

We laser your world



COMPANY PRESENTATION

9M 2016 FINANCIAL RESULTS

www.elengroup.com

INTERMONTE

Nov. 23rd 2016

Disclaimer



Certain statements in this slide show, including those addressing the Company's beliefs, plans, objectives, estimates or expectations of possible future results or events, are forward-looking statements. Forward-looking statements involve known or unknown risks, including general economic and business conditions, and conditions in the industry we operate and may be affected should our assumptions turn out to be inaccurate. Consequently, no forward-looking statement can be guaranteed and actual future results, performance, or achievements may vary materially from those expressed or implied by such forward-looking statements. The Company undertakes no obligation about the contents nor to update the forward-looking statements to reflect events or circumstances that may arise after the date hereof.



Summary

1. LASER: APPLICATIONS AND MARKETS
2. EL.EN. GROUP
3. 9 MONTHS 2016 FINANCIAL RESULTS
4. 2016 TARGETS
5. EL.EN. STOCK, MULTIPLES & COMPARABLES

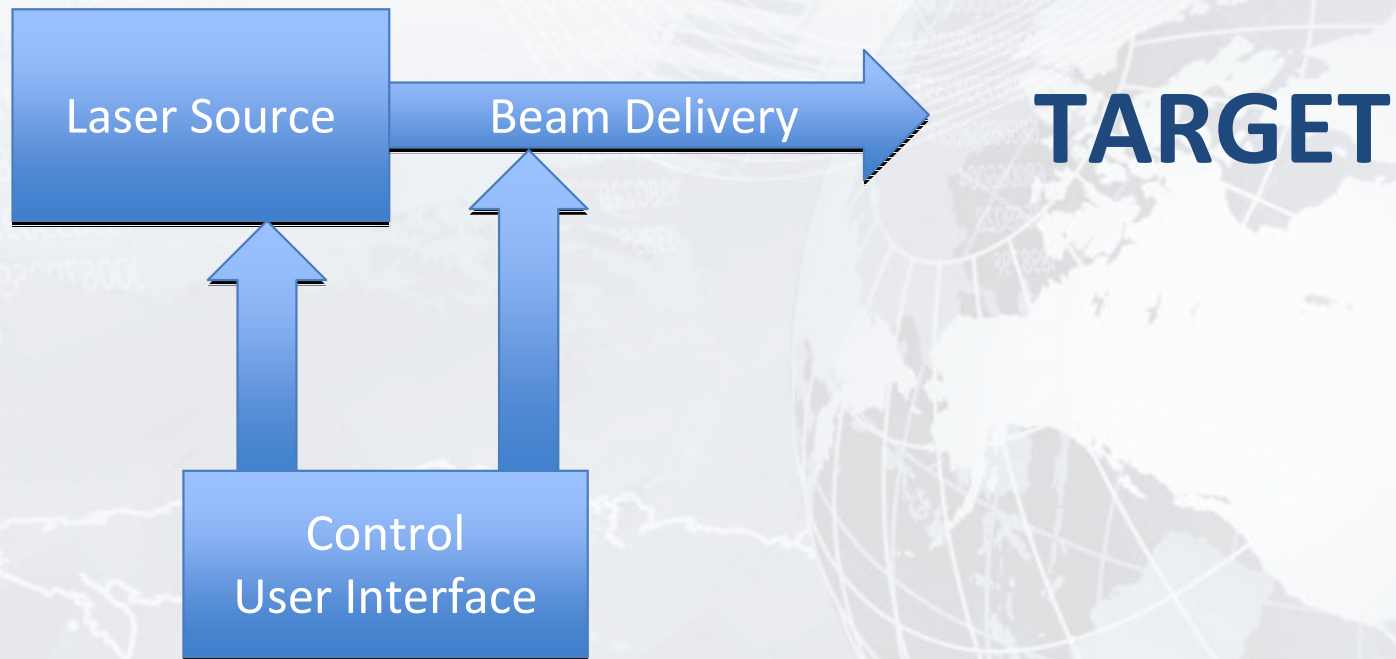


Laser: Applications and Markets

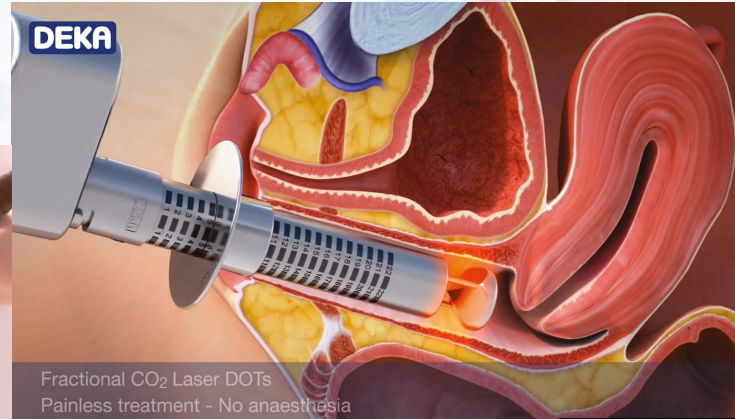


LASER

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



Medical and Aest. Applications



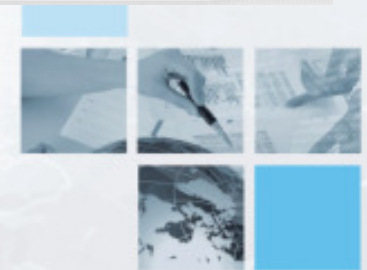
