



SPAFID CONNECT

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Oggetto : The Bod of El.En. releases the quarterly
financial report as of March 31st, 2017

Testo del comunicato

Vedi allegato.

The Bod of El.En. releases the quarterly financial report as of March 31st, 2017

***1Q 17 confirms the growth trend of the Group
Revenues were 65,0 million di € (up 17,9%)
Revenue growth for 2017 confirmed over 10%***

- **Consolidated revenues : 65,0 million of euro up 17,9% on 55,2 million of euro of 2016**
- **EBITDA: 6,5 million of euro vs. 7,7 million in 2016 down 14,7%**
- **EBIT: 5,5 million of euro vs. 6,7 million of euro in 1Q 2016**
- **Net financial position: positive for 79,2 million of euro, was 82,8 million as of December 31st, 2016**

Florence, May 15th 2017 – The Board of Directors of El.En. Spa , leader on the laser market and listed on the STAR SEGMENT OF THE Italia Stock exchange, released today the quarterly financial report as of March 31st, 2017.

The first quarter of 2017 registered, following 2016's trend, a high growth rate with **consolidated revenues** up to 65,0 million of euro (+ 17,9%) from the 55,0 million of euro of the same period of 2016 and, though with a good EBIT of 5,5 million of euro, it registered a decrease on the record achievement of 6,7 million of euro of the first quarter of 2016.

Also during first quarter of 2017 the El.En. group performed an intense R&D activity for the development of new laser applications and sources, for both the medical and industrial sector, aimed to the launch on the markets of new innovative products.

In the quarter the performance was positive due do the good management of operations and to excellent competitive position of the Group on the European and international markets. Sales growth involved all the reference geographic areas: the most significant growth was registered in Italy with a 28% increase, followed by the European and rest of the world market respectively growing by 18% and 15%. The international markets count for roughly 80% of the consolidated sales, confirming the global positioning of the group.

Revenues maintained a high growth rate mainly for the brilliant development of the activities in the industrial laser applications sector, which is now experiencing a very positive phase leading to a 52% sales growth in the quarter.

Within the industrial sector the laser cutting segment is standing out with a 62% growth, together with the CO₂ laser sources segment registering an even higher growth in a market where the group is one of the few worldwide manufacturers. In the medical sector revenues growth was 2,4% with

an impressive 35% increase in the aesthetics laser segment, and a decrease in the surgical lasers segment, where a recovery is expected hereinafter in 2017.

Gabriele Clementi, President of El.En. Spa said: "We are very pleased of the strong revenue growth of the first quarter, an achievement resulting from the significant investments made by the group in the last years. *We continue to invest, in the development of the Chinese market for industrial applications planning to reinforce the group's position in such an important area, and also in the development of new products*"

Gross Margin for the first quarter was 26.923 thousands of euro, up 6% on the 25.400 thousands of euro as of March 31st, 2016, as an effect of the revenue increase. A decrease in margin on sales was registered, down to 41,4% from 46,0% of the first quarter of 2016, due to a reduction in grants received for R&D activities and to the change in product mix.

EBITDA was positive for 6.539 thousands of euro down 14,7% on the 7.669 thousands of euro as of March 31st, 2016. The decrease in EBITDA, with its impact on sales also decreasing from 13,9% to 10% is due to the decrease in margin on sales, and to staff cost and other expense for operations marking a programmed increase aimed to reinforce the sales organization and the R&D operations in order to maintain sustained growth through product innovation and sales and marketing organizations able to distribute at best our laser systems.

EBIT registered a positive 5.532 thousand of euro balance for the quarter, down from the 6.721 thousand of euro as of March 31ST, 2016. EBIT Margin on sales was 8,5% down from 12,2% of the first quarter of the previous year.

Income before taxes was positive for 5.170 thousand euro down from the 5.813 thousand euro as of March 31st, 2016.

The **Net financial position** of the Group was positive for 79,2 million of euro, it was 82,8 million of euro as of December 31st, 2016.

Outlook for the current year

We confirm that the positioning of the group and the favorable market trend will allow the group to achieve a remarkable sales growth in 2017, also exceeding 10%. Moreover, due to the mix of products sold and to the intensification of certain expenses in light of a future further growth, 2016's EBIT is the target to reach for the year.

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.

As required by Consob, the quarterly report as of March 31st, 2017 will be available for the public at our premises in Calenzano, at Borsa Italiana SpA, on our website www.elengroup.com ("*Investor Relations / Documenti Finanziari / Relazioni e Bilanci / 2017*") and on authorized storage website www.emarketstorage.com from May 15th, 2017.

CONFERENCE CALL

On May 17th, 2017 at 15:00 CET (13:00 GMT) (9:00 ET), EL.EN. Spa will hold a conference call with the financial community, to discuss the financial results of the Group. You can dial the following numbers: from Italy +39 02 8058811, +44 121 2818003 from the UK, the USA +1 718 7058794. Before the conference call, you can download the presentation slides from the Investor Relations page of the EL.EN. website : <http://www.elengroup.com/it/investor-relations/presentazioni>

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 41% and its market capitalization amounts to Euro 530 million.

Cod. ISIN: IT0005188336
Sigla: ELN
Listed on MTA
Mkt cap.: 530 million of euro
Cod. Reuters: ELN.MI
Cod. Bloomberg: ELN IM

For further information:

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Tab. 1 – El.En. Group Profit and Loss account on March 31st , 2017 (unaudited)

Income Statement	31/03/2017	Inc %	31/03/2016	Inc %	Var. %
Revenues	65.107	100,0%	55.231	100,0%	17,88%
Change in inventory of finished goods and WIP	4.379	6,7%	784	1,4%	458,35%
Other revenues and income	544	0,8%	744	1,3%	-26,87%
Value of production	70.030	107,6%	56.758	102,8%	23,38%
Purchase of raw materials	38.625	59,3%	27.356	49,5%	41,19%
Change in inventory of raw material	(703)	-1,1%	(434)	-0,8%	61,93%
Other direct services	5.185	8,0%	4.436	8,0%	16,90%
Gross margin	26.923	41,4%	25.400	46,0%	5,99%
Other operating services and charges	8.122	12,5%	7.296	13,2%	11,32%
Added value	18.801	28,9%	18.104	32,8%	3,85%
Staff cost	12.261	18,8%	10.434	18,9%	17,51%
EBITDA	6.539	10,0%	7.669	13,9%	-14,73%
Depreciation, amortization and other accruals	1.008	1,5%	949	1,7%	6,25%
EBIT	5.532	8,5%	6.721	12,2%	-17,70%
Net financial income (charges)	(345)	-0,5%	(811)	-1,5%	-57,51%
Share of profit of associated companies	(17)	0,0%	(96)	-0,2%	-82,18%
Other net income (charges)	0	0,0%	0	0,0%	
Income (loss) before taxes	5.170	7,9%	5.813	10,5%	-11,07%

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.0481-26

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