

We laser your world



COMPANY PRESENTATION

Oct. 21st , 2015

www.elengroup.com



Disclaimer



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Summary



1. LASERS AND LASER APPLICATIONS
2. THE GLOBAL LASER MARKET
3. EL.EN. GROUP
4. H1 - 2015 FINANCIAL RESULTS
5. 2015 GUIDANCE
6. EL.EN. STOCK, MULTIPLES & COMPARABLES





Lasers and Laser Applications



LASER

Light **A**mplification by **S**timulated **E**mission of
Radiation



MEDICAL LASER Systems



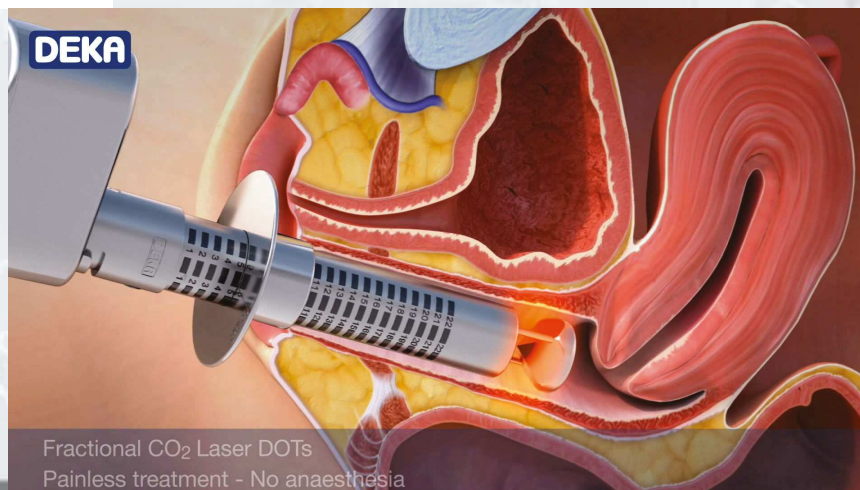
INDUSTRIAL LASER Systems



Medical Applications



Profondità di Coagulazione 0.3 - 0.4mm



Fractional CO₂ Laser DOTS
Painless treatment - No anaesthesia



Aesthetic Applications

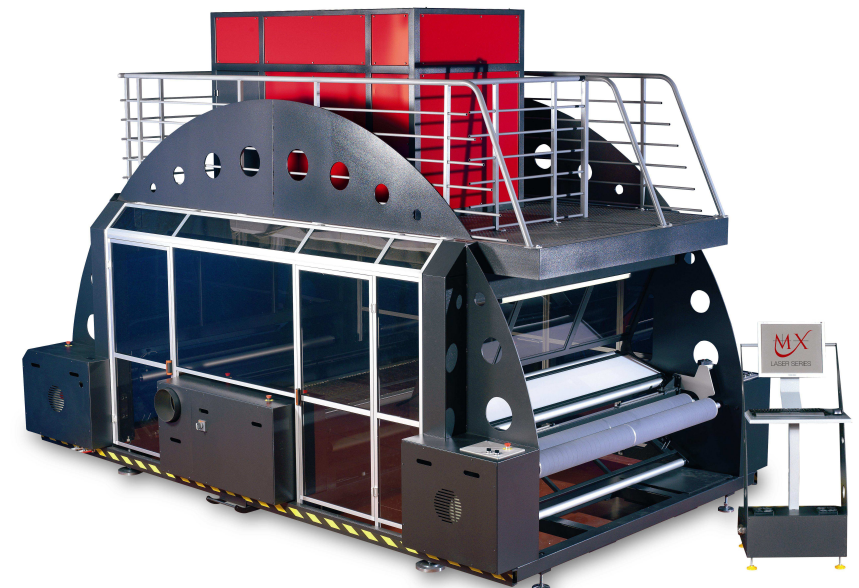


Rimozione di tatuaggio

Per gentile concessione di: Prof. P. Campolmi - Prof. G. Cannarozzo, Firenze - Italia