Industrial lasers applications



Surgical Laser systems



Cyber Tm for BPH



Aesthetic Laser systems

Discovery Pico



Quanta System
DNA Laser Technology



Motus AX

Mediostar



Asclepion
Laser Technologies

esthelogue
dentro la bellezza vera

Industrial Laser systems

CUTLITE PENTA
LASER PROCESSING SOLUTIONS

OT-LAS
Laser Solutions



PENTA CHUTIAN

The MEDICAL Laser Market



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

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



Source: BCC research

The INDUSTRIAL Laser Market

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

By Value

			CAGR (%)	
	2016	2020	2013-2016	2016-2020
Cutting	3.014	3.965	7,8	7,1
Welding and Brazing	1.605	2.231	8,7	8,6
Surface treatment and Other	63	86	8,3	8,1
Total	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 on a global basis laser sources and laser systems for medical and industrial applications

Know-how based on 35 years stratification of multidisciplinary experience

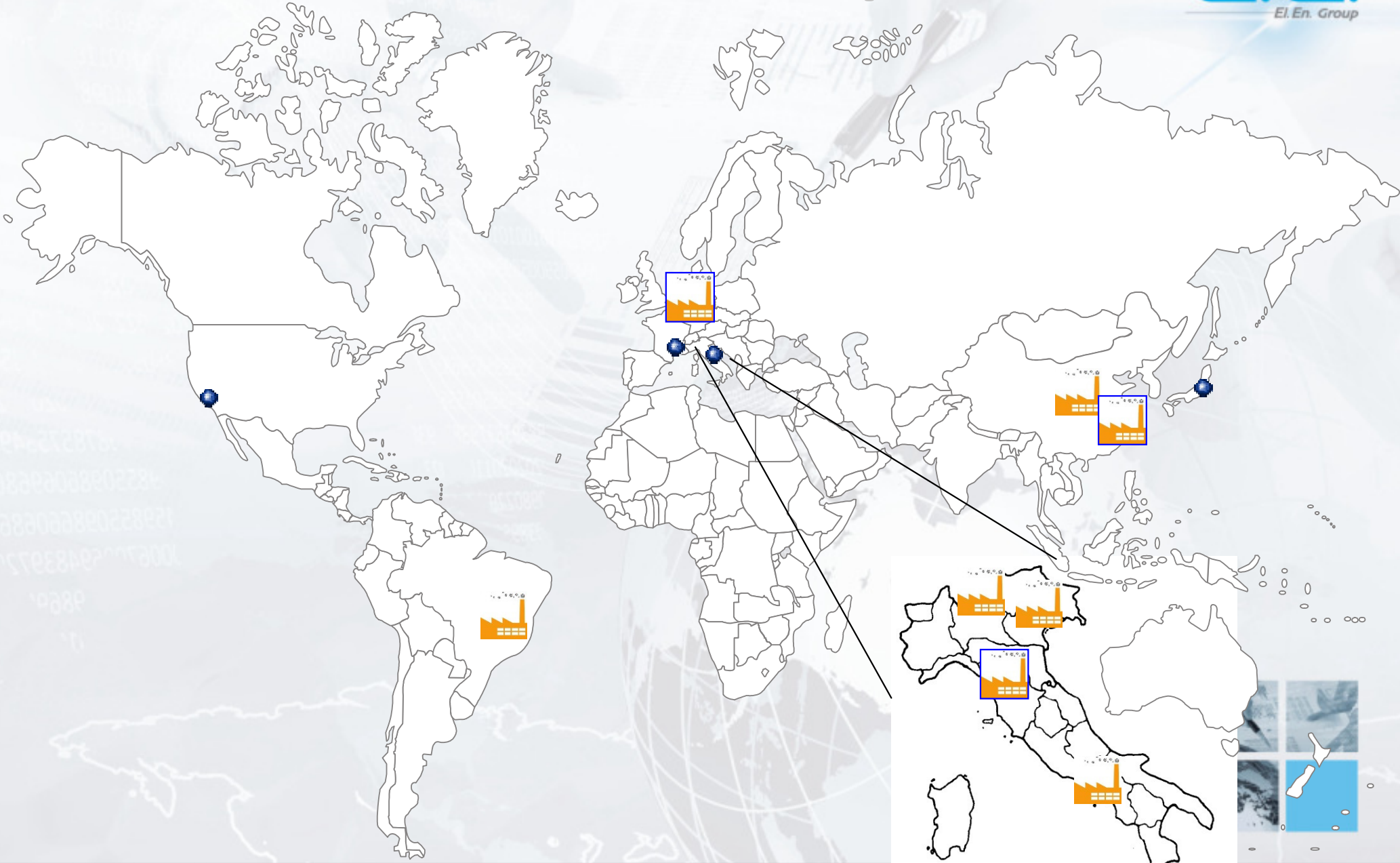
FY 2015: Consolidated Revenue at €218 mln, up 21% YoY

9M 2016: Consolidated Revenue at €180 mln, up 15% YoY

1060 employees



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 focusing on application

✓ Medical

✓ Technological and clinical innovation improving performances and broadening the application scope of our laser systems

