



COMPANY PRESENTATION



Industrial and Medical Laser Solutions

Frankfurt, 25.01.2017

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



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El.En. Group

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LASER: Applications & Markets

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9 months 2016 financial results

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2016 targets

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El.En. stock, multiples & comparables

1- E1.En. Group

HISTORY



1981

El.En.
established
in Florence

2000

El.En. IPO

2002
2004

Acquisition of:
Cynosure,
Asclepion,
Quanta, ASA

2005

Cynosure listed
on the Nasdaq

2007

WH Penta Chutian
established in
in PRC

2016

Exit from
Cynosure

1998

Smartepil

2006

Smartlipo

2014

Monalisa

5

GROUP OVERVIEW



Hi-Tech company

Hi-Tech industrial group active in opto-electronics with proprietary technology and know how developed over 35 years

International Group

More than 30 companies active worldwide in complementary markets and application segments. Listed on the Milan Stock Exchange

Among the leaders in the global market

Progressively widening its worldwide presence registered continuous growth over the years

Worldwide distribution network

1060 employees worldwide, more than 40,000 laser sources sold

FY 2015

Consolidated Revenue at €218 mln, up 21% YoY

9M 2016

Consolidated Revenue at €180 mln, up 15% YoY

DIVISION

El.En. designs, manufactures and sells worldwide:
MEDICAL laser devices – INDUSTRIAL laser solutions – laser systems for CONSERVATION OF
THE CULTURAL HERITAGE



EL. EN. WORLDWIDE



STRATEGIC STRENGTHS

MULTIDISCIPLINARY AND MULTIFACILITY R&D ACTIVITY: SOURCES – SYSTEMS - APPLICATIONS

INDUSTRIAL

Combine High tech laser source development with flexible production facilities focusing on applications

MEDICAL

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

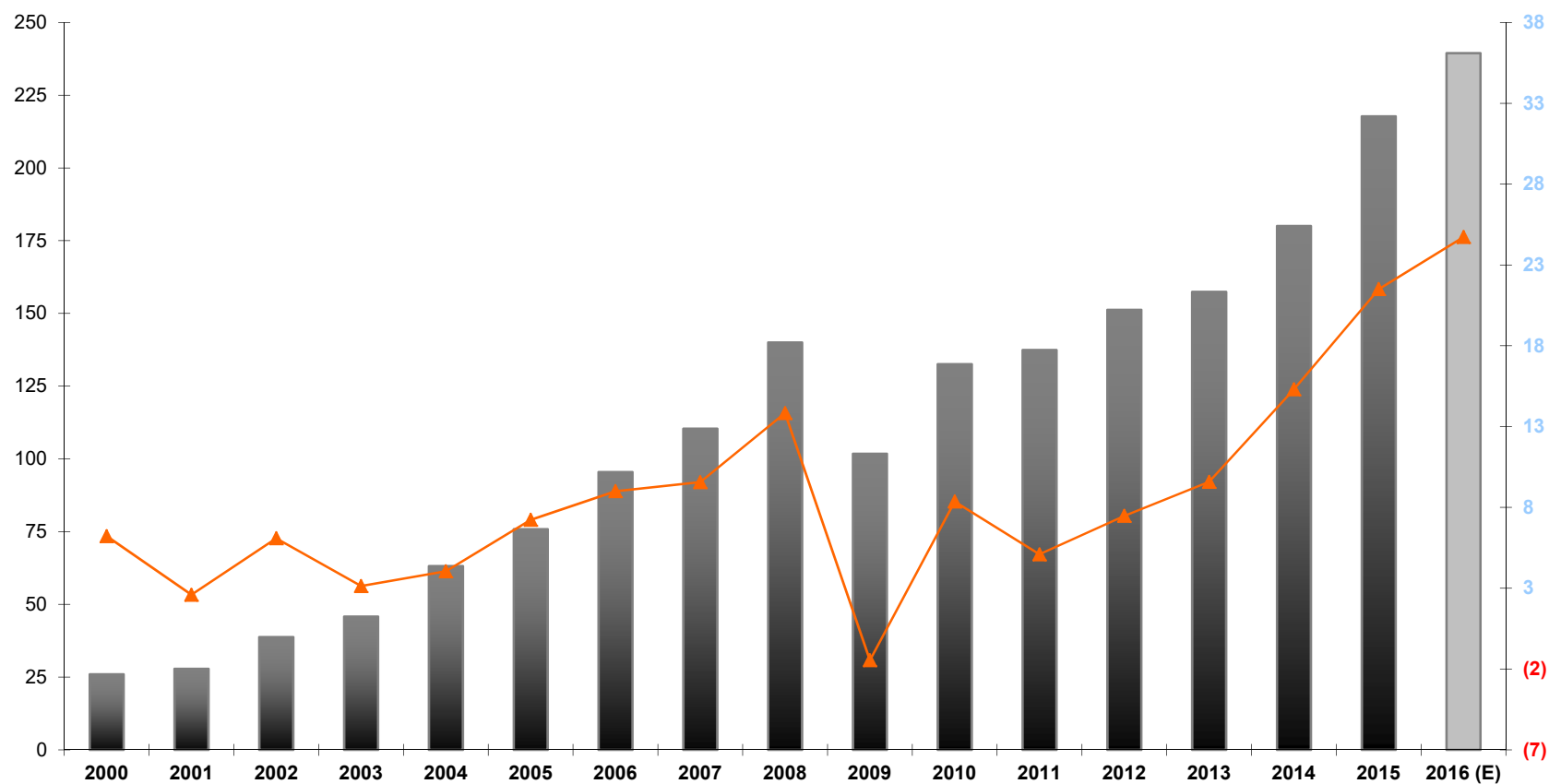
- ✓ New applications
- ✓ Improved efficacy and effectiveness of current applications

