

We laser your world



COMPANY PRESENTATION

FY 2014

Star Conference – March 25th, 2015

www.elengroup.com



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Summary

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2. THE GLOBAL LASER MARKET
3. EL.EN. GROUP
4. LASER SURGERY
5. 2014 FINANCIAL RESULTS
6. 2015 GUIDANCE
7. EL.EN. STOCK, MULTIPLES & COMPARABLES



Lasers and Laser Applications



LASER

Light **A**mplification **S**timulated by **E**mission of **R**adiation

MEDICAL LASER Systems



INDUSTRIAL LASER Systems



The Global Laser Market



The MEDICAL Laser Market



Market CAGR 2013-2018

Market segment	North America	Europe	Asia	Latin America	Total
Energy Devices	6,9%	3,2%	15,3%	9,0%	7,8%
Skin Rejuvenation	7,3%	5,8%	13,0%	11,8%	8,2%
Body Contouring	11,3%	6,4%	18,3%	15,7%	12,4%

Source: Medical Insight, Inc.



The INDUSTRIAL Laser Market

Global market and forecast for high power laser systems by application (by value)

By Value	Global Market (EUR Million)			CAGR (%)	
	2013	2016	2020	2013-2016	2016-2020
Cutting	2.408	3.014	3.965	7,8	7,1
Welding and Brazing	1.249	1.605	2.231	8,7	8,6
Surface treatment and Other	50	63	86	8,3	8,1
Total	3.707	4.682	6.282	8,1	7,6

Source: Optech Consulting



El.En. Group



Group Overview



High –Tech laser photonics Group

Develops, manufactures and distributes laser sources and laser systems for medical and industrial applications

Know-how based on 30 years stratification of multidisciplinary experience

FY 2014: Consolidated Revenues of €180 mln, up 14% YoY

951 employees

Global positioning





Strategic Strengths

Multidisciplinary and multifacility R&D activity:
sources, systems, applications

Industrial

- ✓ Combine High tech laser source development with flexible production facilities in high growth areas

Medical

- ✓ Technological and clinical innovation improving performance and broadening the application scope of our laser systems
- ✓ Maximize market penetration by multi brand approach
- ✓ Open new market segments by developing innovative applications
- ✓ Leverage worldwide distribution with multi brand approach



Consolidated Revenues and EBIT



R&D Activity

Clinical trials and validations of new therapeutic laser treatments
and research on new applications of laser- tissue interaction

Central role of PHOTOBIO LAB

Extending Mona Lisa Touch Clinical studies

Clinical studies on cutaneous ulcers

New Pico second laser platform

New dermatological applications

Patents development

New mid power range RF laser sources

Innovative beam delivery and focusing systems



Laser Surgery

Dr Paolo Salvadeo



Consolidated Sales Volume

Euro '000

2013 : 11.759

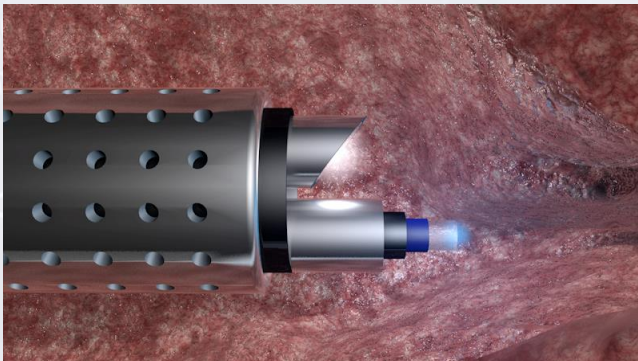


2014 : 17.548

Increase : 49,23%

Impact factors:

- Urology and endo-urology
- Vaginal Atrophy (Mona Lisa Touch)
- Strategic Agreements with major market players