✓ New applications

✓ Improved efficacy and effectiveness of current applications

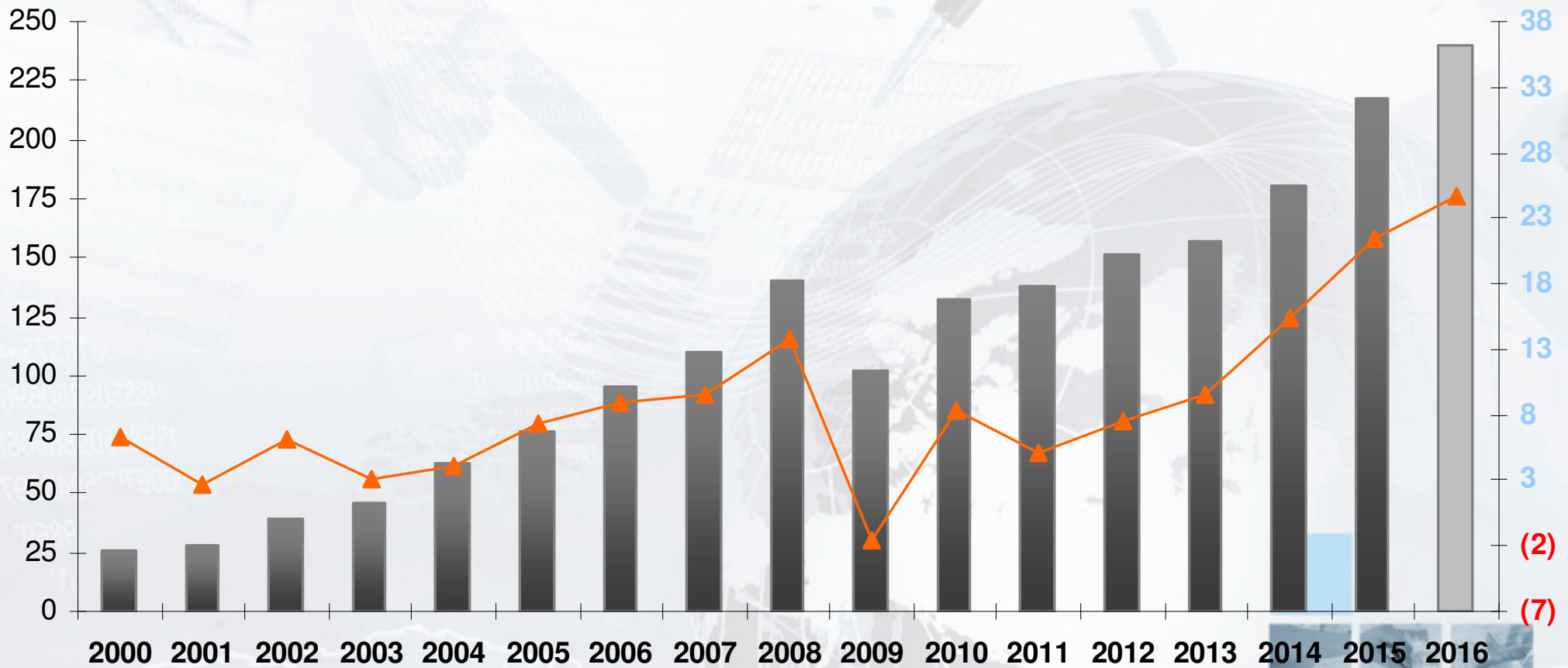
✓ Leverage worldwide distribution with multi brand approach



Consolidated Revenues and EBIT

SALES

EBIT



(E)