Leverage worldwide distribution with multi brand approach

CONSOLIDATED REVENUE AND EBIT

SALES

EBIT



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
- High power metal cutting laser systems

NEW FACTORY IN SAMARATE

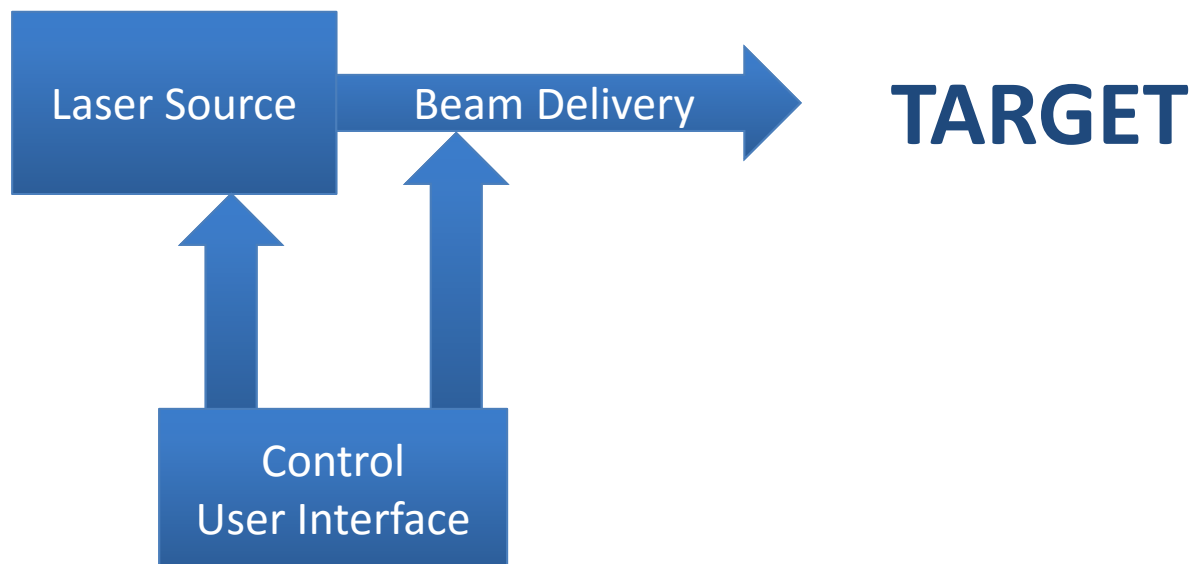


...AND IN WENZHOU (PRC)