30 W Holmium lasers for Laser lithotripsy

Worldwide market share

2012: 17%



2014: 34%

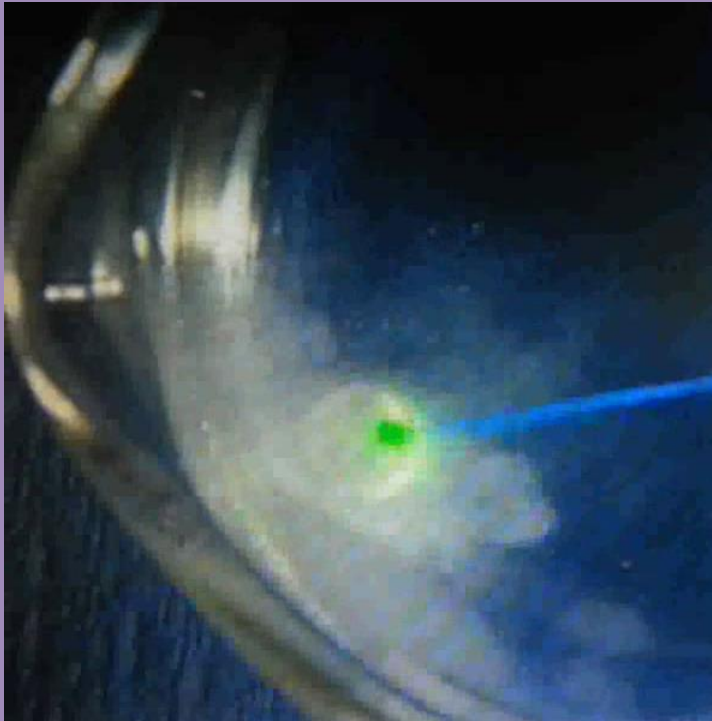
Impact factors:

- New strategic agreements
- Strong regulatory commitment worldwide (USA, Asia; next in line is Japan)
- First Group in the world to have introduced the «dusting effect» avoiding retropulsion of stones

