

# Bit Market Services

Informazione Regolamentata n. 0481-10-2016	Data/Ora Ricezione 15 Marzo 2016 16:35:04	MTA - Star
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Societa' : El.En.  
Identificativo : 70803  
Informazione  
Regolamentata  
Nome utilizzatore : ELENN01 - Romagnoli  
Tipologia : IRAG 06; AVVI 16; IRAG 01  
Data/Ora Ricezione : 15 Marzo 2016 16:35:04  
Data/Ora Inizio : 15 Marzo 2016 16:50:05  
Diffusione presunta  
Oggetto : The BoD of El.En. Spa releases the 2015  
draft financial statements

*Testo del comunicato*

Vedi allegato.



IRAG01  
IRAG06  
AVVI16

Press release

## The BoD of El.En. Spa releases the 2015 draft financial statements

- **Strong Consolidated Revenue growth: 218 million of euro (up 20.9%)**
- **EBIT 21.5 million of euro up 40.5% on the 15.3 million of euro of 2014**
- **Net consolidated income was 14.4 million of euro (16.5 million of euro in 2014)**
- **Net Financial Position: positive for 29.8 million of euro**
- **Revenues of the Parent Company was 62.2 million of euro up 32.3% (47 million of euro in 2014)**
- **Growth target on 2016 +5%**
- **Proposed dividend: 1.20 Euro per share**

**Florence, March 15, 2016** – 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, 2015 together with the El.En. Spa draft financial report as of the same date, to be proposed for approval at the Shareholder's meeting.

### Analysis of the financial performance of the group

The financial year 2015 registered **consolidated Revenue** for roughly 218 million of euro up 20.9% on December, 31st 2014 and an EBIT of 21.5 million of euro, the best performance in the history of the Group, improving by 40.5% the 15.3 million of euro of the previous year. These are very positive results, well above the guidance released at the beginning of the year, testifying the quality of the work performed by the Group. Net Income was 14.4 million of Euro and decreases by two million compared to 16.5 million euro of 2014 that were however obtained thanks to one-off items for about 8 million.

An excellent growth performance is achieved in both Medical and Industrial sectors, which respectively increased by 20% and 22%. Within the Medical field the surgical segment recorded the largest growth (+ 108%), thanks to the success of certain laser applications such as the Mona Lisa Touch for vaginal atrophy treatment or lithotripsy performed with specialized Holmium lasers. Positions were consolidated in the most important segment, the Aesthetics, thanks in particular to laser systems for hair removal as the Mediostar and Repla:y, and systems for tattoo removal as the Q-Plus C. The industrial applications segment of laser cutting systems, which constitutes two-thirds of sales of the industrial sector, was further developed thanks to the good performance recorded by our Chinese Joint Venture and by Cutlite Penta on the Italian and European markets. A significant success was achieved in the sales of medium-power radio-frequency laser sources and also in the restoration systems niche which marked its historical record.

Geographically, the highest growth rates were recorded on markets outside Europe, registering a 26% increase. Even in Italy we recorded an interesting rise with 19% sales growth, while Europe showed a 6% increase.

Once again, the group has met growth and operating profitability targets, improving them sharply despite unfavorable circumstances in China and Japan have prevented to fully unfold the potential for growth that the group's activities were able to express in 2015.

**Gross Margin** was 96.3 million of euro, up 17.7% on the previous year, with a 44.2% margin on sales, improving the 81.8 million of euro of 2014.

**EBITDA** was positive for 25.7 million of euro, up 43% on the 17.9 million of euro of 2014.

**EBIT** was positive for 21.5 million of euro sharply increasing the 15.3 million of euro of 2014, marking a period growth of 40.5%, and with a margin on 2015 Sales equal to 9.9%. Without taking into account the 2104 one time proceed of 1.5 million of euro EBIT of the previous year would have been equal to 14 million of euro with a 7.7% margin in sales, enhancing in the comparison the extraordinary growth of EBIT registered in 2015.