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

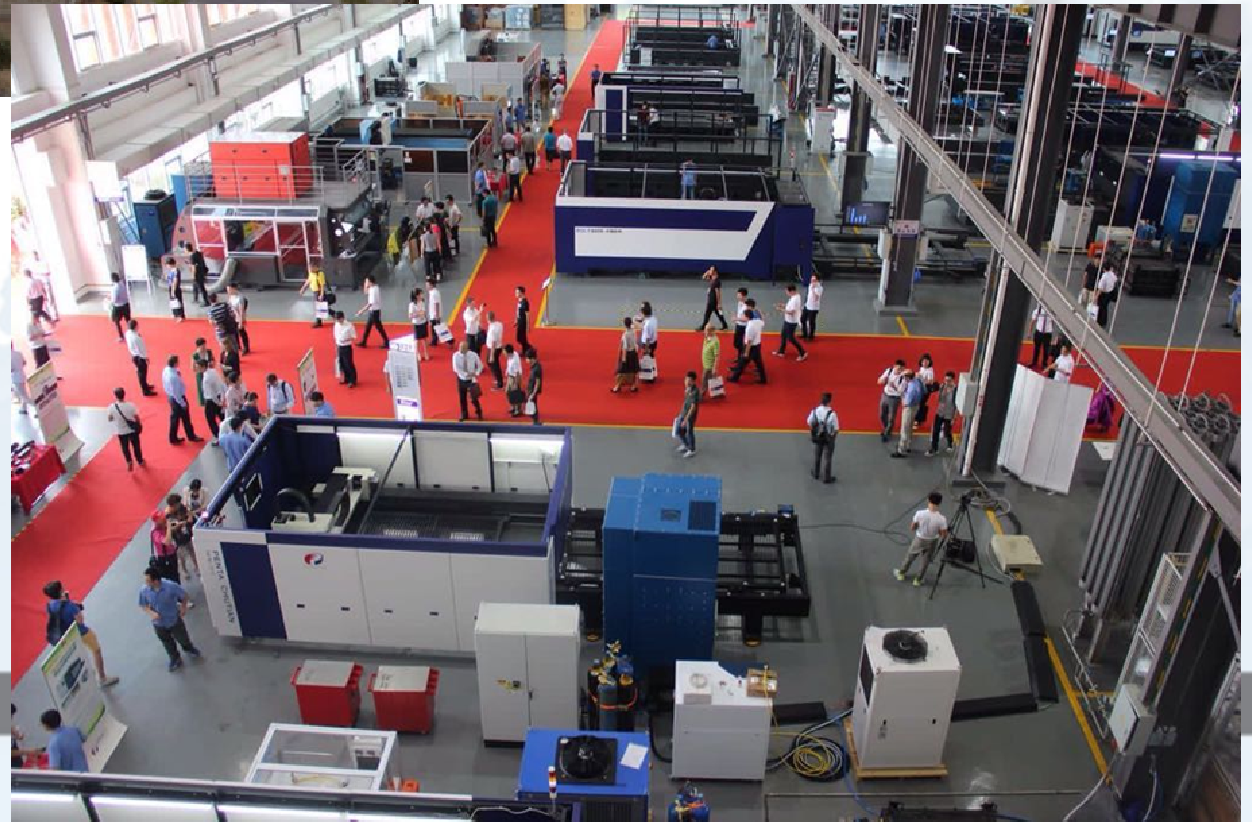
Innovative applications for mid power laser systems



New factory in Samarate.....



...and in Wenzhou (PRC)





9 Months 2016 Financial Results



Consolidated P&L – 9 MONTHS



Euro/000	30/09/15		30/09/16		Var.%
Revenues	156.006	100,0%	179.565	100,0%	15,1%
Gross margin	70.236	45,0%	78.623	43,8%	11,9%
Operating Expenses	20.789	13,3%	22.875	12,7%	10,0%
Staff expenses	30.136	19,3%	32.785	18,3%	8,8%
EBITDA	19.310	12,4%	22.962	12,8%	18,9%
Depr., amort., accruals	3.117	2,0%	3.193	1,8%	2,4%
EBIT	16.193	10,4%	19.769	11,0%	22,1%
Net financ.income(charges)	881	0,6%	(675)	-0,4%	
Other income (expense) net	117	0,1%	22.933	12,8%	19444,0%
EBT	17.191	11,0%	42.027	23,4%	144,5%

Consolidated P&L – Q3



Euro/000	Q3-15		Q3-16		Var.%
Revenues	49.122	100,0%	59.389	100,0%	20,9%
Gross margin	22.159	45,1%	25.358	42,7%	14,4%
Operating Expenses	6.147	12,5%	7.429	12,5%	20,9%
Staff expenses	9.231	18,8%	10.534	17,7%	14,1%
EBITDA	6.781	13,8%	7.395	12,5%	9,1%
Depr., amort., accruals	962	2,0%	1.150	1,9%	19,5%
EBIT	5.819	11,8%	6.246	10,5%	7,3%
Net financ.income(charges)	(341)	-0,7%	(211)	-0,4%	-38,1%
Other income (expense) net	18	0,0%	13	0,0%	-27,4%
EBT	5.496	11,2%	6.048	10,2%	10,0%