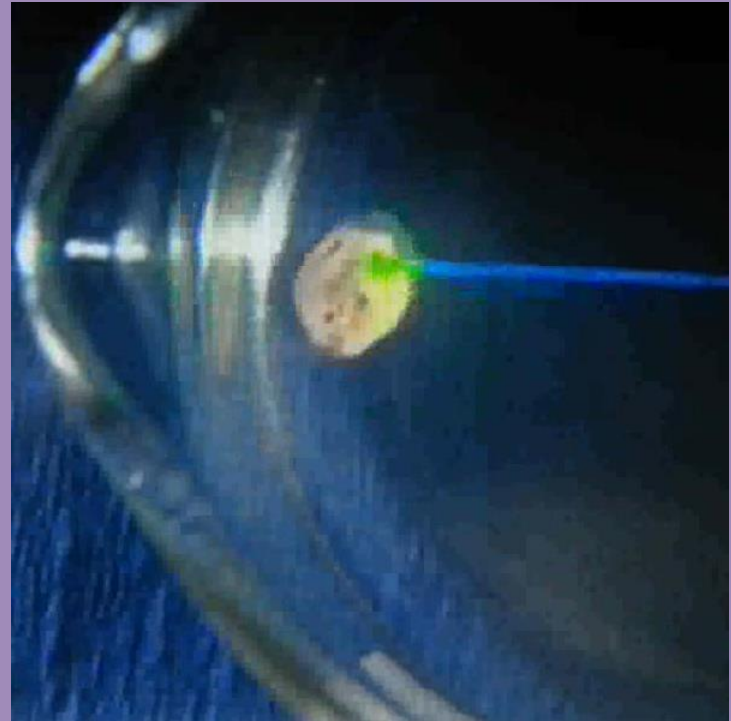


Dusting Effect

**Dusting Effect
Long Pulse**



**Conventional Lithotripsy
Short Pulse**



200 W Thulium Laser for BPH

Worldwide market shares



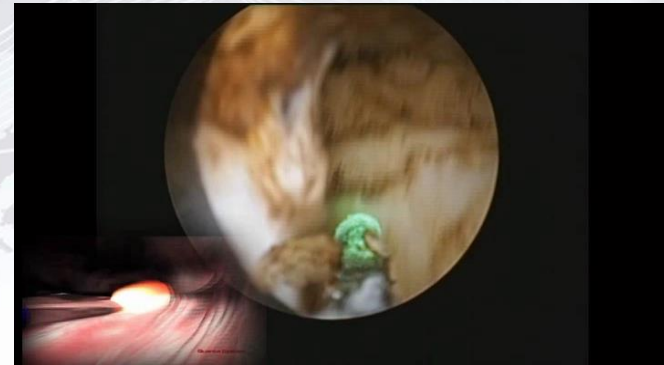
2012: 8,7%



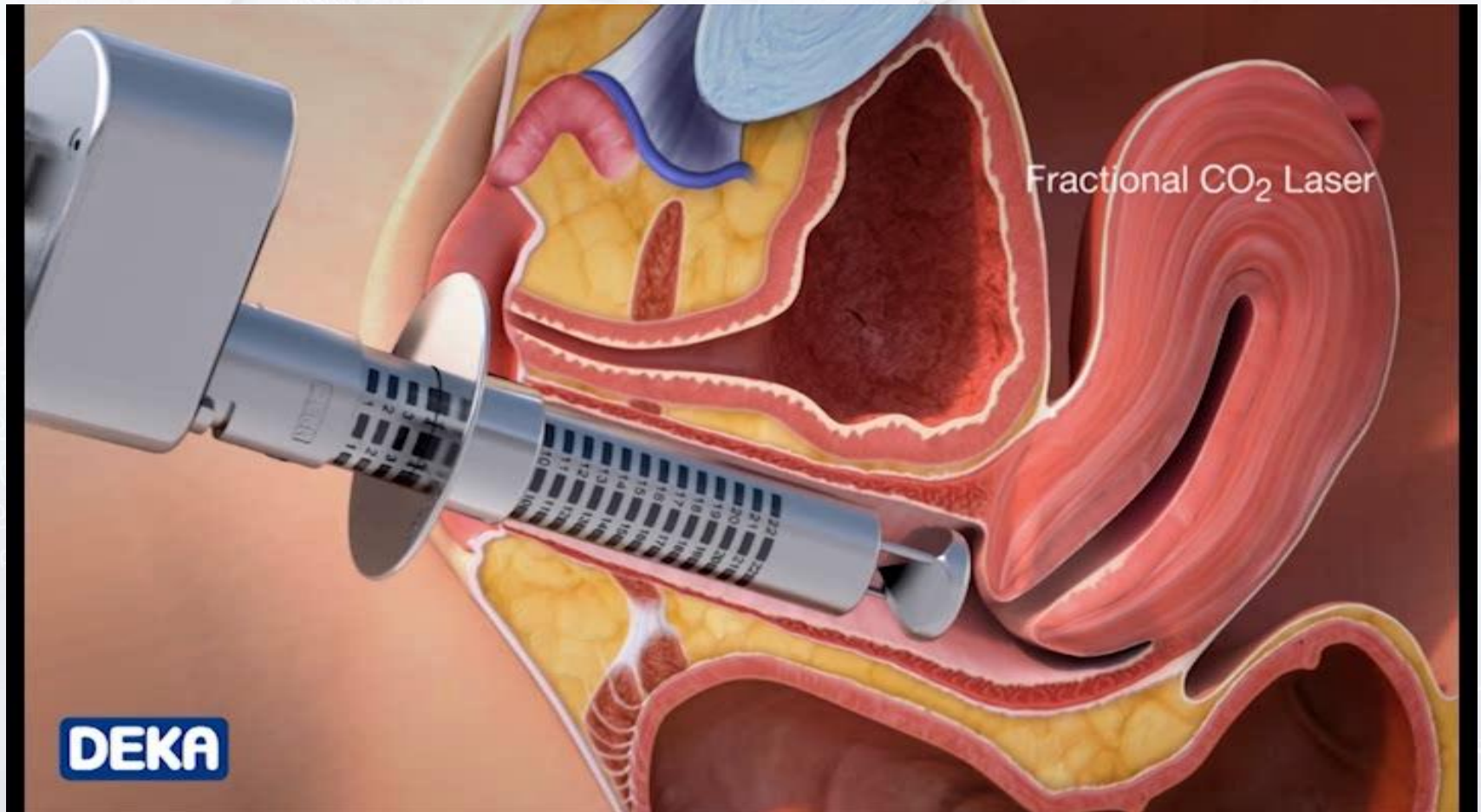
2014 : 12%

Impact factors:

- Introduction of the 200 W new Cyber platform
- Goliath Study
- Differentiation strategy
- Safety, speed, reduced hospitalization and post op morbidities
- Strong regulatory committment worldwide
- Success on the US market
- Development of endourologic advanced tools