2-Laser: Applications and Markets

Light Amplification by Stimulated Emission of Radiation



MEDICAL APPLICATIONS

DEKA

Quanta System Q1

Asclepion



SURGICAL LASER SYSTEMS



MonaLisa Touch



The Code of Excellence



AESTHETIC APPLICATIONS

DEKA

Quanta System Q1

esthelogue

Asclepion



AESTHETIC LASER SYSTEMS



DISCOVERY PICO



MEDIOSTAR



MOTUS AX



Quanta System Q1
LASER IN OUR DNA



The Code of Excellence



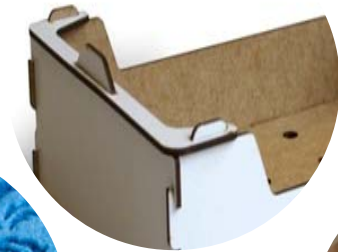
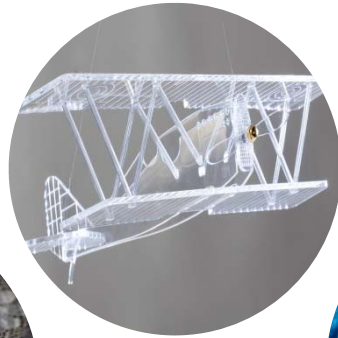
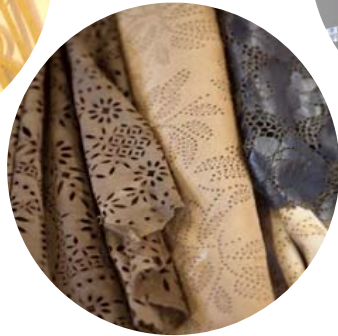
THE MEDICAL LASER MARKET