Industrial Applications



Conservation





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

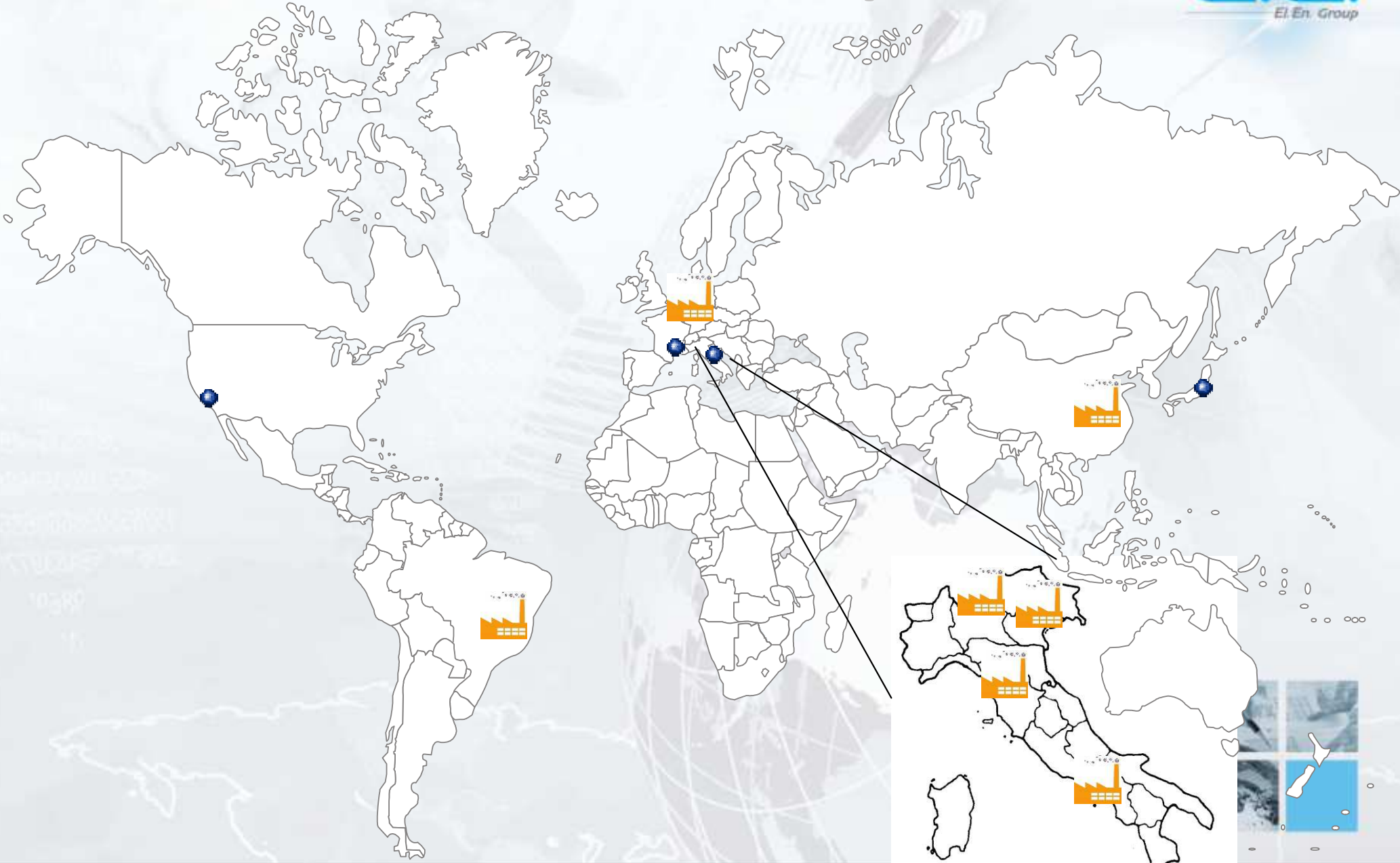
H1 2015: Consolidated Revenues of €107 mln, up 33% YoY