The Mona Lisa Touch



Strategic developments

- **Seeking regulatory (FDA) clearance for the combination of use of our lasers with the Da Vinci Robot (Intuitive Surgical – Nasdaq : ISRG)**
- **(EU Horizon 2020) FOCAS Project**
- **Developing new protocols for the «sub-mucosa laser dissection» (intestine + stomach real time endoscopy + cancer removal)**
- **Developing new protocols for laser pleurodesis**
- **Developing new laser platforms for general surgery**
- **Seeking worldwide regulatory clearance for breakthrough endourologic solutions**



Highlights



Strategic Agreement with the San Donato Hospital Group, among the most significant groups of hospitals in the world, including San Raffaele from 2012.

- **DONATIONS BY QUANTA SYSTEM**

THULIUM LASER FOR POLICLINICO AGOSTINO
GEMELLI IN MEMORY OF JOHN PAUL II,

HOLMIUM LASER SPECIFIC TO THE CARE OF KIDNEY
STONES FOR **“POPE FRANCIS’ KIDS.”**



2014 Financial Results

Dr Enrico Romagnoli



Consolidated P&L

Euro/000	31/12/13		31/12/14		Var.%
Revenues	157.380	100,0%	180.009	100,0%	14,4%
Gross margin	74.563	47,4%	81.849	45,5%	9,8%
EBITDA	13.741	8,7%	17.963	10,0%	30,7%
EBIT (*)	9.582	6,1%	15.301	8,5%	59,7%
Pretax Income (**)	10.694	6,8%	24.409	13,6%	128,2%
Net income (**)	6.080	3,9%	16.520	9,2%	171,7%
Net Income per share	1,27		3,42		170,5%

(*) 2014 Non recurring: + 1,5 mln of euros. 2014 EBIT% excluding non recurring: 7,7%

(**) 2014 Total one time and non recurring: +6,0mln of euros on pretax income; +5,5mln on net income. In 2013 +2,5 mln on both

Forex loss of 1 mln of euros (2013) and forex gain of 5 mln of euros (2014) included in Pretax income

Consolidated BS

	Euro/000	31/12/13	31/12/14	Var.%
Total non current assets		72.976	61.775	-15%
Net Working Capital		48.414	49.501	2%
Net financial position		21.820	47.116	116%
Long term liabilities		8.904	7.856	-12%
Net Equity		134.306	150.536	12%
Net capital employed		112.486	103.420	-8%
Net Working Capital/sales		31%	27%	
ROCE (EBIT/Net capital employed)		9%	15%	
Capex		3.878	10.511	