**Income before taxes** as of December 31st, 2015 was equal to 23.1 million of euro, with a 5.3% decline on the 24.4 million of euro of 2014. The comparison between the results of two years should, however, be read by separating from the 2014 balances one-off items for about 9.5 million of Euros - due to the transaction Palomar (1.5 million) to the capital gain on the sale of Cynosure shares (4.5 million) and to higher foreign exchange gains ( 3.5 million). Net of these items the 2015 result exceed the previous year by over 8 million of Euro!

The Group closed the year 2015 with a **net profit** of 14.4 million euro, which is also slightly lower than the 16.5 million of the previous year, for the reasons mentioned above.

The **net financial position** as of 31 December 2015 was positive by 29.8 million of euro, with a decrease of approximately 17.3 million compared with 31 December 2014 (47.1 million of euro), for 10.5 million resulting from temporary financial investments booked for their nature within non-current assets. In 2015 a minority stake in Epica International Inc. was acquired by El.En. spa for half a million of US Dollars. Moreover, In the course of 2015 investments in fixed assets totaled about 8 million of Euros, and during the second quarter dividends to third parties were paid by the parent company El.En. S.p.A. for 4.8 million of Euros, and by the subsidiaries Deka MELA Srl, Lasit S.p.A., and ASA srl for a total of 566 thousand euro.

### **Financial performance of the parent company El.En. spa**

The performance of the Parent Company El.En. Spa was positive in all of its business segments. The Company achieved in the year a record turnover of 62 million euro compared with 47 million euro of the previous year, a 32% increase. All performance indexes were positive and showed: a gross margin of approximately 27.7 million euro (up 27.6% compared to 2014); an EBITDA of 9.2 million Euros, a 142% increase on the same period 2014; an EBIT of EUR 7.8 million, up 274% compared to 2.1 million euro registered last year; income before taxes was 9.0 million euro, compared to 25.6 million Euros in 2014 when a 18.2 million euro gain was booked for the sale of a stake in Cynosure. The net income for the period amounted to 6.3 million euro, a decrease from 2014 on account of the above mentioned gain.

The excellent market positioning of the Group on the various market segments thanks to its highly innovative technologies was supported during 2015 by the improvement of the overall conditions of the markets and exchange rates: the excellent results achieved in consolidating the global leadership of the group are also laying the foundations for further expansion to be achieved in 2016.

### **Current Outlook**

The sales and EBIT performance achieved in 2015, the best in the history of the Group also stemming from the launch of new products that have received great appreciation from the market, constitute a reference difficult to overcome. The good competitive position, together with a generally favorable economic situation in particular in the Euro / Dollar exchange rate, allow to set for 2016 the target of further sales growth, in the order of 5%. As it pertains to EBIT, the ambitious goal is repeating the result achieved in 2015.

## Other resolutions

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. The Board of Directors received the documents submitted by the Board of Statutory Auditors about the result of the annual verification of the compliance with the criteria of independence for Statutory Auditors.

Moreover the Board of Directors approved the annual Governance Report and Shareholding and the Report on Remuneration 2016-2017 including the guidelines of the remuneration policy 2016-2017.

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

## Dividends

The Board of Directors has resolved to call the annual Shareholder meeting for April 26th, 2016 (first call) and May 12th, 2016 (second call) and it resolved to propose to distribute a dividend of 1.20 euro per share, in accordance with art. 2357-ter c.c., to be paid on May 25th 2016, to be assigned on May 23rd, 2016 (coupon no. 14) with record date May 24th 2016.

## Stock Option plan

The Board of Directors resolved to submit to Shareholders' Meeting the 2016 – 2025 incentive plan for the group's directors, freelancers and employees, to be implemented through the free of charge granting in one or more *tranches*, of certain stock options for the subscription, on payment, of new ordinary shares of the Company; the exercise of the options by the beneficiaries will be regulated by proper regulations drawn up by the Board of Directors.

Should the hereinabove mentioned incentive plan be approved by the Shareholders' Meeting, the Board of Directors shall have the full power to implement it and to set the details as identification of the beneficiaries, definition of the number of stock options to be assigned to each of them and fixing of the shares issuing price in accordance with the terms and conditions resolved by the Shareholders' Meeting.