975 employees

Global positioning



El.En. Group



Strategic Strengths



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

Industrial

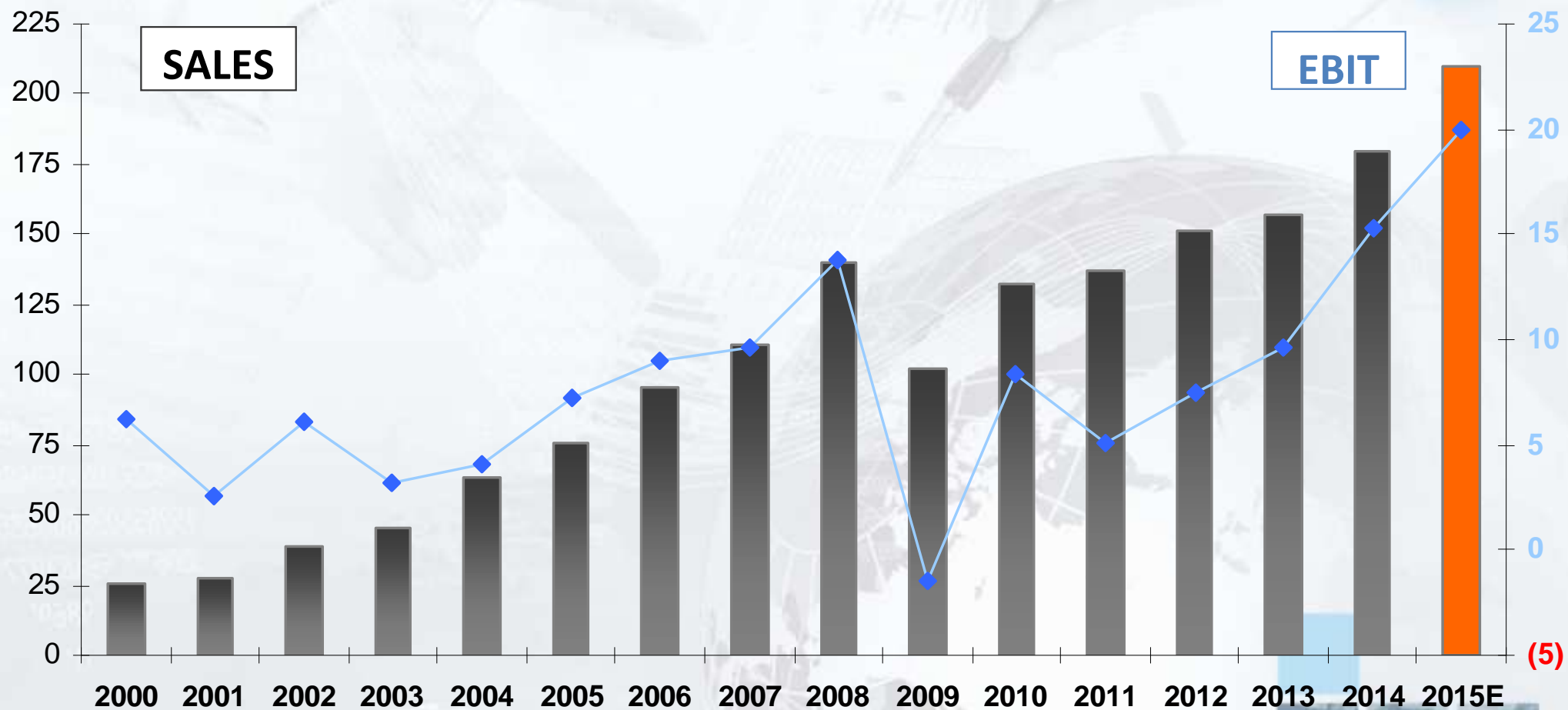
- ✓ Combine High tech laser source development with flexible production facilities in high growth areas

