

# COMPANY PRESENTATION

We Laser your World



Industrial and Medical Laser Solutions

STAR CONFERENCE 2017, LONDON Oct. 9/10th , 2017

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*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.*

# AGENDA



- 1 The El.En. Group
- 2 Our Markets
- 3 Growth drivers
- 4 Financial Highlights
- 5 Multiples & Comparables



# The E1.En. Group

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## A Primary Player Providing Medical, Industrial, and Conservation Laser Solutions Worldwide



### Hi-Tech company

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



### International Group

More than 20 companies active worldwide on several markets and application segments. Listed on the Milan Stock Exchange, Star segment



### Among the leaders in the global market

Progressively widening its worldwide presence registered continuous growth over the years



### Worldwide distribution network

> 1,100 employees worldwide, more than 40,000 laser sources sold



### Constant Growth

13% Revenue CAGR 2011 – 2016

40% EBIT CAGR 2011 – 2016

FY 2016 Consolidated Revenue at €253m, up 16% YoY, H1 2017 €143m up 19%

# E1.En. Worldwide



# Our Strengths

- Dynamic R&D activity performed in several centers of excellence
- Exploiting 35 years of know how
- Competition through incremental and breakthrough innovations
- Worldwide presence through a wide network of distributors with direct distribution in selected countries
- Multi brand approach to maximize penetration in medical markets





**MEDICAL**



**INDUSTRIAL**



**CONSERVATION**

## Our Markets



# Medical & Aesth energy-based systems market

| US\$ million   | 2014         | 2016         | 2021         | CAGR<br>14-16 | CAGR<br>16-21 |
|--|--------------|--------------|--------------|---------------|---------------|
| Global non-invasive and minimally invasive medical aesthetic treatment systems | 6.932        | 8.437        | 13.992       | 10%           | 11%           |
| Energy-based treatment systems   | 2.033        | 2.670        | 4.380        | 15%           | 10%           |
| Body shaping & Skin tightening   | 724          | 996          | 1.965        | 17%           | 15%           |
| Skin rejuvenation  | 523          | 695          | 1.089        | 15%           | 9%            |
| Hair removal   | 353          | 341          | 333          | -2%           | 0%            |
| Leg vein treatments  | 131          | 157          | 187          | 9%            | 4%            |
| Acne reduction   | 96           | 110          | 125          | 7%            | 3%            |
| Vaginal rejuvenation   | na           | 105          | 332          | na            | 26%           |
| Pigmented lesion & tattoo removal  | 80           | 99           | 142          | 11%           | 7%            |
| Other  | 126          | 167          | 207          | 15%           | 4%            |
| <b>Total</b>   | <b>2.033</b> | <b>2.670</b> | <b>4.380</b> | <b>15%</b>    | <b>10%</b>    |

Source: Medical Insight Report

## Key growth drivers:

- Increasingly aging population
- Desire to achieve or maintain more youthful appearance
- Increase in healthcare spending
- Requirements for fast and minimally invasive surgical procedures

# Industrial laser market

Lasers increasingly adopted in high quality manufacturing for uniqueness, flexibility, environment friendliness, productivity

- Sheet metal cutting: technology breakthroughs lead to strong widening of demand
- Laser marking for identification: traceability as a quality standard