To make available the new shares to be subscribed by the beneficiaries of the stock option plan, the Board of Directors shall be empowered by the Shareholders' Meeting to increase the share capital pursuant to art. 2441 of the Civil Code with the exclusion of the option right provided that such increase shall serve the incentive plan. Such power to the Board of Directors shall be given pursuant to art. 2443 c.c., and it can be exercised within 2021 for the increase, in one or more times, of share nominal capital up to euro 104.000,00 by issuing up to 200.000 new ordinary shares, par value 0.52 Euro per share, to be paid up, and with the same rights as the already issued ordinary shares at the date of subscription. The shares shall be paid at the price that will be fixed by the Board of Directors as provided by the art. 2441 of the Civil Code - thus based on the Shareholders Equity, also taking into account the market price for the shares in the last six months – in a price for share, surcharged included, equal to the arithmetic mean of the official market prices registered for the ordinary shares of the Company on the Italian Stock Exchange during the six months before the assignment of the stock options provided that such value shall not be under the Consolidated Shareholders Equity as of December 31st of the year preceding the date of the assignment of the stock options.

All the documents containing the information requested by laws, legal auditing firm opinion on the adequacy of the issue price of the shares included expressed in compliance with artt. 2441,



subsection VI, Italian Civil Code and 158, subsection I, Legislative Decree no. 58 of 24 February 1998 shall be made available to the public as provided by laws and regulations.

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.

On 3<sup>rd</sup> 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](http://www.elengroup.com), at Borsa Italiana and in the authorized storage device [www.emarketstorage.com](http://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.



## CONFERENCE CALL

Thursday March 17, 2016 at 3.00pm CET (2:00pm GMT, 9.00am EST) a conference call will be held with the financial community during which the Group's economic and financial results will be discussed. It will be possible to connect to the call by dialing the following numbers: from Italy +39 02 8058811, from UK +44 1 212818003, from USA +1 718 7058794.

The presentation slides can be downloaded before the conference call from the Investor Relations page on EL.EN. web site: <http://www.elengroup.com/en/investor-relations-en/company-presentations>

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### 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 44% and its market capitalization amounts to Euro 198 million.

Cod. ISIN: IT0001481867  
Code: ELN  
Listed on MTA  
Mkt capt.: 198 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 31<sup>st</sup> , 2015**

<b>Income Statement</b>	<b>31/12/15</b>	<b>Inc.%</b>	<b>31/12/14</b>	<b>Inc.%</b>	<b>Var.%</b>
Revenues	217.670	100,0%	180.009	100,0%	20,9%
Change in inventory of finished goods and WIP	1.569	0,7%	3.114	1,7%	-49,6%
Other revenues and income	2.326	1,1%	2.380	1,3%	-2,2%
<b>Value of production</b>	<b>221.566</b>	<b>101,8%</b>	<b>185.502</b>	<b>103,1%</b>	<b>19,4%</b>
Purchase of raw materials	114.201	52,5%	89.136	49,5%	28,1%
Change in inventory of raw material	(6.177)	-2,8%	366	0,2%	
Other direct services	17.224	7,9%	14.151	7,9%	21,7%
<b>Gross margin</b>	<b>96.318</b>	<b>44,2%</b>	<b>81.849</b>	<b>45,5%</b>	<b>17,7%</b>
Other operating services and charges	28.515	13,1%	25.658	14,3%	11,1%
<b>Added value</b>	<b>67.803</b>	<b>31,1%</b>	<b>56.191</b>	<b>31,2%</b>	<b>20,7%</b>
For staff costs	42.136	19,4%	38.228	21,2%	10,2%
<b>EBITDA</b>	<b>25.666</b>	<b>11,8%</b>	<b>17.963</b>	<b>10,0%</b>	<b>42,9%</b>
Depreciation, amortization and other accruals	4.167	1,9%	2.661	1,5%	56,6%
<b>EBIT</b>	<b>21.499</b>	<b>9,9%</b>	<b>15.301</b>	<b>8,5%</b>	<b>40,5%</b>
Net financial income (charges)	1.346	0,6%	4.638	2,6%	-71,0%
Share of profit of associated companies	278	0,1%	40	0,0%	601,9%
Other net income (expense)	(10)	0,0%	4.430	2,5%	
<b>Income (loss) before taxes</b>	<b>23.113</b>	<b>10,6%</b>	<b>24.409</b>	<b>13,6%</b>	<b>-5,3%</b>
Income taxes	7.064	3,2%	6.409	3,6%	10,2%
<b>Income (loss) for the financial period</b>	<b>16.049</b>	<b>7,4%</b>	<b>18.000</b>	<b>10,0%</b>	<b>-10,8%</b>
Minority interest	1.678	0,8%	1.480	0,8%	13,4%
<b>Net income (loss)</b>	<b>14.371</b>	<b>6,6%</b>	<b>16.520</b>	<b>9,2%</b>	<b>-13,0%</b>
Basic net income (loss) per share	2,98		3,42		

