

We laser your world



STAR CONFERENCE

H1 2016 FINANCIAL RESULTS

Oct. 6th, 7th 2016

www.elengroup.com

Disclaimer



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Summary

1. LASERS AND LASER APPLICATIONS
2. THE GLOBAL LASER MARKET
3. EL.EN. GROUP
4. H1-2016 FINANCIAL RESULTS
5. 2016 TARGETS
6. EL.EN. STOCK, MULTIPLES & COMPARABLES



Lasers and Laser Applications



LASER

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



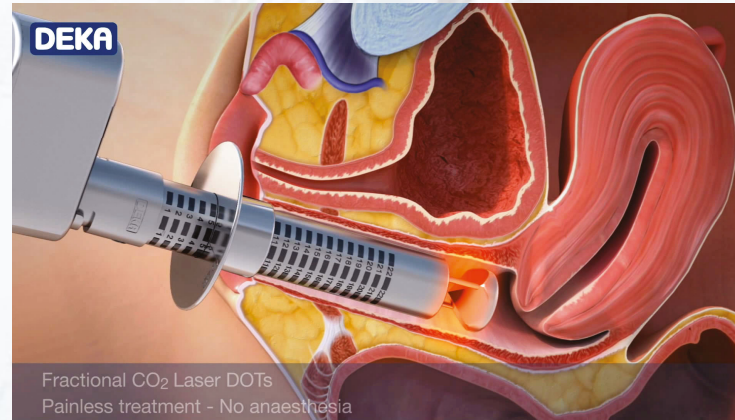
MEDICAL LASER Systems



INDUSTRIAL LASER Systems



Medical and Aest. Applications



Surgical Laser systems



Monna
Lisa
Touch

DEKA



Litho

Quanta System
DNA Laser Technology



Aesthetic Laser systems

Discovery Pico



Quanta System
DNA Laser Technology



Motus AX

Mediostar



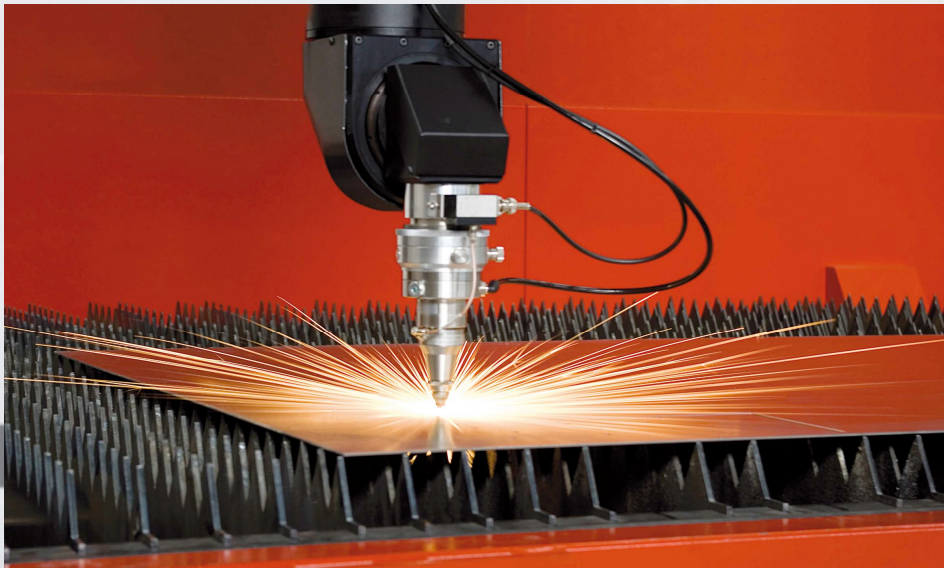
Asclepion
Laser Technologies

esthelogue
dentro la bellezza vera

Industrial lasers applications



CUTLITE PENTA
LASER PROCESSING SOLUTIONS
DT-LAS



The Global Laser Market



The MEDICAL Laser Market



Global market for medical lasers by end use, through 2019 (\$ millions)

Market Segment	2013	2014	2019	CAGR%
				2014-2019
Surgical	758	813	1.219	8,4%
Cosmetic	895	1.024	2.097	15,4%
Dental	209	244	623	20,7%
Veterinary	99	115	247	16,5%
Total	1.961	2.195	4.185	13,8%

Global market for medical lasers by region, through 2019 (\$ millions)

Market Segment	2013	2014	2019	CAGR%
				2014-2019
US and Canada	902	1.008	1.870	13,2%
Europe	579	647	1.208	13,3%
Asia Pacific	352	399	849	16,3%
Other	128	141	258	12,8%
Total	1.961	2.195	4.185	13,8%



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 35 years stratification of multidisciplinary experience