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

INDUSTRIAL LASERS APPLICATIONS



AUTOMOTIVE
LABELING
DIGITAL CONVERTING
PACKAGING
EASY OPENING
DECORATION

INDUSTRIAL CO₂ LASER SOURCES



RF177



LASER CUTTING

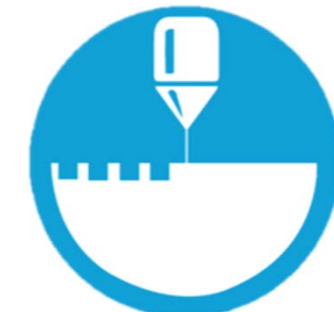


LASER KISS-CUTTING

RF888



LASER MARKING

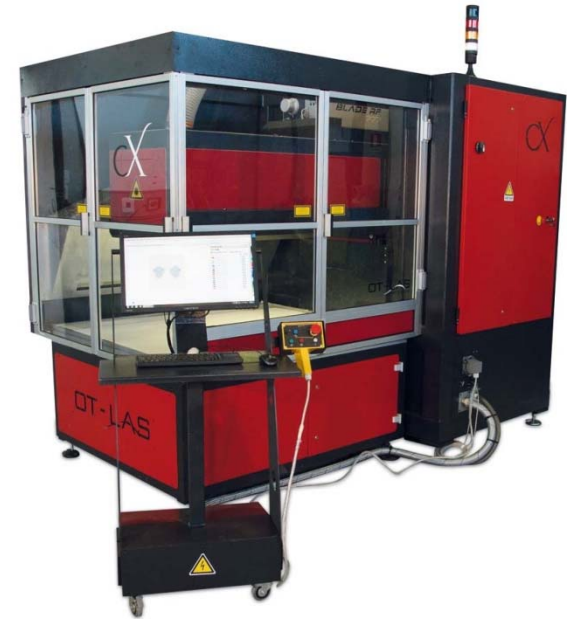


LASER DRILLING

INDUSTRIAL LASER SYSTEMS



CUTLITE PENTA
LASER PROCESSING SOLUTIONS
OT-LAS



 **PENTA CHUTIAN**

 **E.E. Group**

THE INDUSTRIAL LASER MARKET

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

By Value

	2016	2020	CAGR (%)	
			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



3- 9 MONTHS 2016 FINANCIAL RESULTS

CONSOLIDATED P&L – 9 MONTHS

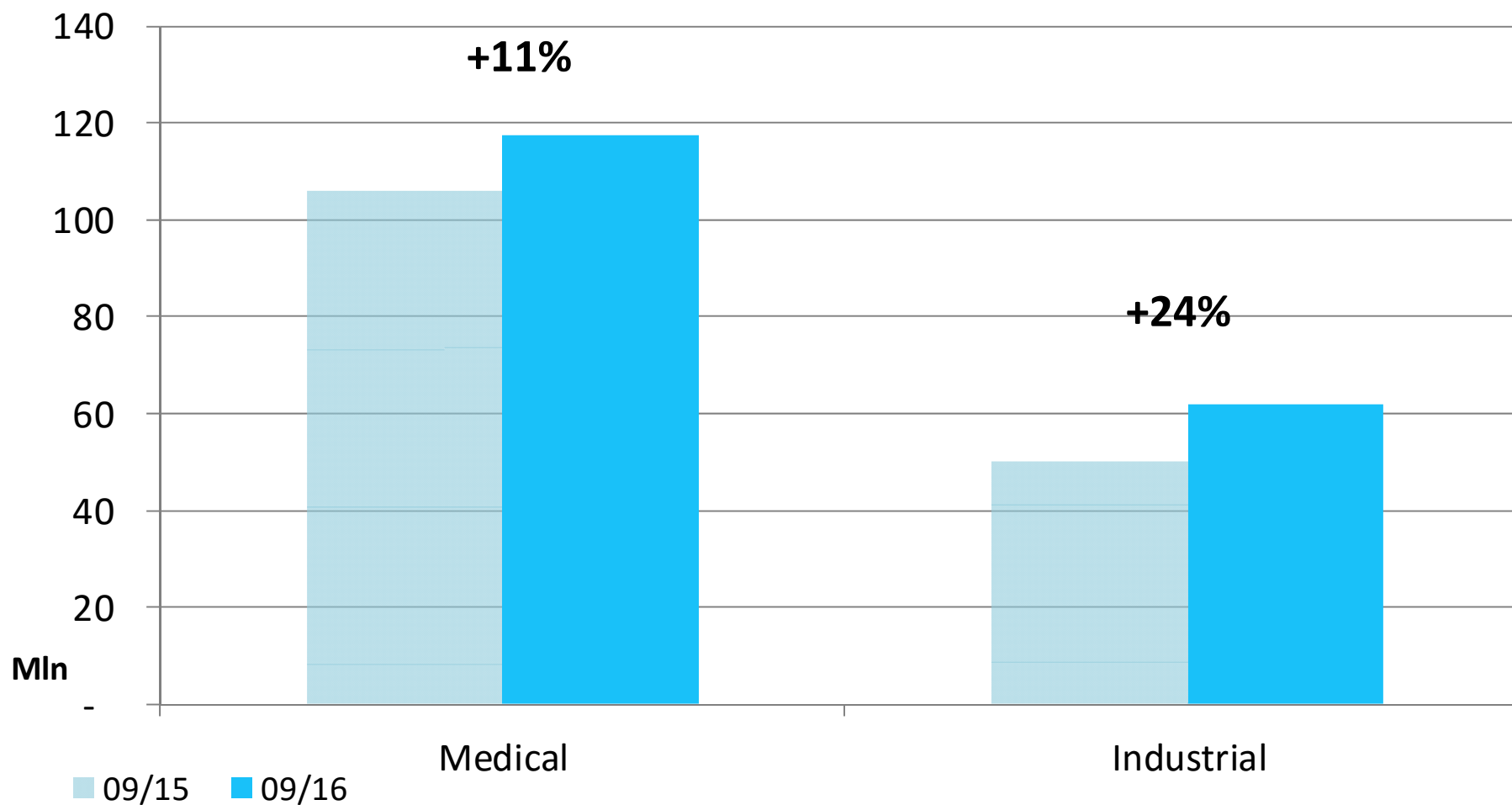
Euro/000	30/09/15		30/09/16		Var.%
Revenues	156.006	100,0%	179.565	100,0%	15,1%
Gross margin	70.236	45,0%	78.623	43,8%	11,9%
Operating Expenses	20.789	13,3%	22.875	12,7%	10,0%
Staff expenses	30.136	19,3%	32.785	18,3%	8,8%
EBITDA	19.310	12,4%	22.962	12,8%	18,9%
Depr., amort., accruals	3.117	2,0%	3.193	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%