**Tab. 2 – EI.En. Group balance sheet on December 31<sup>st</sup> , 2015**

	31/12/2015	31/12/2014	Var.
<b>Statement of financial position</b>			
Intangible assets	3.858	3.613	245
Tangible assets	32.621	26.927	5.694
Equity investments	44.556	25.549	19.007
Deferred tax assets	6.085	5.682	402
Other non current assets	10.646	3	10.643
<b>Total non current assets</b>	<b>97.766</b>	<b>61.775</b>	<b>35.991</b>
Inventories	58.061	50.481	7.581
Accounts receivables	61.327	47.947	13.379
Tax receivables	7.826	6.618	1.208
Other receivables	7.262	8.415	-1.152
Financial instruments	1.965		1.965
Cash and cash equivalents	46.990	73.804	-26.814
<b>Total current assets</b>	<b>183.431</b>	<b>187.264</b>	<b>-3.834</b>
<b>TOTAL ASSETS</b>	<b>281.197</b>	<b>249.039</b>	<b>32.158</b>
<b>Total equity</b>	<b>179.539</b>	<b>150.536</b>	<b>29.003</b>
Severance indemnity	3.376	3.700	-325
Deferred tax liabilities	1.638	1.461	177
Other accruals	2.890	2.695	195
Financial liabilities	4.998	5.907	-909
<b>Non current liabilities</b>	<b>12.902</b>	<b>13.763</b>	<b>-861</b>
Financial liabilities	14.363	21.494	-7.131
Accounts payables	42.065	35.267	6.798
Income tax payables	3.842	2.223	1.619
Other payables	28.487	25.756	2.731
<b>Current liabilities</b>	<b>88.756</b>	<b>84.740</b>	<b>4.016</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>281.197</b>	<b>249.039</b>	<b>32.158</b>

**Tab. 3 – EI.En. Group net financial position on December 31<sup>st</sup> , 2015**

<b>Net financial position</b>	31/12/2015	31/12/2014
Cash and cash equivalents	48.954	73.804
Short term financial receivables	222	714
Financial short term liabilities	(14.363)	(21.494)
<b>Net current financial position</b>	<b>34.813</b>	<b>53.023</b>
<b>Financial long term liabilities</b>	<b>(4.998)</b>	<b>(5.907)</b>
<b>Net financial position</b>	<b>29.815</b>	<b>47.116</b>