FY 2015: Consolidated Revenues of €218 mln, up 21% YoY

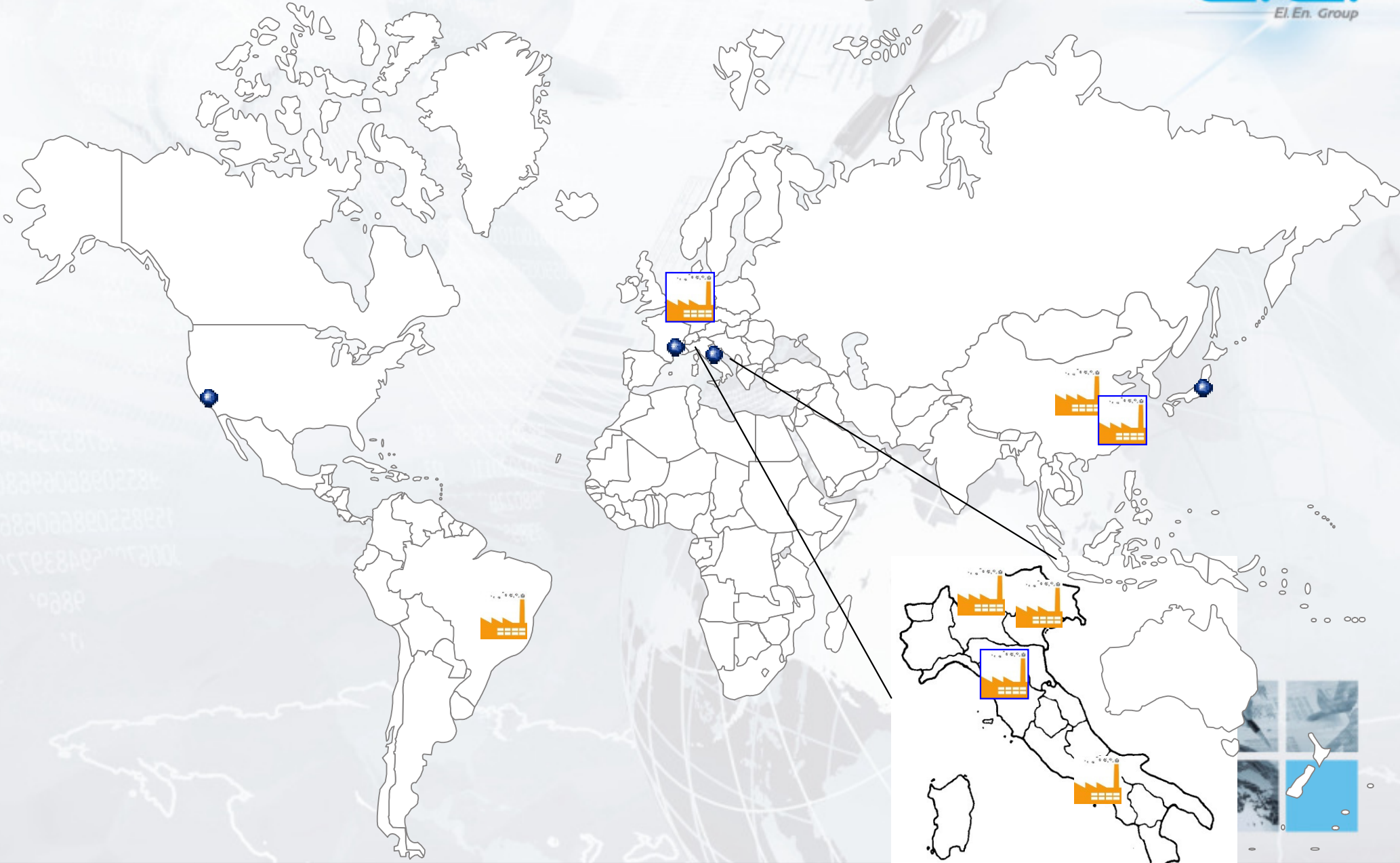
H1 2016: Consolidated Revenues of €120 mln, up 12% YoY

1042 employees

Global positioning



El.En. Group



Strategic Strengths

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

Industrial

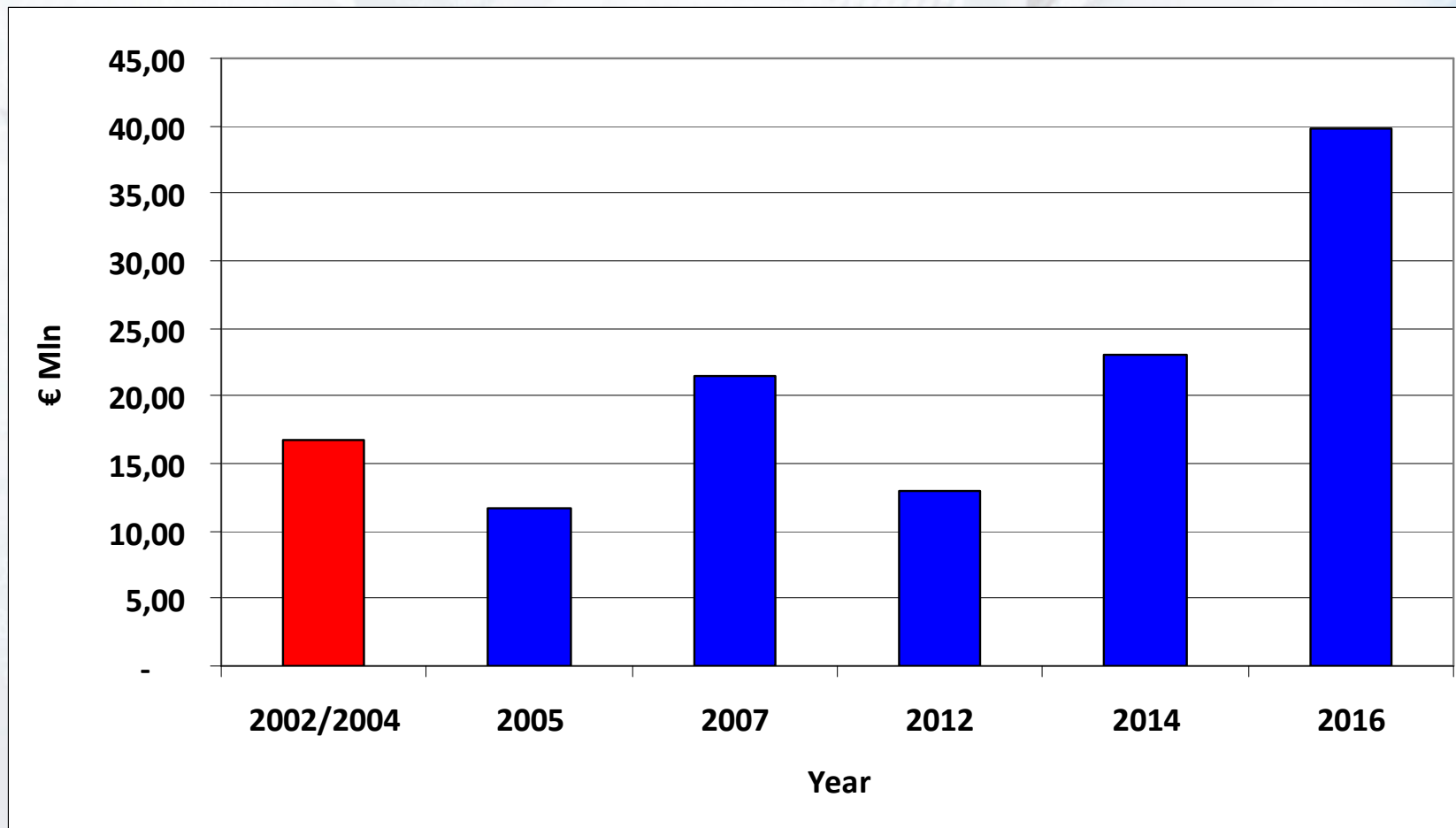
- ✓ Combine High tech laser source development with flexible production facilities in high growth areas