Net financial position and Capex



Euro '000 31/12/15 30/09/16

Net financial position : 29.815 72.222

Financial invest. m/l term: 10.643 10.798

Dividend paid

6.384

Proceeds from Cyno shares sale

39.880

Euro '000 30/09/15 30/09/16 Q3/16

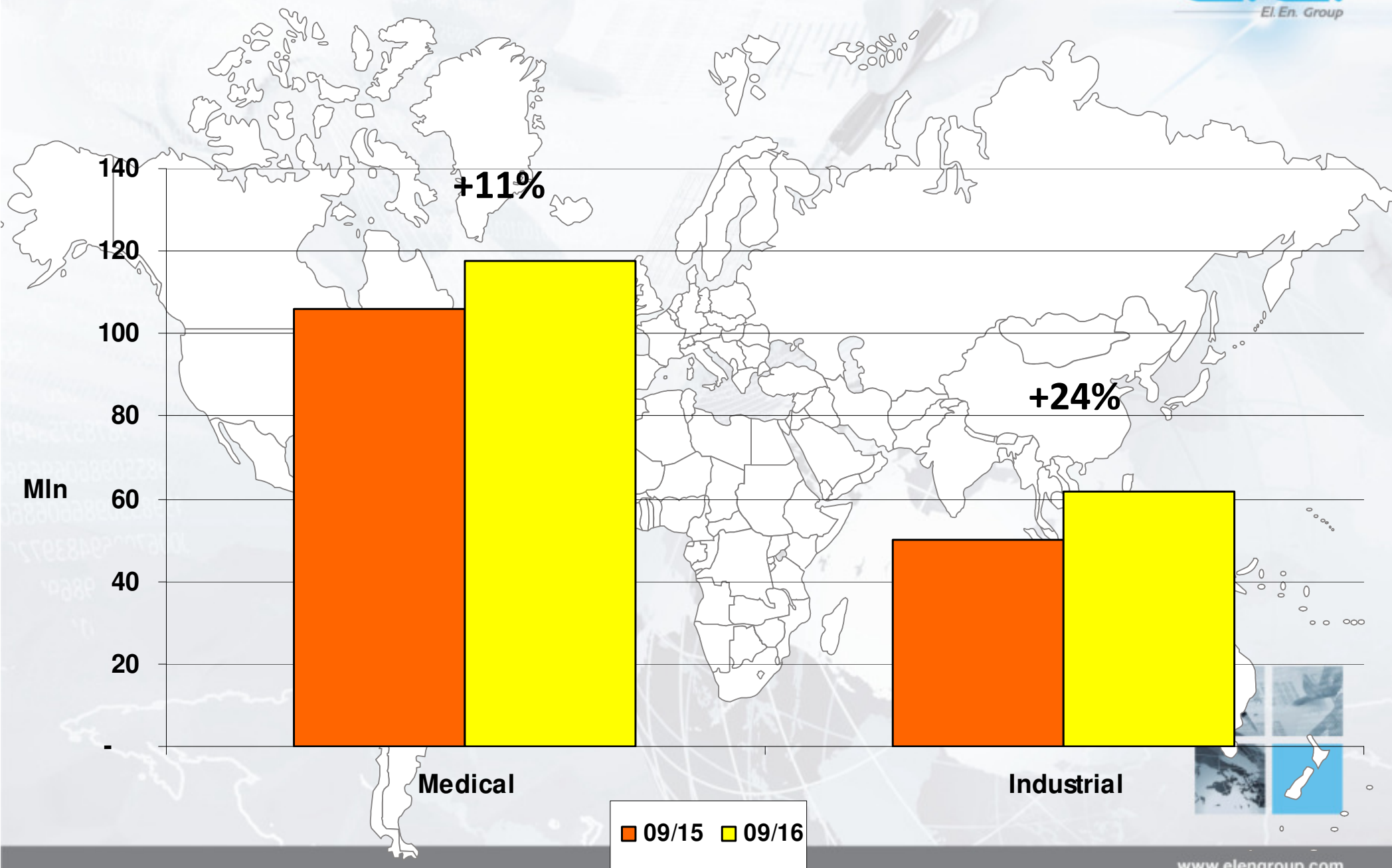
Capex 4.934 9.552 5.042

Buildings, lands & plants 3.100 8.100 4.600

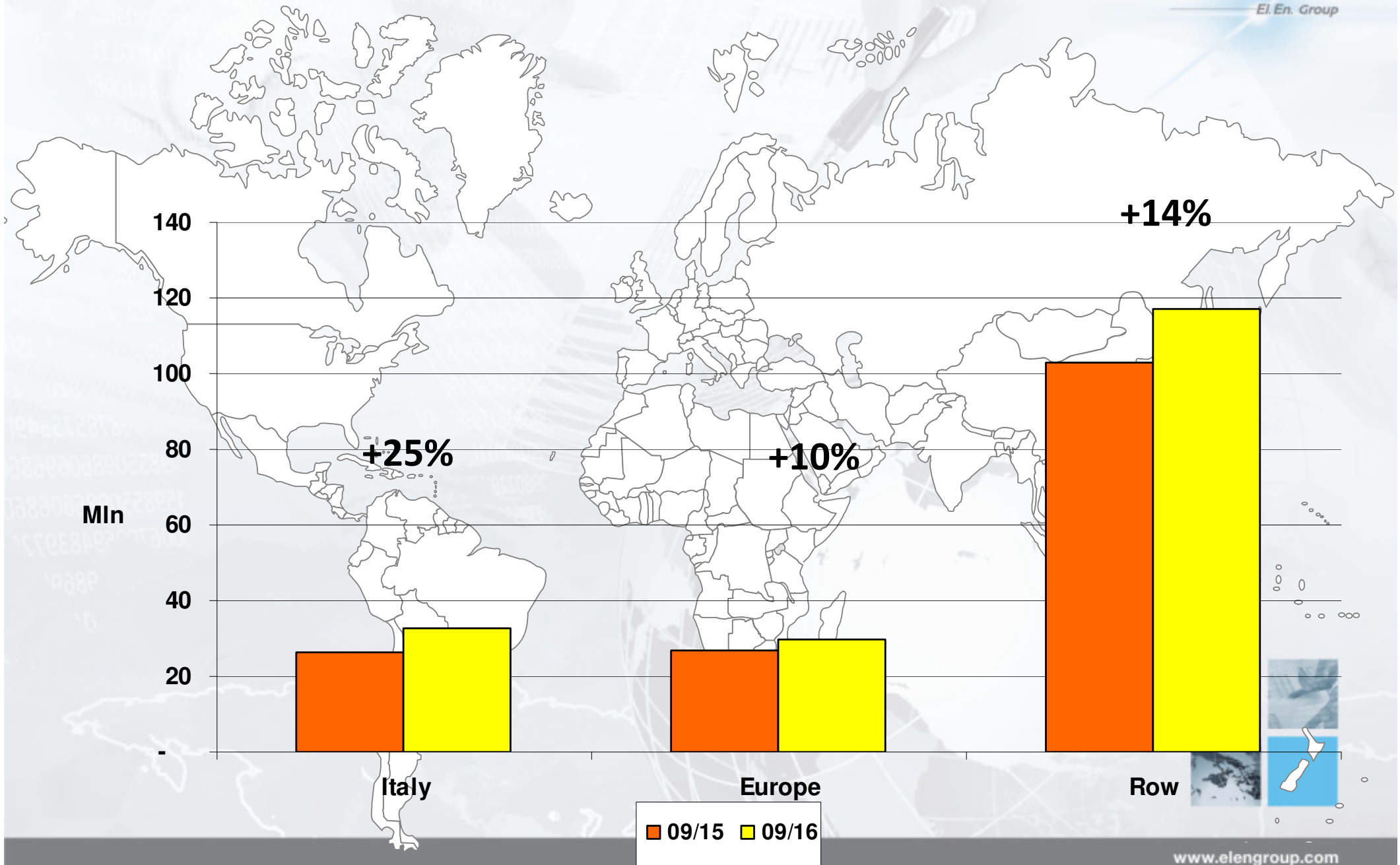
Others 1.834 1.452 442



Breakdown by Business



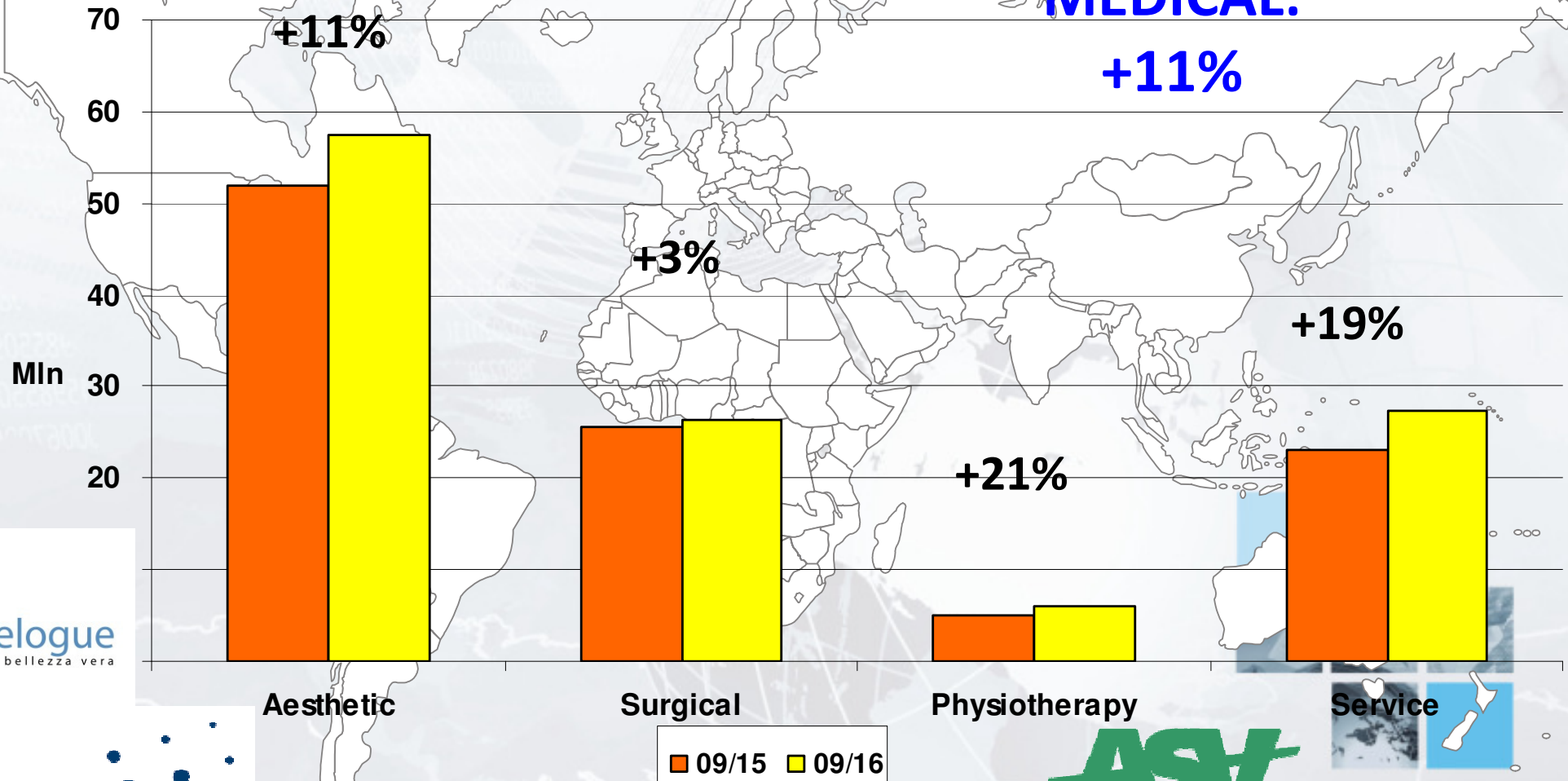
Breakdown by Area



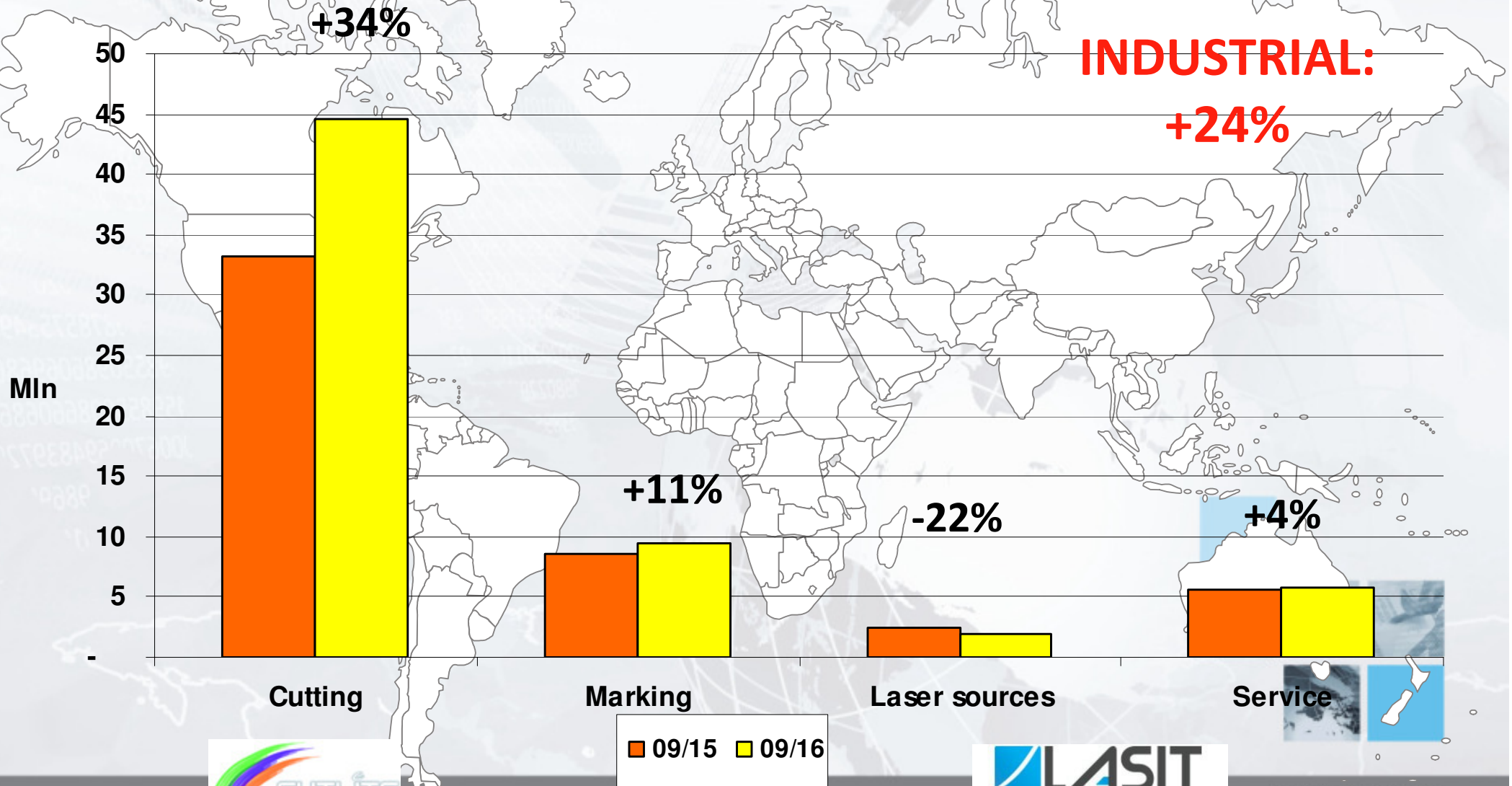