**Tab. 4 – El.En. S.p.A. Profit and Loss account on December 31<sup>st</sup> , 2015**

<b>Income Statement</b>	<b>31/12/15</b>	<b>Inc.%</b>	<b>31/12/14</b>	<b>Inc.%</b>	<b>Var.%</b>
Revenues	62.182	100,0%	47.013	100,0%	32,3%
Change in inventory of finished goods and WIP	1.279	2,1%	42	0,1%	2909,5%
Other revenues and income	688	1,1%	837	1,8%	-17,7%
<b>Value of production</b>	<b>64.149</b>	<b>103,2%</b>	<b>47.892</b>	<b>101,9%</b>	<b>33,9%</b>
Purchase of raw materials	35.274	56,7%	22.284	47,4%	58,3%
Change in inventory of raw material	(3.721)	-6,0%	116	0,2%	
Other direct services	4.908	7,9%	3.799	8,1%	29,2%
<b>Gross margin</b>	<b>27.688</b>	<b>44,5%</b>	<b>21.692</b>	<b>46,1%</b>	<b>27,6%</b>
Other operating services and charges	6.223	10,0%	6.237	13,3%	-0,2%
<b>Added value</b>	<b>21.465</b>	<b>34,5%</b>	<b>15.455</b>	<b>32,9%</b>	<b>38,9%</b>
For staff costs	12.216	19,6%	11.634	24,7%	5,0%
<b>EBITDA</b>	<b>9.249</b>	<b>14,9%</b>	<b>3.821</b>	<b>8,1%</b>	<b>142,0%</b>
Depreciation, amortization and other accruals	1.406	2,3%	1.726	3,7%	-18,5%
<b>EBIT</b>	<b>7.842</b>	<b>12,6%</b>	<b>2.096</b>	<b>4,5%</b>	<b>274,2%</b>
Net financial income (charges)	1.868	3,0%	5.355	11,4%	-65,1%
Other net income (expense)	(697)	-1,1%	18.199	38,7%	
<b>Income (loss) before taxes</b>	<b>9.013</b>	<b>14,5%</b>	<b>25.650</b>	<b>54,6%</b>	<b>-64,9%</b>
Income taxes	2.706	4,4%	2.120	4,5%	27,6%
<b>Income (loss) for the financial period</b>	<b>6.307</b>	<b>10,1%</b>	<b>23.529</b>	<b>50,0%</b>	<b>-73,2%</b>

**Tab. 5 – EI.En. S.p.A. Balance Sheet on December 31<sup>st</sup> , 2015**

	31/12/2015	31/12/2014	Var.
<b>Statement of financial position</b>			
Intangible assets	199	164	35
Tangible assets	13.011	12.701	310
Equity investments	57.851	39.797	18.054
Deferred tax assets	2.361	2.735	-373
Other non current assets	10.646	3	10.643
<b>Total non current assets</b>	<b>84.069</b>	<b>55.401</b>	<b>28.669</b>
Inventories	25.008	20.199	4.809
Accounts receivables	34.939	30.349	4.590
Tax receivables	4.617	3.253	1.364
Other receivables	5.331	5.398	-67
Financial instruments	1.965		1.965
Cash and cash equivalents	12.583	43.512	-30.928
<b>Total current assets</b>	<b>84.443</b>	<b>102.711</b>	<b>-18.268</b>
<b>TOTAL ASSETS</b>	<b>168.512</b>	<b>158.111</b>	<b>10.401</b>
<b>Total equity</b>	<b>146.986</b>	<b>127.242</b>	<b>19.743</b>
Severance indemnity	895	1.111	-215
Deferred tax liabilities	1.156	1.094	62
Other accruals	492	603	-111
Financial liabilities		1.340	-1.340
<b>Non current liabilities</b>	<b>2.543</b>	<b>4.147</b>	<b>-1.604</b>
Financial liabilities	1.510	12.092	-10.582
Accounts payables	12.159	9.778	2.381
Income tax payables	1.320	2	1.319
Other payables	3.994	4.849	-855
<b>Current liabilities</b>	<b>18.984</b>	<b>26.722</b>	<b>-7.738</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>168.512</b>	<b>158.111</b>	<b>10.401</b>

**Tab. 6 – EI.En. S.p.A. net financial position on December 31<sup>st</sup> , 2015**

<b>Net financial position</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
Cash and cash equivalents	14.548	43.512
Short term financial receivables	124	620
Financial short term liabilities	(1.510)	(12.092)
<b>Net current financial position</b>	<b>13.162</b>	<b>32.039</b>
<b>Financial long term liabilities</b>	<b>0</b>	<b>(1.340)</b>
<b>Net financial position</b>	<b>13.162</b>	<b>30.699</b>

**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.0481-10

Numero di Pagine: 12