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



Cynosure



IRR= 32,50%

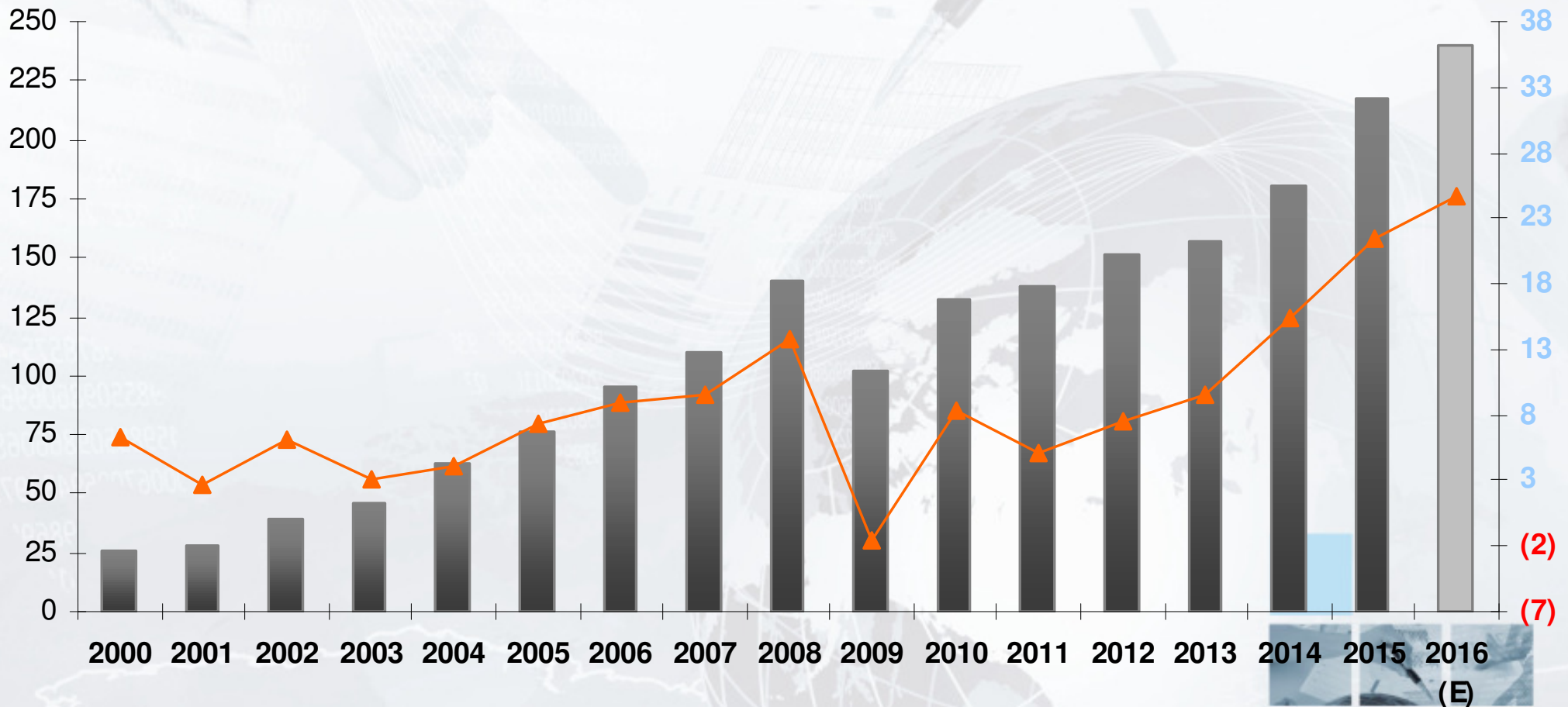
Capital Gain = €92 mln

Consolidated Revenues and EBIT



SALES

EBIT



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

New Pico second laser platform