El.En. – Revenues breakdown by business

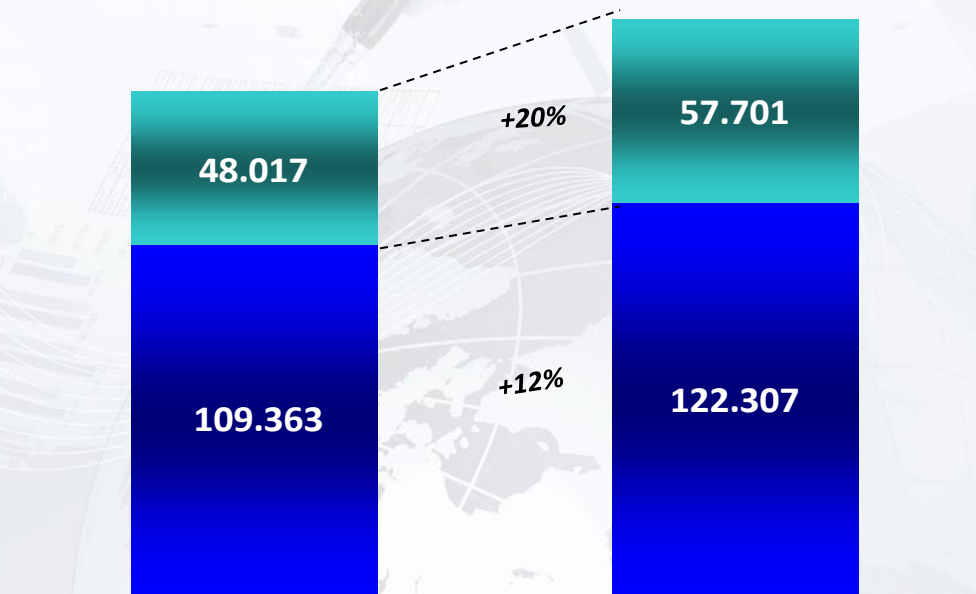
Euro /000

Industrial

Cutting
Marking
Laser sources
Service

Medical

Aesthetic
Surgical
Physiotherapy
Dental
Service



Dec. 31st, 2013

Dec. 31st, 2014

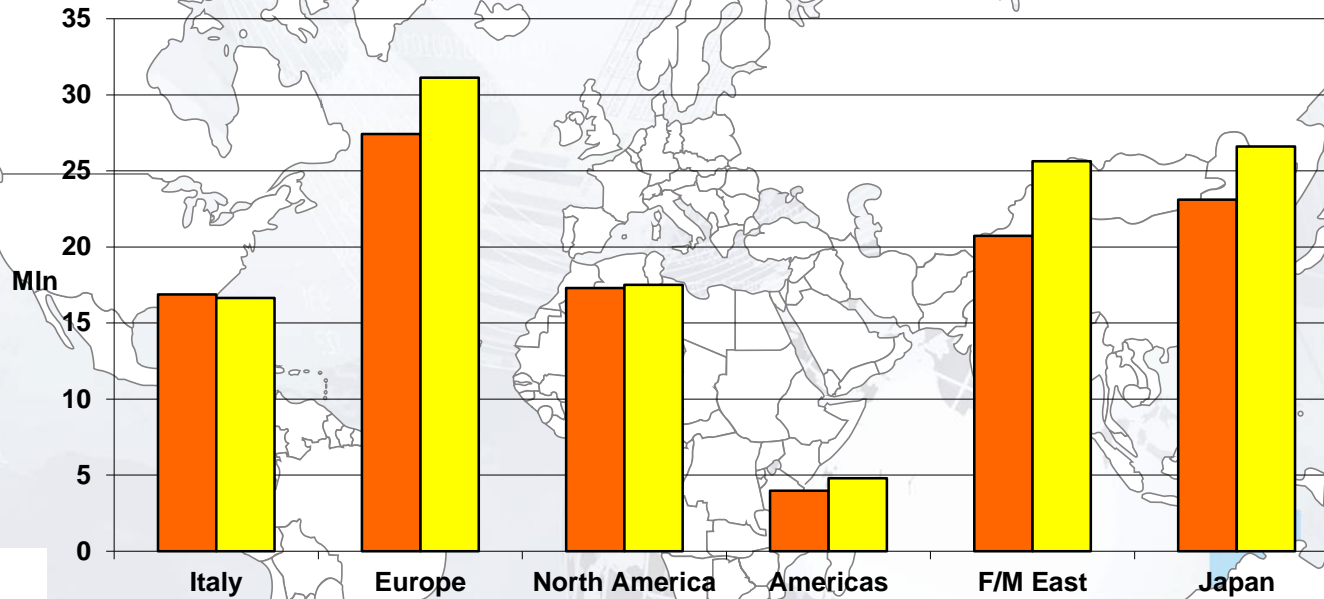
2014: +14%



Medical Laser: Breakdown by Area



Quanta System
DNA Laser Technology



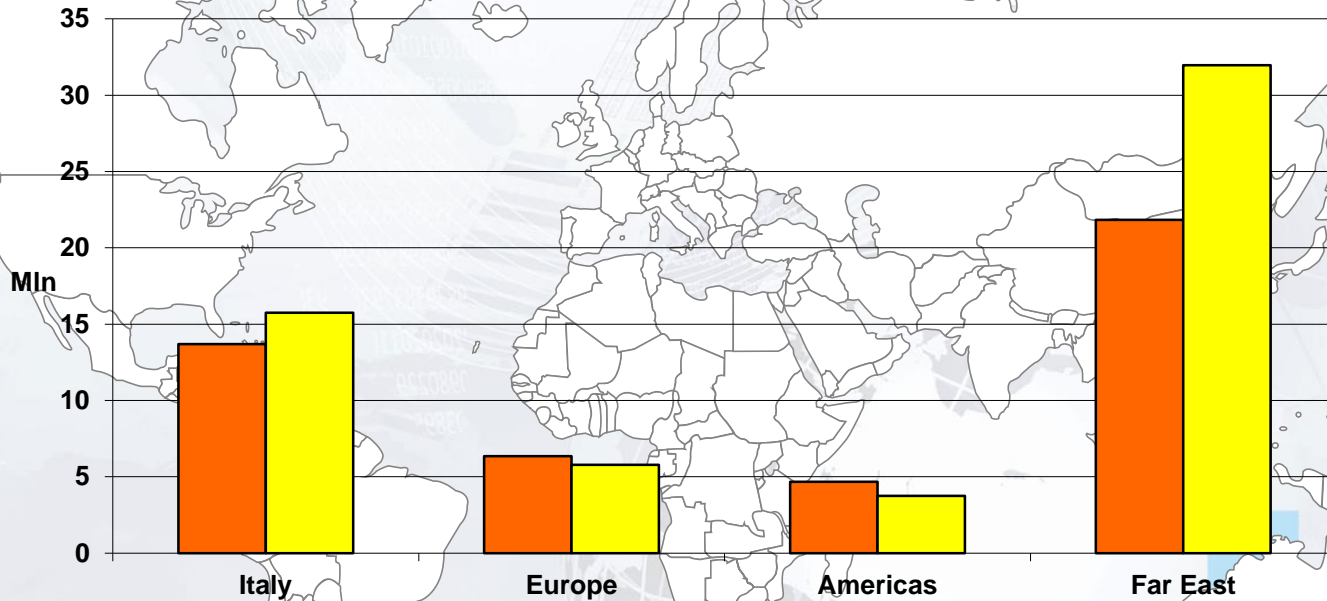
■ 2013 ■ 2014



Industrial Laser: Breakdown by Area



PENTA CHUTIAN



2015 Guidance



2015 forecast

Sales: 200 mln +11%

**EBIT: % on Sales and amount
to improve on 2014**





El.En. Stock, Multiples & Comparables



El.En. stock



El.En. multiples

Stockholder's Equity per share *	31
Price / Book Value Adj.	1,24
EV / EBIT (85% EBIT)	8,35
EV / Sales (85% Sales)	0,71

El.En. Market Cap.	183,9 @ €38,12
Net financial position	47,1 @ 31/12/14
Market value of 1,0 mm Cynosure shares	28,2 @ \$30 (Euro/Usd=1,0624)
Enterprise Value	109
Stockholder's Equity net of minorities, * (with Cynosure shares at market value)	148,6

El.En. Comparables