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



(5)

R&D Activity



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

Broadening Mona Lisa Touch Clinical studies

Central role of PHOTOBIO LAB

Clinical studies on cutaneous ulcers

New Pico second laser platform

New dermatological applications

Patents development

Increased power of RF laser sources

Innovative beam delivery and focusing systems





H1 - 2015 Financial Results



Consolidated P&L



Euro/000	30/06/14		30/06/15		Var.%
Revenues	80.398	100,0%	106.884	100,0%	32,9%
Gross margin	38.058	47,3%	48.077	45,0%	26,3%
EBITDA	7.044	8,8%	12.529	11,7%	77,9%
EBIT (*)	6.484	8,1%	10.374	9,7%	60,0%
Pretax Income (**)	11.359	14,1%	11.694	10,9%	3,0%
Net income (**)	8.492	10,6%	7.623	7,1%	-10,2%
Net Income per share	1,77		1,58		-10,6%
	31/12/14		30/06/15		
Net financial position (***)	47.116		24.758		

(*) 2014 Non recurring: +1,5 mln of euros. 2014 EBIT% w/o non recurring: 6,2% and var% 15/14 adj.: +107%

(**) 2014 Total one time and non recurring: +6,0mln of euros on pretax income

+5,4 mln on net income and var% 15/14 adj.: +148%

(***) 2015 Nfp w/o 9,5 mln of euros as m/l temporary financial investments

Consolidated BS



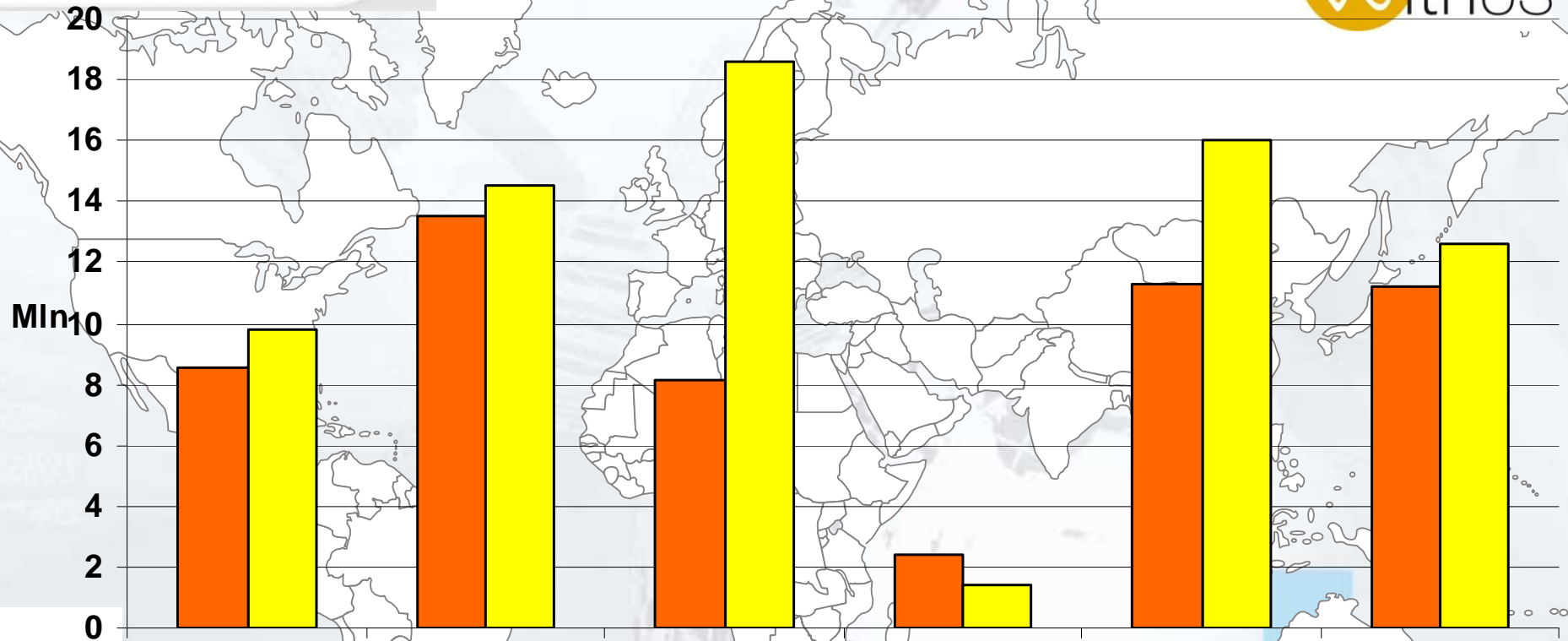
Euro/000	31/12/14	30/06/15	Var.%
Total non current assets	61.775	87.004	41%
Net Working Capital	49.501	62.036	25%
Net financial position	47.116	24.758	-47%
Long term liabilities	7.856	7.991	2%
Net Equity	150.536	165.807	10%
Net capital employed	103.420	141.048	36%
Net Working Capital on sales	62%	58%	
ROCE (EBIT/Net capital employed)	6%	7%	
Capex	2.138	3.908	