Clinical studies on cutaneous ulcers

Painless laser hair removal

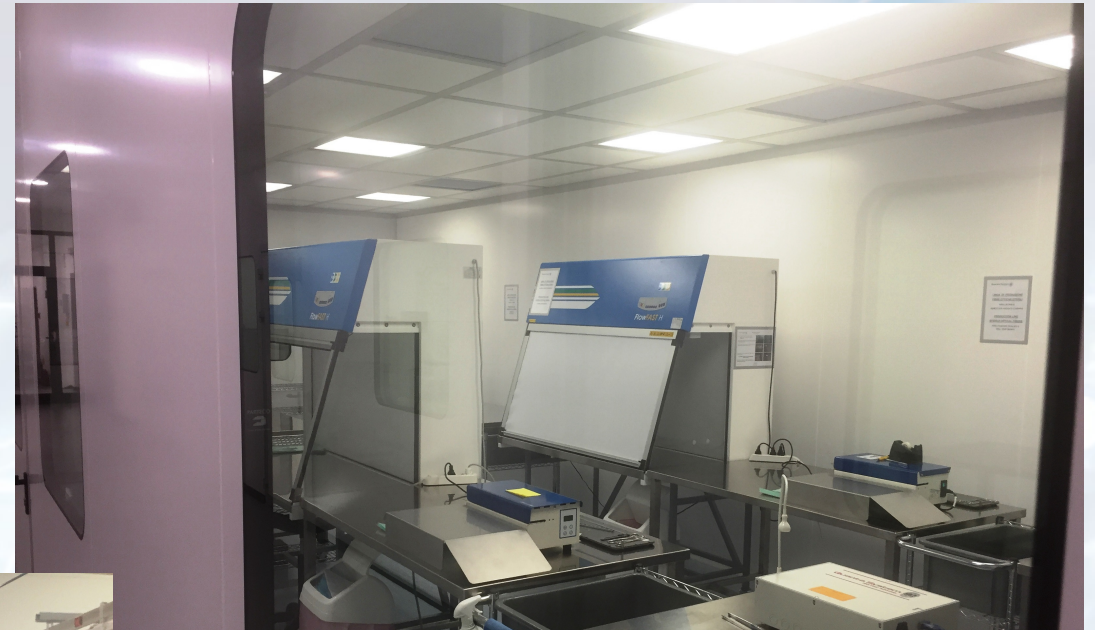
Patents development

Increased power of RF laser sources

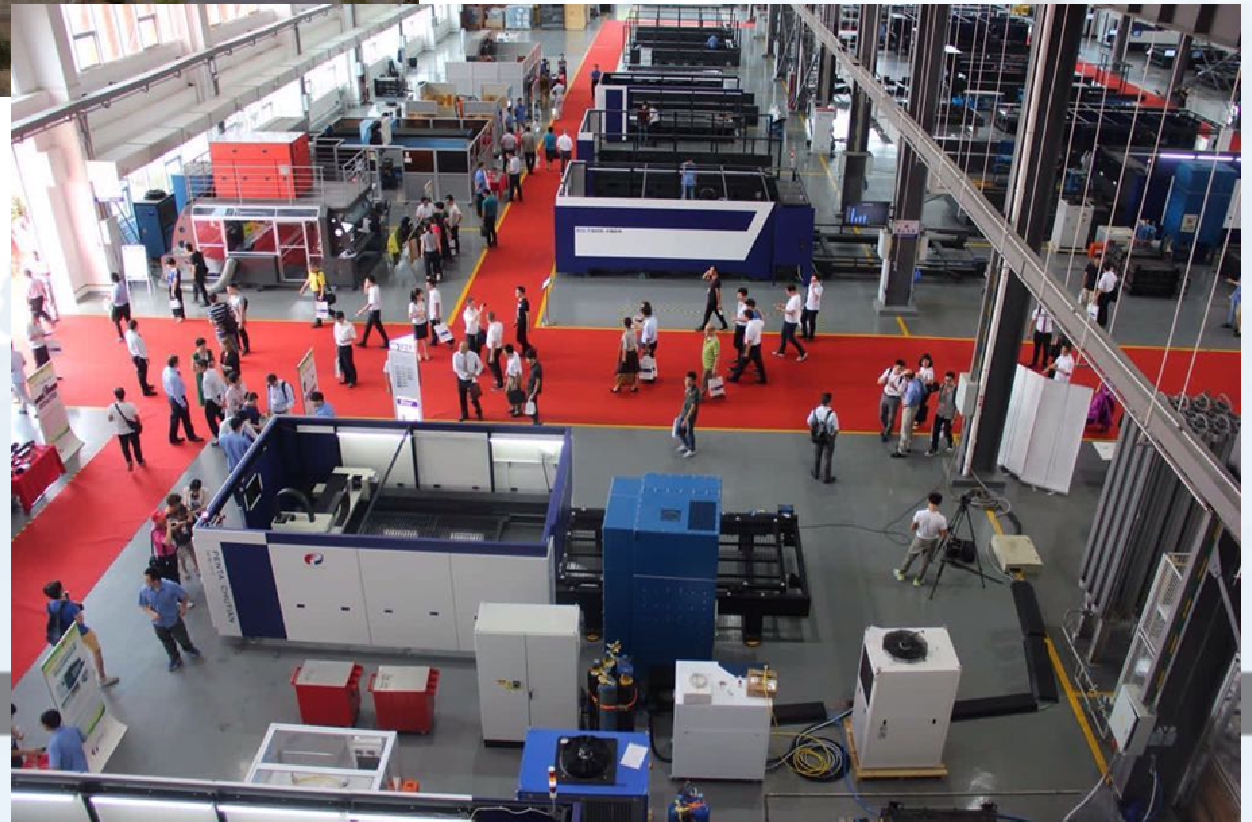
Innovative applications for mid power laser systems



New factory in Samarate.....