	Price	Revenue	Var.% Revenue	EBIT	EBIT%	MK.Cap.	EV	EV/Sales	EV/EBIT	P/Book Value
Dec. 31, 2014										
Medical/Aesthetic										
Syneron	\$12,03	\$255.750	0%	\$(2.217)	-1%	\$433.070	\$339.412	1,33	n.a.	1,90
Zeltiq	\$33,62	\$174.480	56%	\$2.120	1%	\$1.280.000	\$1.235.440	7,08	582,75	18,15
Lumenis	\$11,71	\$289.719	9%	\$21.216	7%	\$412.710	\$359.144	1,24	16,93	4,11
Cutera	\$14,93	\$78.140	5%	\$(10.620)	-14%	\$207.370	\$126.220	1,62	n.a.	2,58
Biolase	\$2,00	\$47.660	-16%	\$(17.940)	-38%	\$115.140	\$83.580	1,75	n.a.	2,74
Cynosure	\$30,00	\$292.370	29%	\$21.260	7%	\$632.410	\$541.450	1,85	25,47	1,77
Industrial										
IPG Photonics Co.	\$97,65	\$769.830	19%	\$283.760	37%	\$5.210.000	\$4.701.180	6,11	16,57	4,98
Rofin-Sinar	\$23,47	\$531.318	-2%	\$37.504	7%	\$664.110	\$515.700	0,97	13,75	1,25
Prima Industrie	€18,09	€350.464	4%	€22.298	6%	€189.750	€281.839	0,80	12,64	1,57
El.En. (1)	€38,12	€180.009	14%	€15.301	9%	€183.905	€108.590	0,71	8,35	1,24

(1) EV and multiples as for previous slide



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Medical & Industrial



INDUSTRIAL

MEDICAL