Market forecast for high power laser systems: 2016-2020 CAGR 7,6%

*Source: Optech Consulting*

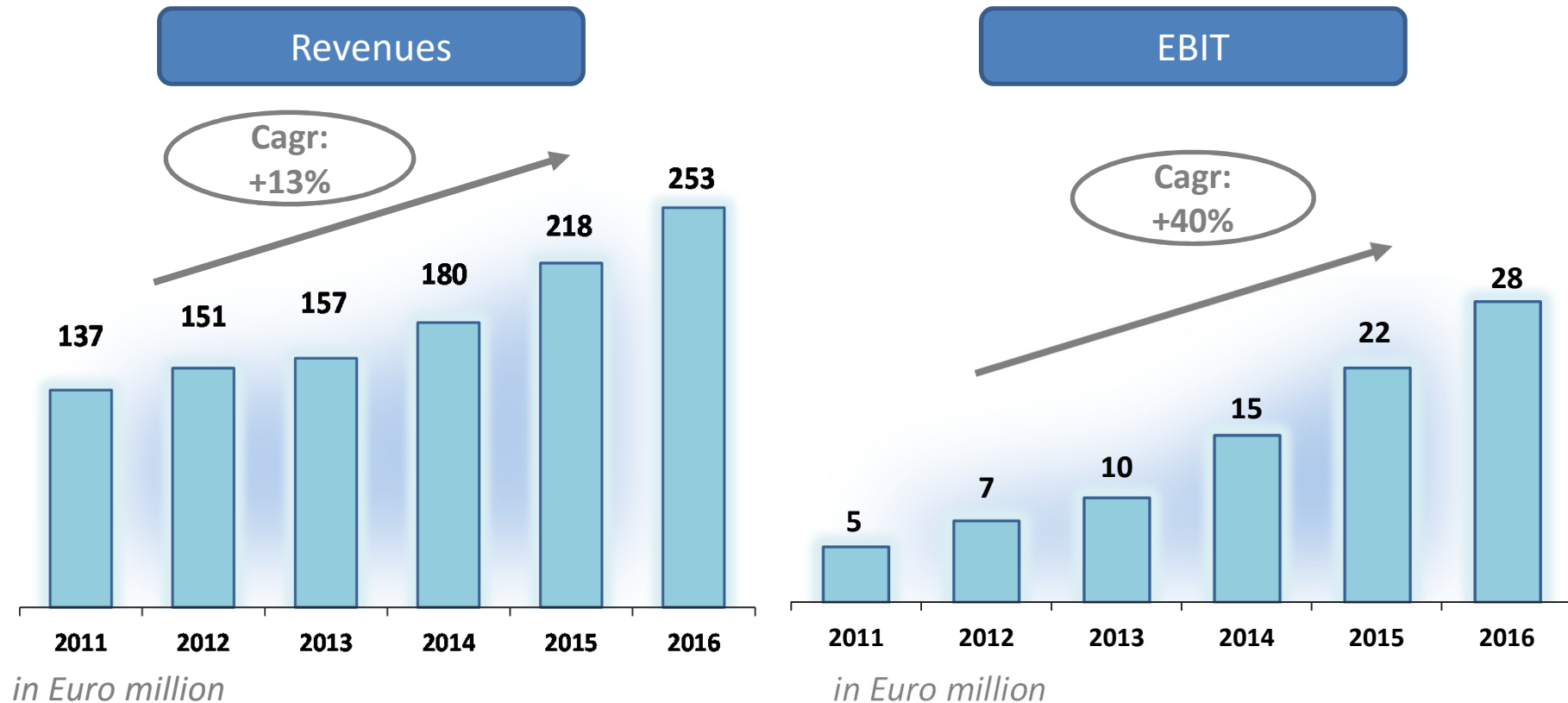


# Growth drivers

# Growth drivers

- Expected growth in our main markets: Aesthetic , Surgery, Industrial
- Novel body contouring and cellulite treatment device
- Novel dermatologic treatment device
- Picosecond tattoo removal lasers: new wavelength and max peak power
- Broaden indications of use for MonaLisa Touch through extensive clinicals
- Diabetic foot ulcers: seeking regulatory clearances worldwide
- >1 kW RF CO<sub>2</sub> laser source launched @ Laser 2017
- Strong demand for high power laser sheet metal cutting systems in China and Europe

# A path of growth



- Constant growth driven by strong execution and favorable market conditions
- 2016 EBITDA margin 12,8% and EBIT margin 10,9%



# Financial Highlights



# Financials 2016

Euro Million

| P&L - Main Financial Data | 31/12/15 | %      | 31/12/16 | %      | Var.%  |
|---------------------------|----------|--------|----------|--------|--------|
| Revenues                  | 217.670  | 100,0% | 252.646  | 100,0% | 16,1%  |
| EBITDA                    | 25.666   | 11,8%  | 32.388   | 12,8%  | 26,2%  |
| EBIT                      | 21.499   | 9,9%   | 27.594   | 10,9%  | 28,4%  |
| Net Income                | 14.371   | 6,6%   | 40.408   | 16,0%  | 181,2% |

| Revenues   | 31/12/15 | %     | 31/12/16 | %     | Var.% |
|------------|----------|-------|----------|-------|-------|
| Medical    | 147.102  | 67,6% | 166.056  | 65,7% | 12,9% |
| Industrial | 70.568   | 32,4% | 86.590   | 34,3% | 22,7% |

