,0% | 46.297 | 100,0% | 1,5% |
| Change in inventory of finished goods and WIP | 42 | 0,1% | 1.412 | 3,0% | -97,0% |
| Other revenues and income | 837 | 1,8% | 846 | 1,8% | -1,1% |
| Value of production | 47.892 | 101,9% | 48.555 | 104,9% | -1,4% |
| Purchase of raw materials | 22.284 | 47,4% | 25.513 | 55,1% | -12,7% |
| Change in inventory of raw material | 116 | 0,2% | (2.160) | -4,7% | |
| Other direct services | 3.799 | 8,1% | 3.874 | 8,4% | -1,9% |
| Gross margin | 21.692 | 46,1% | 21.328 | 46,1% | 1,7% |
| Other operating services and charges | 6.237 | 13,3% | 5.420 | 11,7% | 15,1% |
| Added value | 15.455 | 32,9% | 15.908 | 34,4% | -2,8% |
| For staff costs | 11.634 | 24,7% | 10.540 | 22,8% | 10,4% |
| EBITDA | 3.821 | 8,1% | 5.368 | 11,6% | -28,8% |
| Depreciation, amortization and other accruals | 1.726 | 3,7% | 3.907 | 8,4% | -55,8% |
| EBIT | 2.096 | 4,5% | 1.460 | 3,2% | 43,5% |
| Net financial income (charges) | 5.355 | 11,4% | 557 | 1,2% | 860,8% |
| Other net income (expense) | 18.199 | 38,7% | 716 | 1,5% | 2443,1% |
| Income (loss) before taxes | 25.650 | 54,6% | 2.733 | 5,9% | 838,5% |
| Income taxes | 2.120 | 4,5% | 734 | 1,6% | 188,8% |
| Net income (loss) | 23.529 | 50,0% | 1.999 | 4,3% | 1077,2% |

Tab. 5 – El.En. S.p.A. Balance Sheet on December 31st , 2014

| | 31/12/2014 | 31/12/2013 | Var. |
|---|----------------|----------------|----------------|
| Statement of financial position | | | |
| Intangible assets | 164 | 55 | 109 |
| Tangible assets | 12.701 | 12.590 | 111 |
| Equity investments | 39.797 | 57.749 | -17.951 |
| Deferred tax assets | 2.735 | 3.042 | -307 |
| Other non current assets | 3 | 33 | -30 |
| Total non current assets | 55.401 | 73.469 | -18.068 |
| Inventories | 20.199 | 20.687 | -487 |
| Accounts receivables | 30.349 | 27.381 | 2.968 |
| Tax receivables | 3.253 | 1.079 | 2.174 |
| Other receivables | 5.398 | 4.124 | 1.274 |
| Cash and cash equivalents | 43.512 | 21.809 | 21.703 |
| Total current assets | 102.711 | 75.079 | 27.631 |
| TOTAL ASSETS | 158.111 | 148.548 | 9.563 |
| Total equity | 127.242 | 119.838 | 7.405 |
| Severance indemnity | 1.111 | 968 | 143 |
| Deferred tax liabilities | 1.094 | 1.128 | -34 |
| Other accruals | 603 | 490 | 112 |
| Financial liabilities | 1.340 | 4.037 | -2.697 |
| Non current liabilities | 4.147 | 6.623 | -2.476 |
| Financial liabilities | 12.092 | 6.207 | 5.886 |
| Accounts payables | 9.778 | 12.287 | -2.509 |
| Income tax payables | 2 | 146 | -145 |
| Other payables | 4.849 | 3.448 | 1.402 |
| Current liabilities | 26.722 | 22.087 | 4.634 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 158.111 | 148.548 | 9.563 |

Tab. 6 – El.En. S.p.A. net financial position on December 31st , 2014

| Net financial position | 31/12/2014 | 31/12/2013 |
|--|----------------|----------------|
| Cash and cash equivalents | 43.512 | 21.809 |
| Short term financial receivables | 620 | 102 |
| Financial short term liabilities | (12.092) | (6.207) |
| Net current financial position | 32.039 | 15.704 |
| Financial long term liabilities | (1.340) | (4.037) |
| Net financial position | 30.699 | 11.667 |

NOTE:

In accordance with the recommendation CESR/05-178b on alternative performance indicators, the Group uses, in addition to the financial information required by IFRS, some information derived from the latter, although not required by IFRS (non - GAAP measures). These are presented in order to allow a better assessment of the performance and the management of the group and should not be considered as alternatives to those required by IFRS.

The Group uses the following alternative performance indicators to evaluate the financial performance:

- **Income from operations**, also known as "EBIT" it's an indicator of operating performance and is determined by adding to the profit / loss for the period: income taxes, other income and expenses, the share of profits/losses of associates, financial income/loss;
- **Gross margin from operations**, also known as "EBITDA", it's also an indicator of operating performance and it's calculated by adding the EBIT the entries under "Depreciation, amortization and other accruals";
- **Added Value**, determined by adding to EBITDA the item "For staff costs";
- **Gross Margin**, an indicator of sales margins calculated by adding to the Added Value the line " Other operating service and charges "
- The impact of the various income lines on revenue;

The Group uses as alternative performance indicators to evaluate their ability to cope with financial obligations:

- **Net Financial Position** as: cash and banks + securities held as current assets + current financial assets - long term financial liabilities - current financial liabilities

The alternative performance measures are used by the Issuer to monitor and evaluate the performance of the group and are not defined as accounting measures either within Italian GAAP or the IAS / IFRS. Therefore, the criteria used by the Group may not be consistent with those adopted by other operators and / or groups and therefore may not be comparable.

Fine Comunicato n.0481-8

Numero di Pagine: 11