...and in Wenzhou (PRC)





H1 - 2016 Financial Results



H1 2016 Consolidated P&L



Euro/000	30/06/15		30/06/16		Var.%
Revenues	106.884	100,0%	120.176	100,0%	12,4%
Gross margin	48.077	45,0%	53.264	44,3%	10,8%
EBITDA	12.529	11,7%	15.567	13,0%	24,2%
EBIT	10.374	9,7%	13.524	11,3%	30,4%
Pretax Income	11.694	10,9%	35.979	29,9%	207,7%
Net income	7.623	7,1%	30.293	25,2%	297,4%
Net Income per share	0,40		1,57		



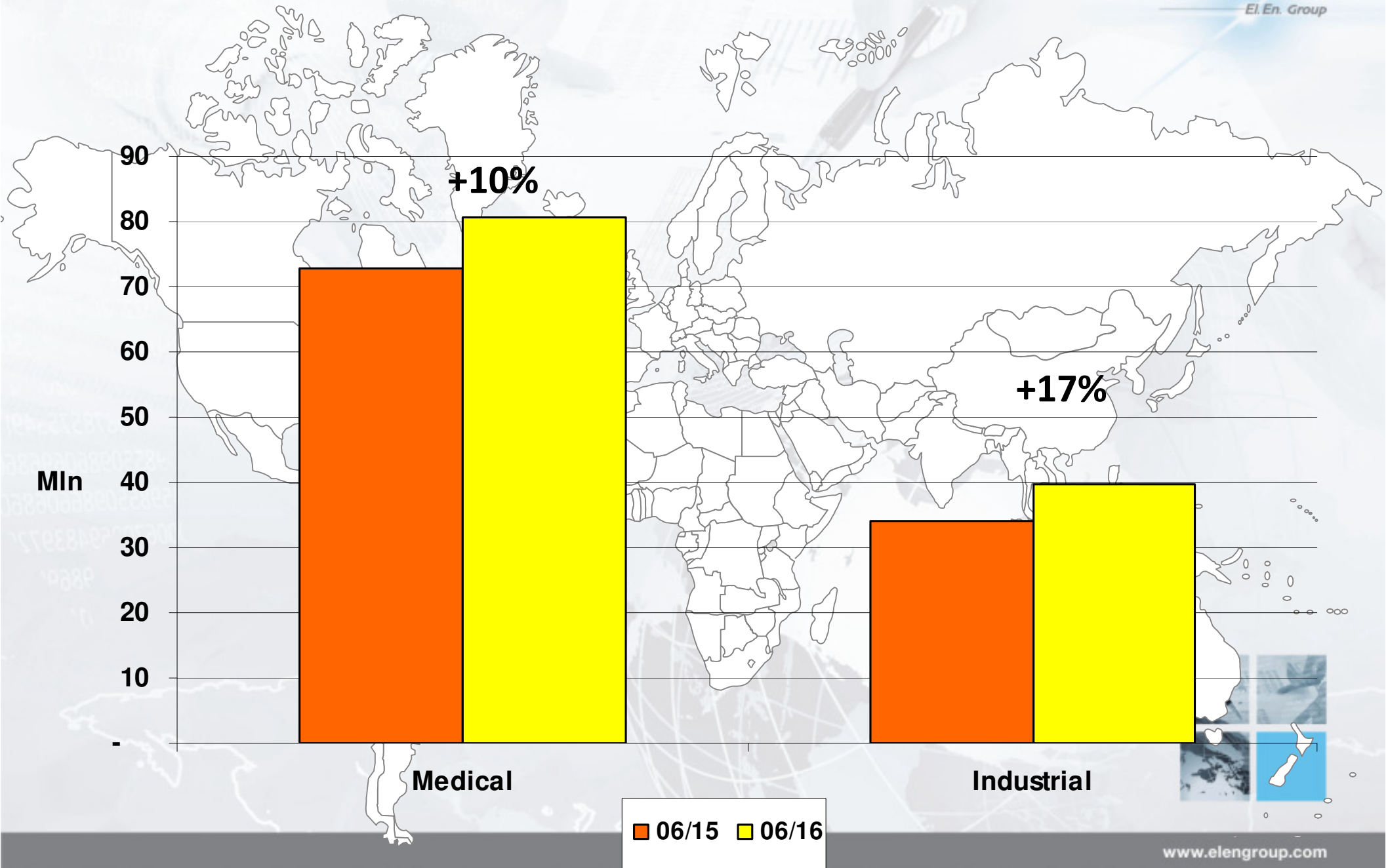
H1 2016 Balance Sheet



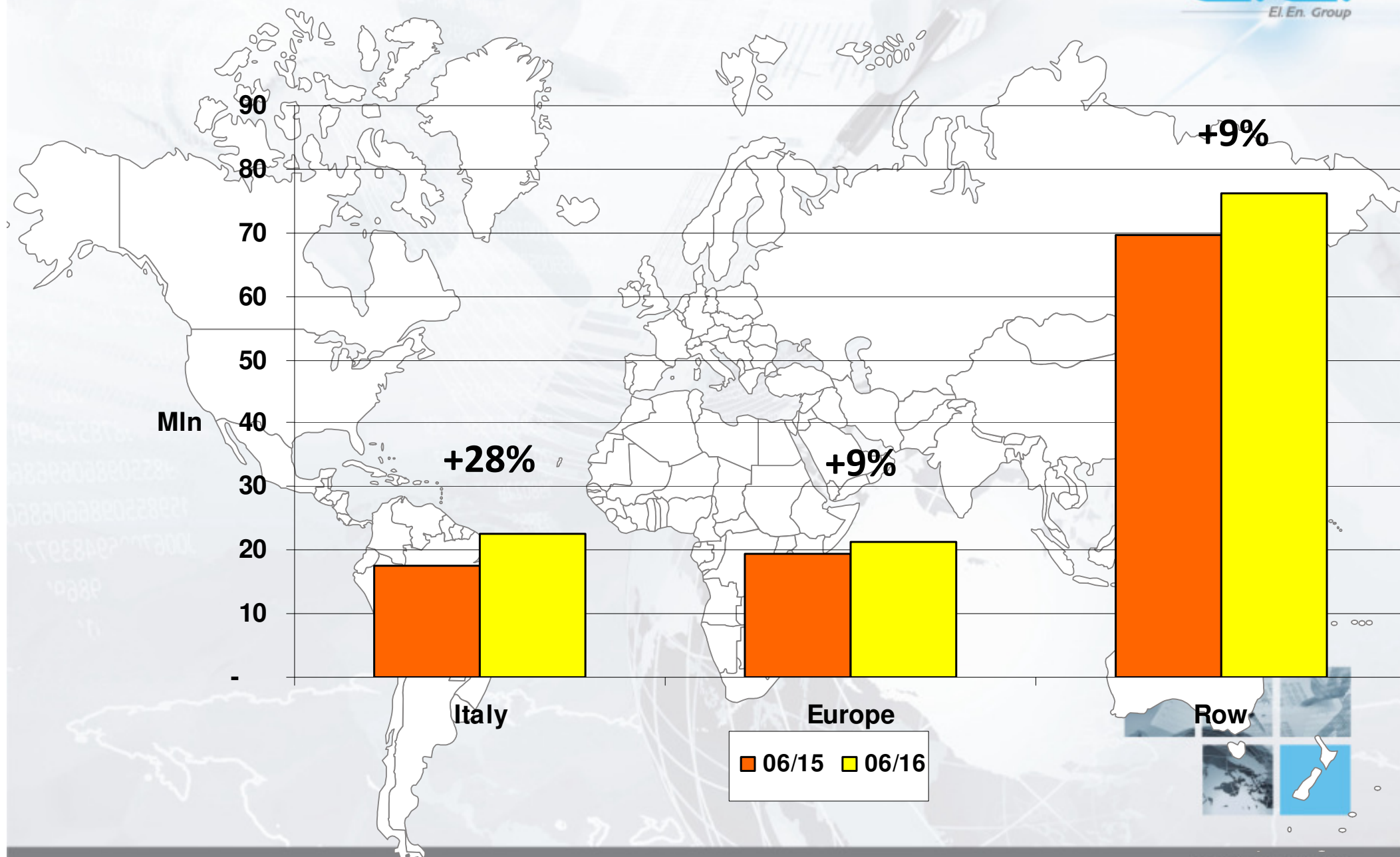
Euro/000	31/12/15	30/06/16	Var.%
Total non current assets	97.766	60.034	-39%
Net Working Capital	59.861	59.323	-1%
Net financial position	29.815	70.801	137%
Long term liabilities	7.904	8.708	10%
Net Equity	179.539	181.451	1%
Net capital employed	149.724	110.650	-26%
Net Working Capital on sales	28%	25%	
ROCE (EBIT/Net capital employed)	14%	24%	
Capex	8.243	4.511	