NET FINANCIAL POSITION AND CAPEX

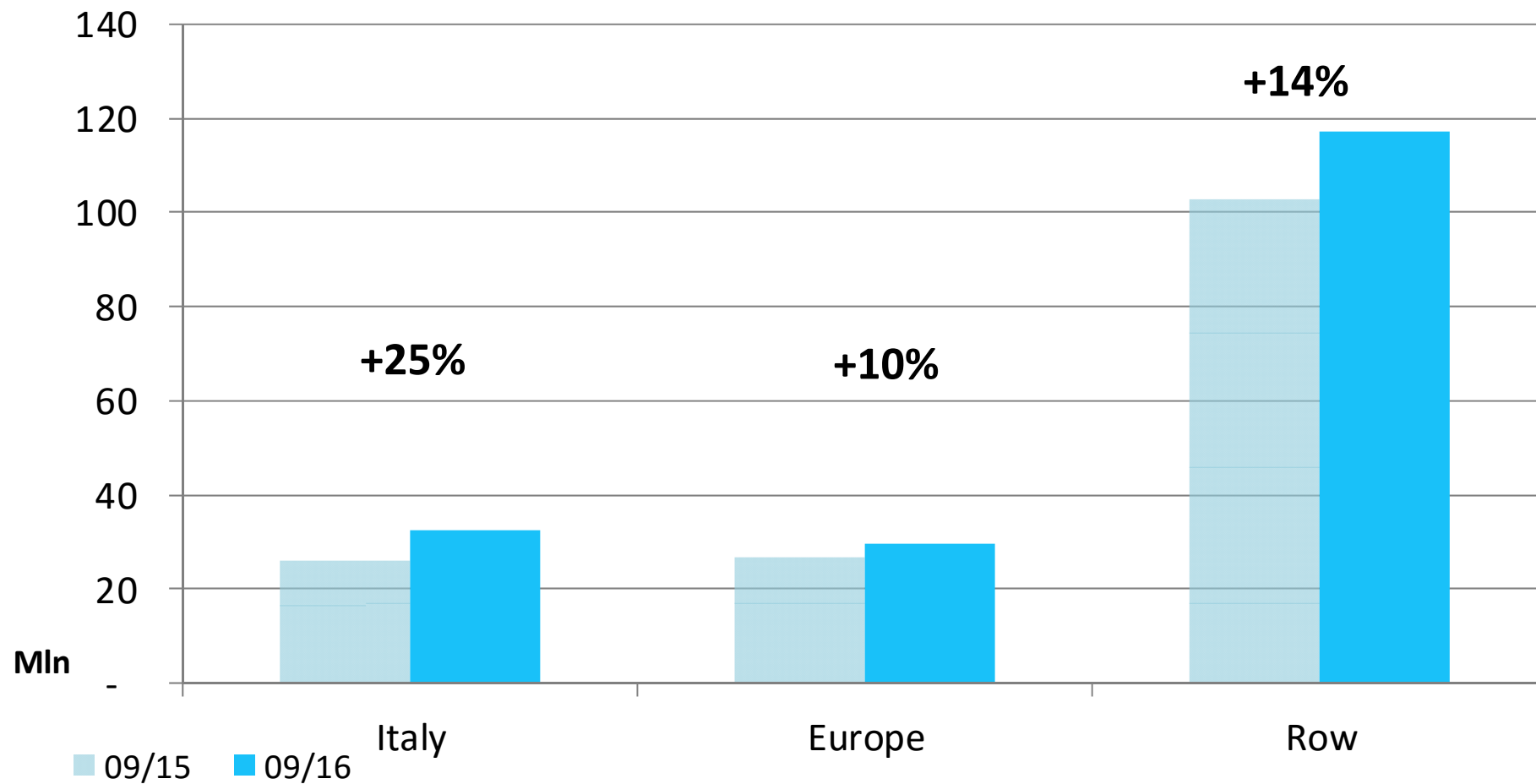
	Euro '000	31/12/15	30/09/16
Net financial position :		29.815	72.222
Financial invest. m/l term:		10.643	10.798
Dividend paid			6.384
Proceeds from Cyno shares sale			39.880