Medical Laser: Breakdown by Area



Quanta System
DNA Laser Technology



■ H1/14 ■ H1/15

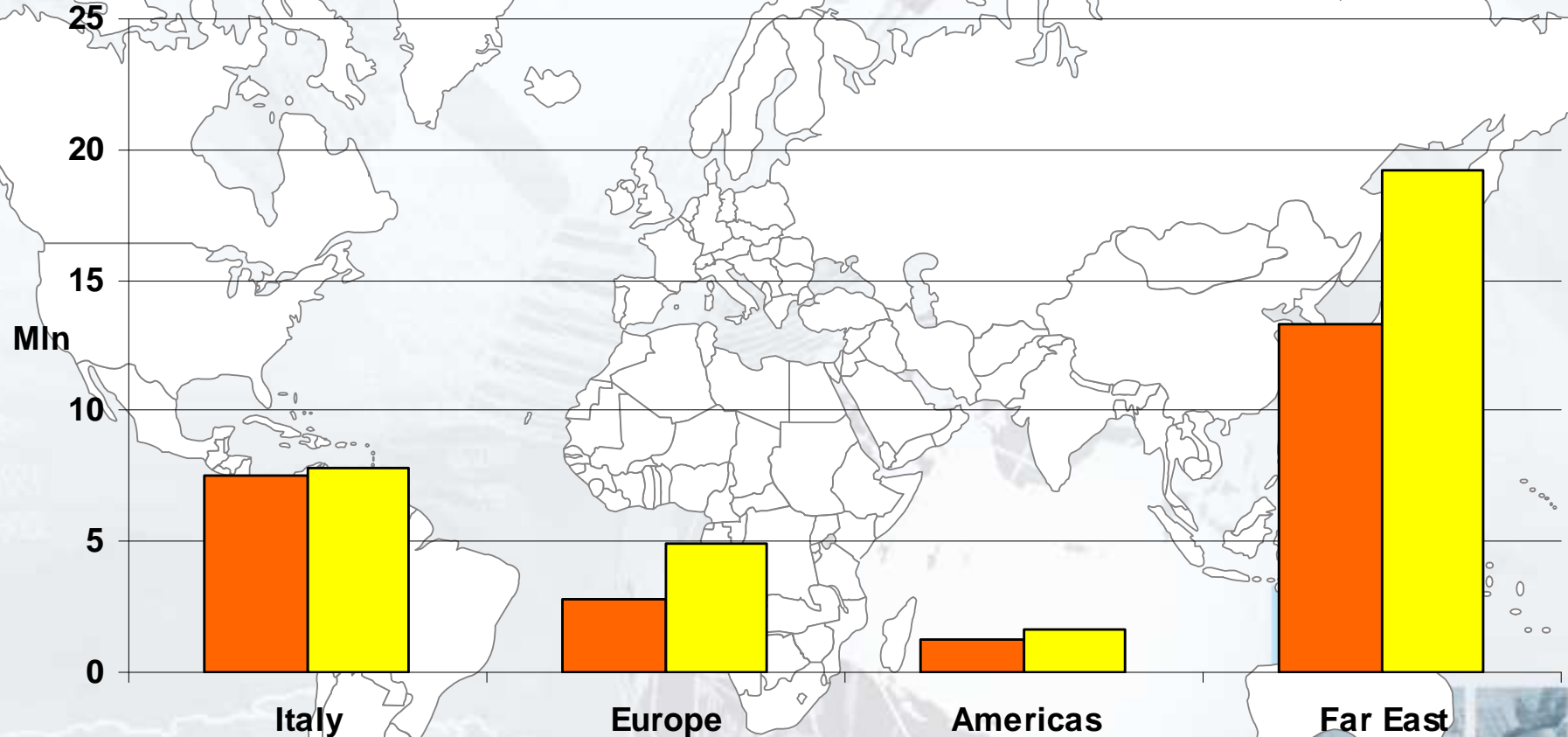
+32%



Industrial Laser: Breakdown by Area



PENTA CHUTIAN



■ H1/14 ■ H1/15

+35%





2015 Guidance



2015 forecast

OLD

Sales: 200 mln +11%

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

NEW

Sales: >210 mln +17%

EBIT: >20 mln





El.En. Stock, Multiples & Comparables



El.En. Stock



Euro



El.En. Multiples

Stockholder's Equity per share * **32**

Price / Book Value Adj. **1,28**

EV / EBIT (85% EBIT) **7,45**

EV / Sales (85% Sales) **0,72**

El.En. Market Cap.	197,4 @ € 40,92
Net financial position	24,8 @ 30/06/15
Financial investments m/l term	9,5 @ 30/06/15
Market value of 1,0 mm Cynosure shares	31,7 @ \$35,83 (Euro/Usd=1,13)
Enterprise Value	131,5
Stockholder's Equity net of minorities, * (with Cynosure shares at market value)	154,7



El.En. Comparables



June 30, 2015