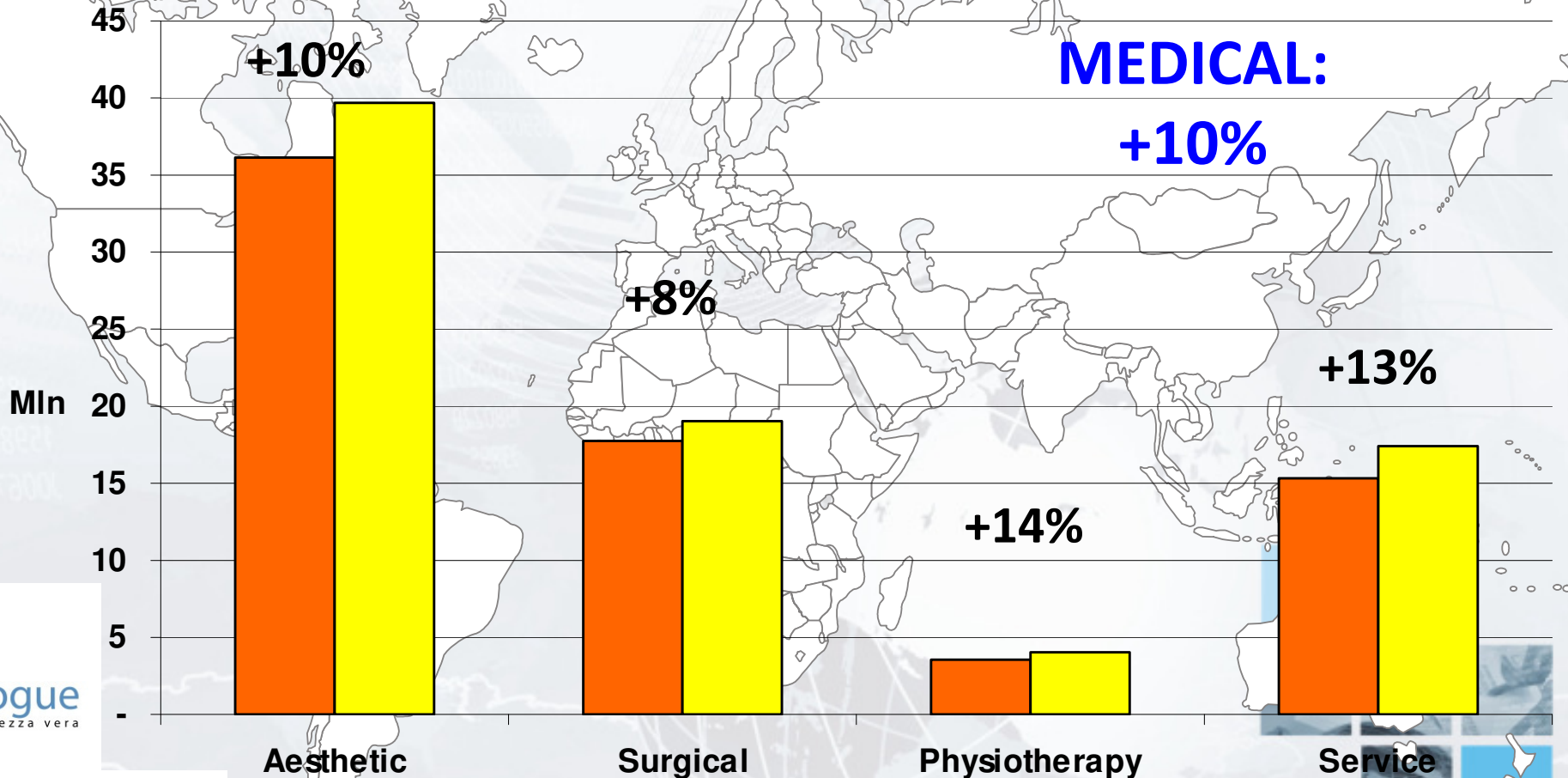
Breakdown by Business



Breakdown by Area



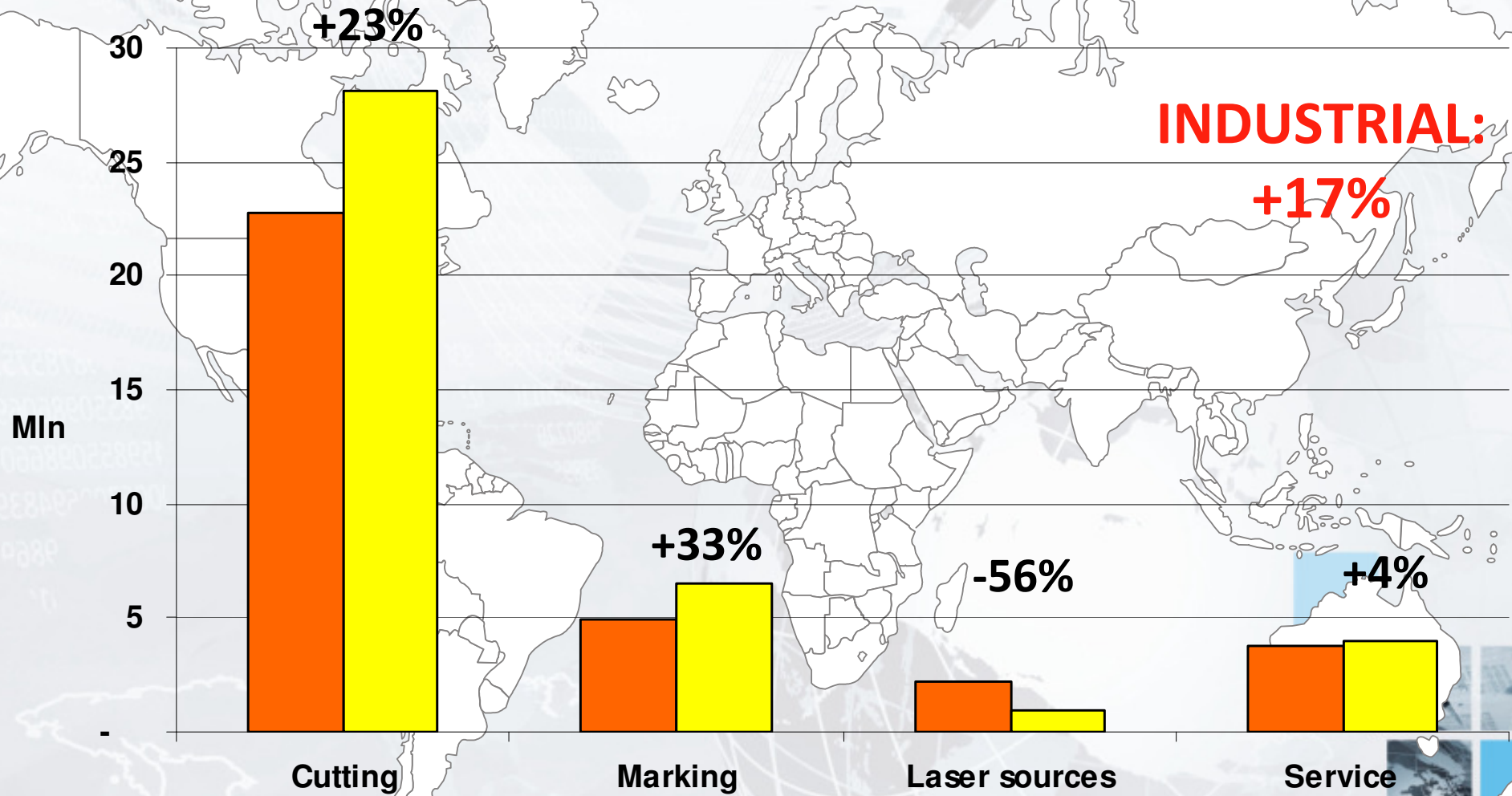
Medical Lasers Business



Industrial Lasers Business



PENTA CHUTIAN



Mln

06/15 06/16



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2016 Targets



2016 Guidance - update

OLD

Sales 2016 = Sales 2015 **+5%** -> €229 mln

EBIT 2016 = EBIT 2015 -> €22 mln

NEW

Sales 2016 = Sales 2015 **+10%** -> €239 mln

EBIT 2016 = EBIT 2015 **+15%** -> €25 mln



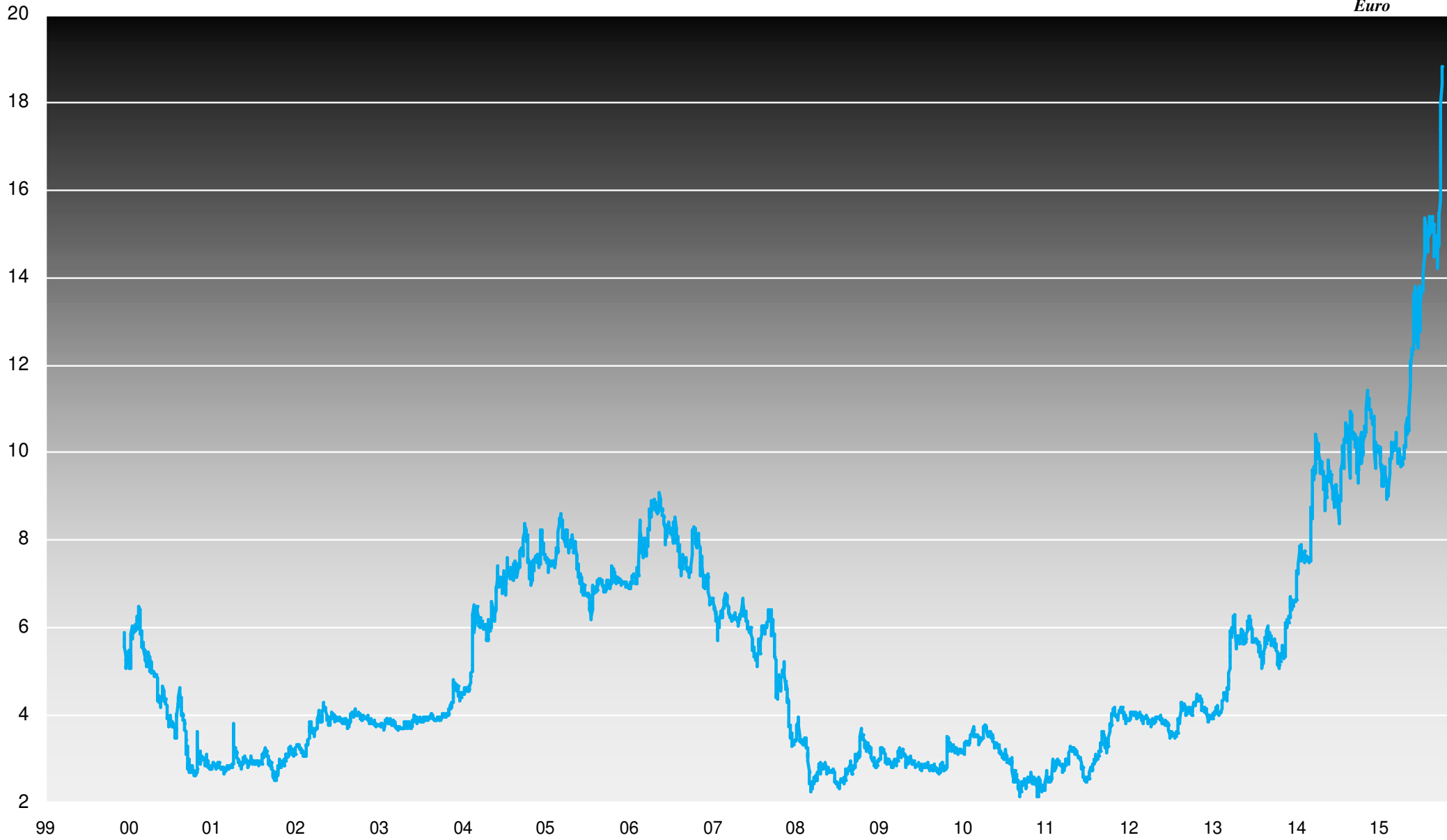
El.En. Stock, Multiples & Comparables



El.En. Stock



Euro



— El.En. S.p.A.

El.En. Multiples

Stockholder's Equity per share **9**

Price / Book Value Adj. **2,1**