	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

REVENUE BREAKDOWN BY BUSINESS

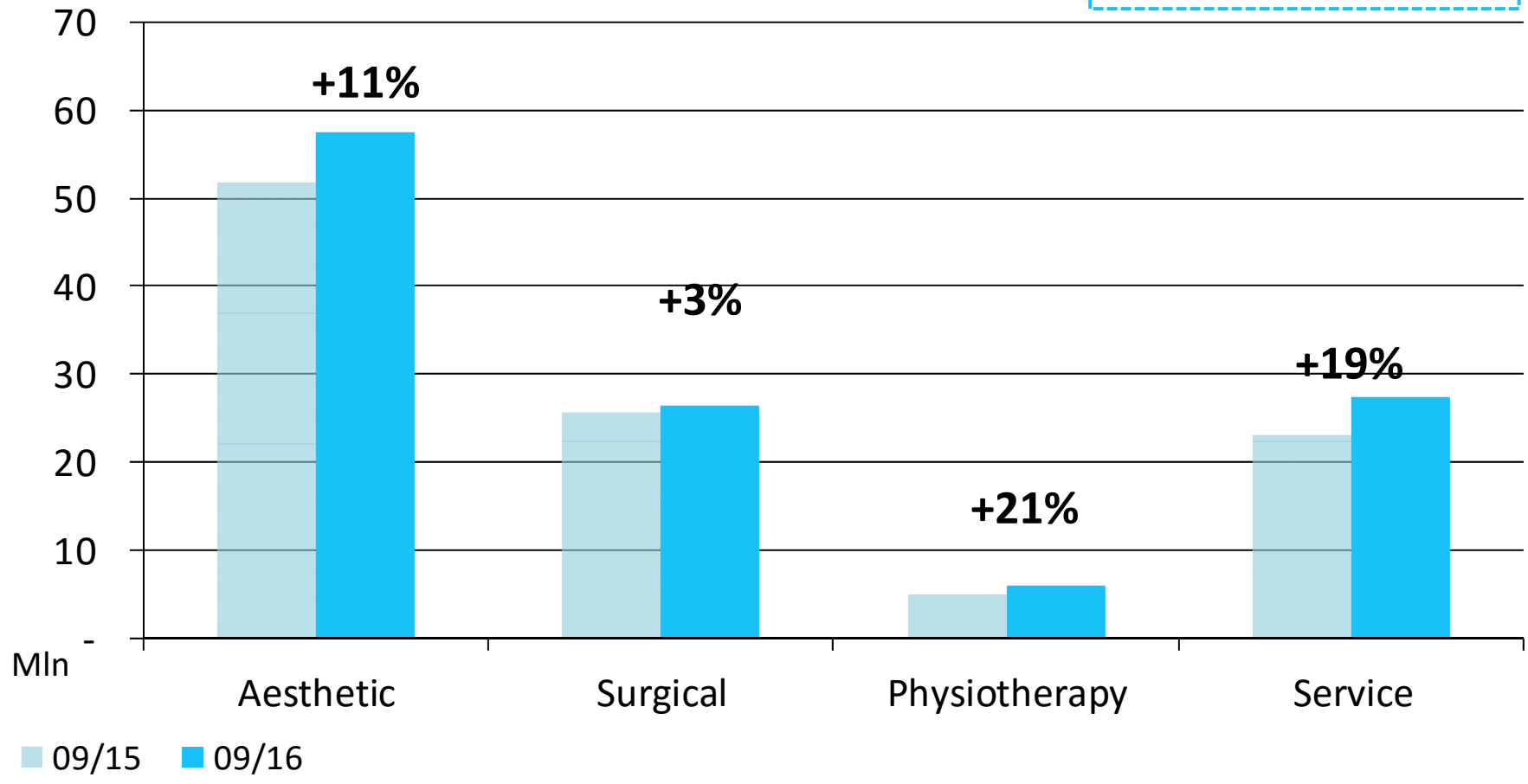


REVENUE BREAKDOWN BY AREA



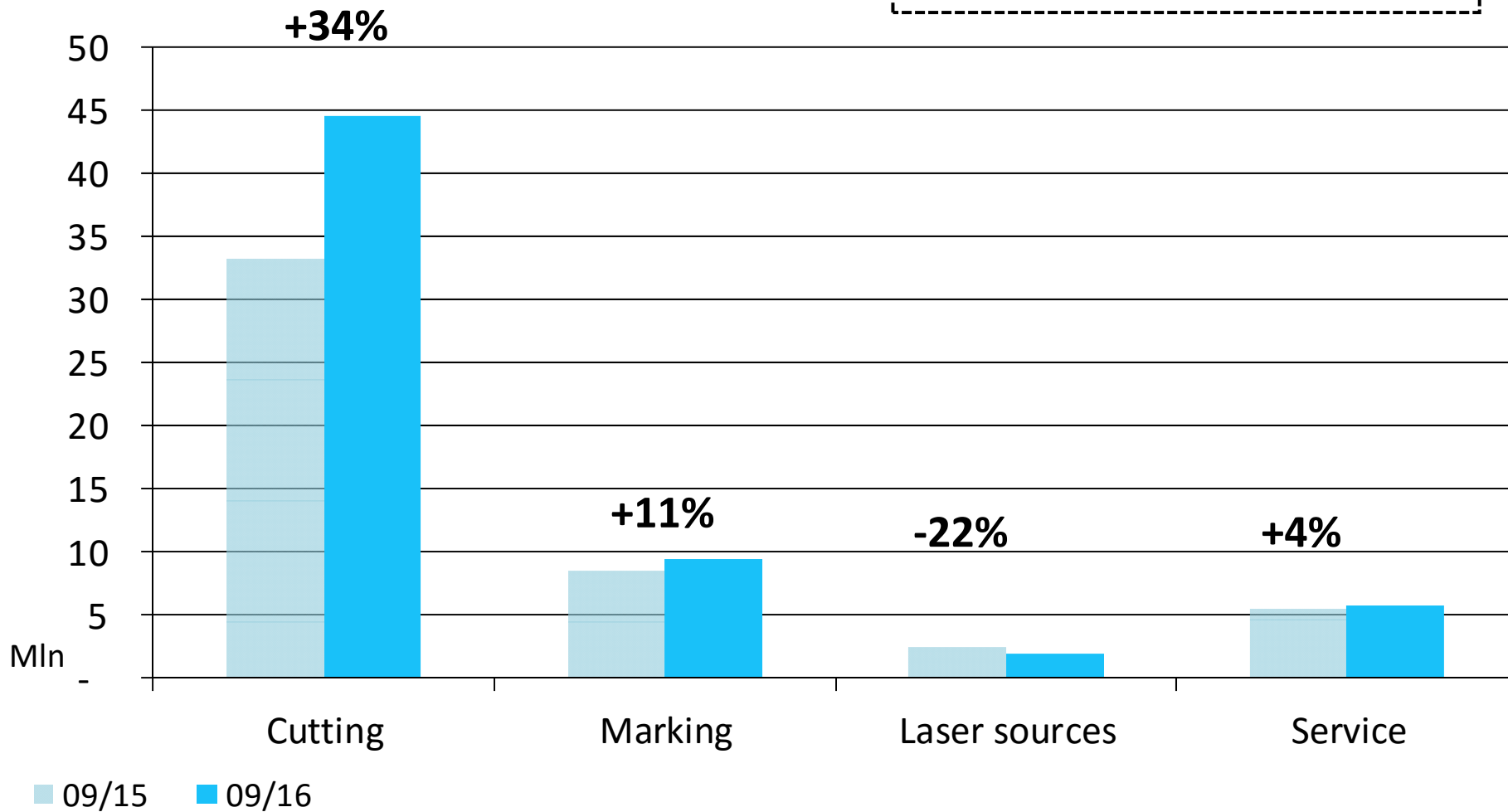
MEDICAL LASERS BUSINESS REVENUE

MEDICAL: +11%



INDUSTRIAL LASERS BUSINESS REVENUE

INDUSTRIAL: +24%



4- 2016 TARGETS

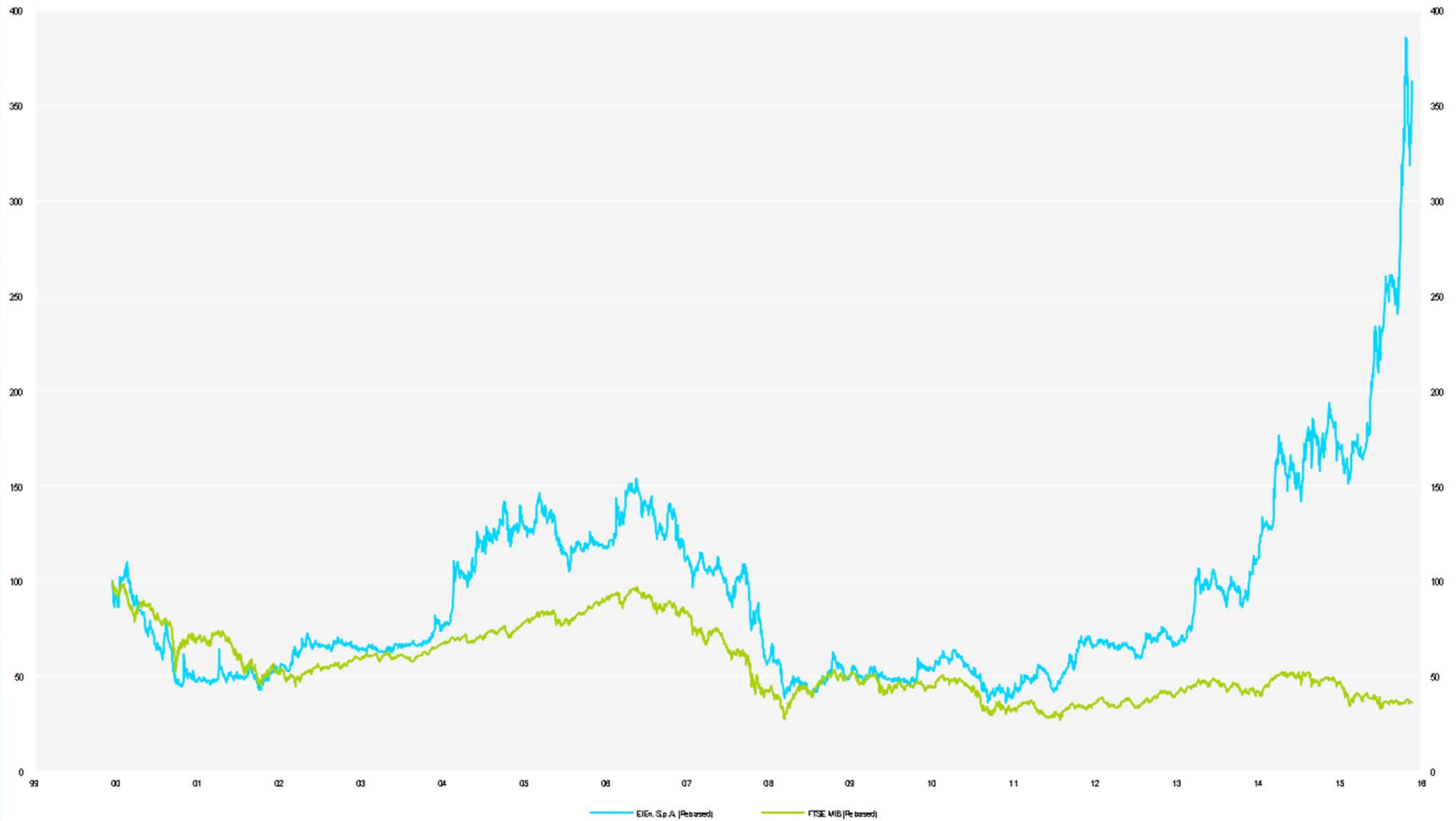
2016 GUIDANCE

Sales 2016 = **+10%** -> €239 mln

EBIT 2016 = **+15%** -> €25 mln

5- EL.EN. STOCK, MULTIPLES & COMPARABLES

EL.EN. STOCK



EL.EN. MULTIPLES

Stockholder's Equity per share	9
Price / Book Value Adj.	2,6