Medical Lasers Business



Quanta System
DNA Laser Technology



Industrial Lasers Business



2016 Targets



2016 Guidance

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

EBIT 2016 = EBIT 2015 +15% -> €25 mln

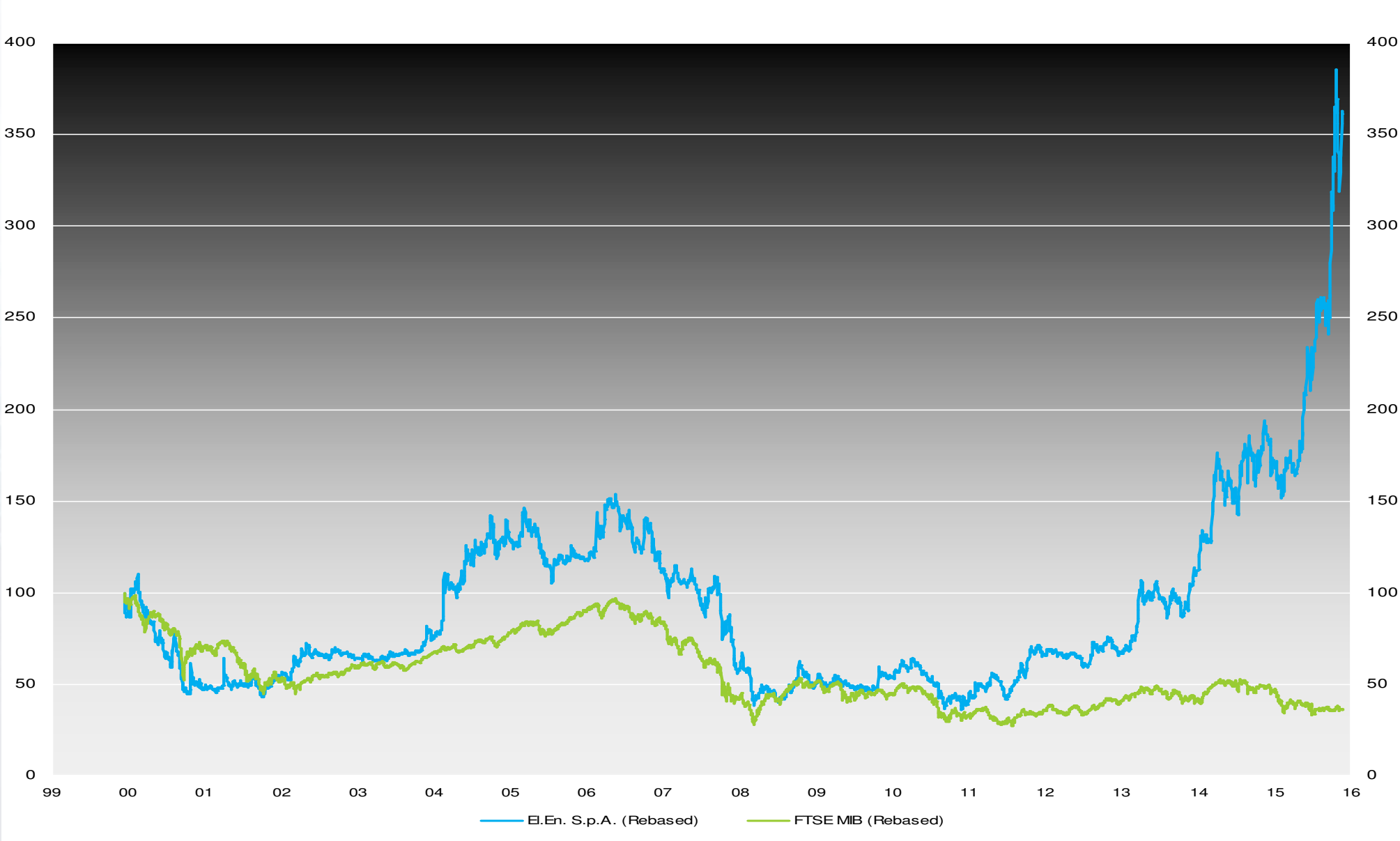




El.En. Stock, Multiples & Comparables



El.En. Stock



El.En. Multiples

Stockholder's Equity per share

9

Price / Book Value Adj.

2,3

EV / EBIT (85% EBIT)

14,6

EV / Sales (85% Sales)

1,6

El.En. Market Cap.

410,1 @ € 21,25

Net financial position

72,2 @ 30/09/16

Financial investments m/l term