EV / EBIT (85% EBIT) **12,1**

EV / Sales (85% Sales) **1,4**

El.En. Market Cap. **359,1 @ € 18,61**

Net financial position **70,8 @ 30/06/16**

Financial investments m/l term **10,7 @ 30/06/16**

Enterprise Value **277,6**

Stockholder's Equity net of minorities **172,0 @ 30/06/16**

El.En. Comparables

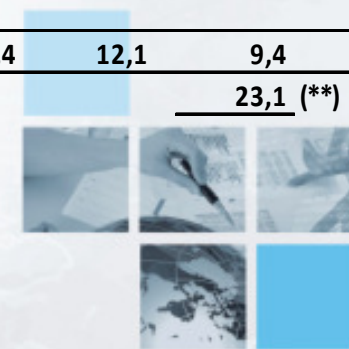


June 30th, 2016	Price	Revenue	Var.% Revenue	EBIT	EBIT%	MK.Cap.	EV	EV/Sales (*)	EV/EBIT (*)	P/E (*)	P/Book Value
Medical/Aesthetic											
Syneron	\$7,16	\$143.663	5%	\$1.558	1%	\$257.150	\$188.798	0,7	60,6	261,9	1,2
Zeltiq	\$39,22	\$153.934	33%	\$(14.690)	-10%	\$1.590.000	\$1.537.930	5,0	n.a.	n.a.	14,0
Cutera	\$11,92	\$49.900	20%	\$(3.587)	-7%	\$158.280	\$114.958	1,2	n.a.	n.a.	3,3
Biolase	\$1,75	\$24.820	9%	\$(7.700)	-31%	\$103.340	\$98.337	2,0	n.a.	n.a.	5,5
Cynosure	\$50,94	\$205.007	29%	\$14.951	7%	\$1.220.000	\$1.027.811	2,5	34,4	66,4	2,8
Industrial											
IPG Photonics Co.	\$82,35	\$460.035	6%	\$165.027	36%	\$4.420.000	\$3.705.920	4,0	11,2	19,0	3,1
Rofin-Sinar	\$32,18	\$236.490	-7%	\$18.139	8%	\$915.230	\$737.471	1,6	20,3	38,2	1,6
Prima Industrie	€13,74	€183.291	4%	€7.083	4%	€144.040	€248.182	0,7	17,5	24,6	1,1
El.En. (1)	€18,61	€120.176	12%	€13.524	11%	€359.126	€277.582	1,4	12,1	9,4	2,1
									23,1 (**)		

(1) EV and multiples as for previous slide

(*) Revenue, Ebit and earnings annualized

(**) w/o one time income



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