EV /EBIT (85% EBIT)	16,4
EV / Sales (85% Sales)	1,8

El.En. Market Cap.	450,4 @ € 23,34
Net financial position	72,2 @ 30/09/16
Financial investments m/l term	10,8 @ 30/09/16
Enterprise Value	367,4

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	\$8,60	\$215.210	8%	\$3.002	1%	\$290.080	\$207.185	0,7	51,8	201,4	1,4
Zeltiq	\$40,89	\$249.091	41%	\$(3.034)	-1%	\$1.610.000	\$1.548.552	4,7	n.a.	n.a.	13,2
Cutera	\$18,75	\$80.181	24%	\$(2.048)	-3%	\$244.200	\$197.817	1,9	n.a.	n.a.	4,7
Biolase	\$1,55	\$38.049	12%	\$(10.848)	-29%	\$105.430	\$92.561	1,8	n.a.	n.a.	4,0
Cynosure	\$43,75	\$311.393	31%	\$23.113	7%	\$1.040.000	\$843.668	2,0	27,4	58,4	2,3
Industrial											
IPG Photonics Co.	\$100,83	\$726.052	7%	\$259.113	36%	\$5.330.000	\$4.560.660	4,7	13,2	21,5	3,5
Prima Industrie	\$17,14	\$274.536	6%	\$12.316	4%	\$179.680	\$301.932	0,8	18,4	24,0	1,4
El.En. (1)	\$23,34	\$179.565	15%	\$19.769	11%	\$450.403	\$367.383	1,8	16,4	12,0	2,6
										<u>29,9 (**)</u>	

(1) EV and multiples as for previous slide

(*) Revenue, Ebit and earnings annualized

(**) w/o one time income

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