	Price	Revenue	Var.% Revenue	EBIT	EBIT%	MK.Cap.	EV	EV/Sales (*)	EV/EBIT (*)	P/Book Value
Medical/Aesthetic										
Syneron	\$8,94	\$136.884	13%	\$(1.404)	-1%	\$325.090	\$232.807	0,85	n.a.	1,45
Zeltiq	\$35,81	\$115.989	49%	\$(41)	0%	\$1.390.000	\$1.341.613	5,78	n.a.	18,72
Cutera	\$15,10	\$41.634	23%	\$(5.534)	-13%	\$213.470	\$147.165	1,77	n.a.	3,15
Biolase	\$1,49	\$22.724	5%	\$(12.288)	-54%	\$86.700	\$66.816	1,47	n.a.	2,79
Cynosure	\$35,83	\$158.606	18%	\$9.694	6%	\$810.700	\$682.575	2,15	35,21	2,11
Industrial										
IPG Photonics Co.	\$82,84	\$434.098	20%	\$169.465	39%	\$4.370.000	\$3.800.090	4,38	11,21	3,76
Rofin-Sinar	\$25,25	\$255.263	-3%	\$27.417	11%	\$711.590	\$544.541	1,07	9,93	1,34
Prima Industrie	€14,41	€175.940	14%	€8.219	5%	€150.860	€257.532	0,73	15,67	1,20
El.En. (1)	€40,92	€106.884	33%	€10.374	10%	€197.413	€131.466	0,72	7,45	1,28

(1) EV and multiplies as for previous slide

(*) Revenue and Ebit annualized



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