10,8 @ 30/09/16

Enterprise Value

327,1



El.En. Comparables



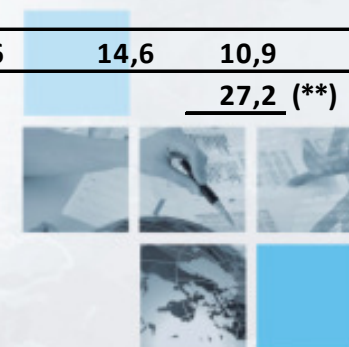
Sept. 30th, 2016

	Price	Revenue	Var.% Revenue	EBIT	EBIT %	MK.Cap.	EV	EV/Sales (*)	EV/EBIT (*)	P/E (*)	P/Book Value
Medical/Aesthetic											
Syneron	\$7,90	\$215.210	8%	\$3.002	1%	\$270.700	\$187.805	0,7	46,9	188,0	1,3
Zeltiq	\$42,77	\$249.091	41%	\$(3.034)	-1%	\$1.760.000	\$1.698.552	5,1	n.a.	n.a.	14,4
Cutera	\$14,70	\$80.181	24%	\$(2.048)	-3%	\$199.890	\$153.507	1,4	n.a.	n.a.	3,8
Biolase	\$1,71	\$38.049	12%	\$(10.848)	-29%	\$124.980	\$112.111	2,2	n.a.	n.a.	4,8
Cynosure	\$43,65	\$311.393	31%	\$23.113	7%	\$1.080.000	\$883.668	2,1	28,7	60,7	2,4
Industrial											
IPG Photonics Co.	\$96,08	\$726.052	7%	\$259.113	36%	\$5.150.000	\$4.380.660	4,5	12,7	20,8	3,4
Prima Industrie	€14,09	€274.536	6%	€12.316	4%	€146.140	€268.392	0,7	16,3	19,5	1,1
El.En. (1)	€21,25	€179.565	15%	€19.769	11%	€410.071	€327.051	1,6	14,6	10,9	2,3
											27,2 (**)

(1) EV and multiples as for previous slide

(*) Revenue, Ebit and earnings annualized

(**) w/o one time income



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