***Dividend paid €0,40***

# Income Statement H1-2017

| Euro Million         | 30/06/2016 | %      | 30/06/2017 | %      | Var.%  |
|----------------------|------------|--------|------------|--------|--------|
| Revenues             | 120.176    | 100,0% | 142.877    | 100,0% | 18,9%  |
| Gross margin         | 53.264     | 44,3%  | 59.509     | 41,7%  | 11,7%  |
| EBITDA               | 15.567     | 13,0%  | 15.469     | 10,8%  | -0,6%  |
| EBIT                 | 13.524     | 11,3%  | 13.134     | 9,2%   | -2,9%  |
| Pretax Income        | 35.979     | 29,9%  | 10.881     | 7,6%   | -69,8% |
| Net income           | 30.293     | 25,2%  | 6.010      | 4,2%   | -80,2% |
| Net Income per share | 1,57       |        | 0,31       |        |        |

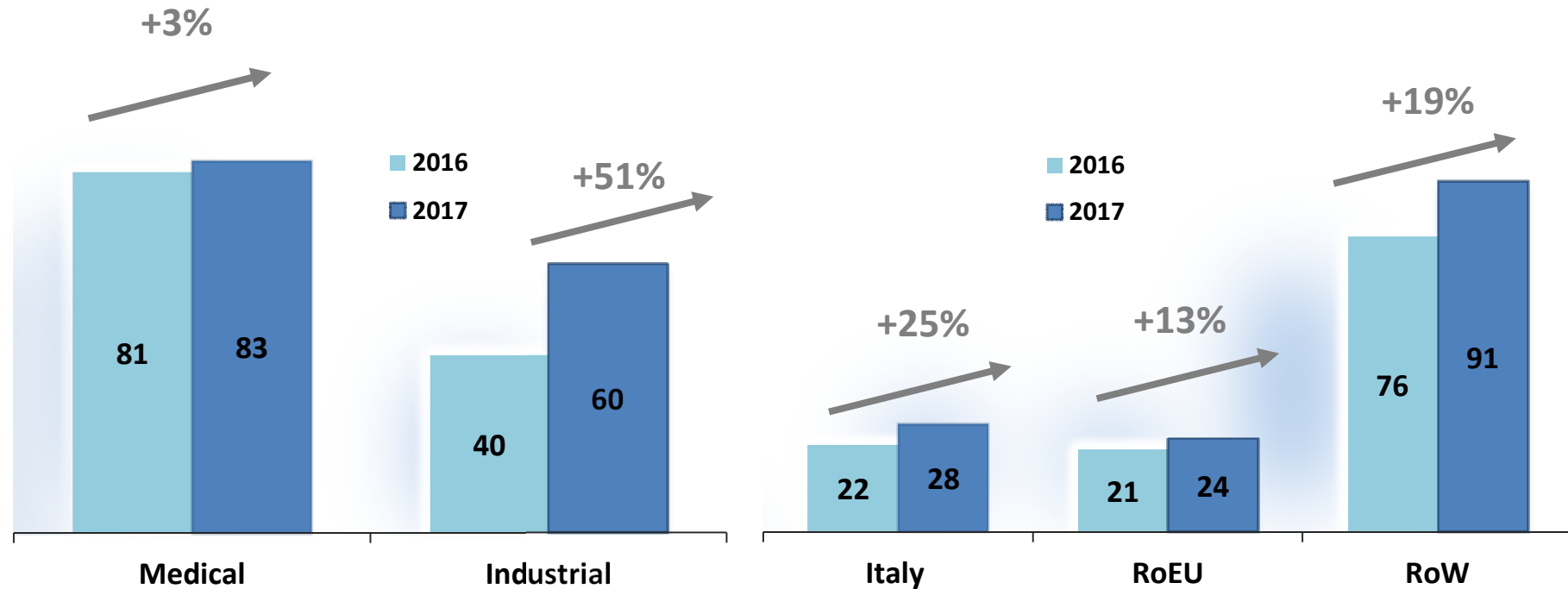
# Balance Sheet H1-2017

|                              | Euro Million | 31/12/2016 | 30/06/2017 | Var.%  |
|------------------------------|--------------|------------|------------|--------|
| Total non current assets     |              | 64.737     | 64.562     | -0,3%  |
| Net Working Capital          |              | 54.160     | 69.631     | 28,6%  |
| Net financial position       |              | 82.784     | 66.794     | -19,3% |
| Long term liabilities        |              | 8.982      | 8.856      | -1,4%  |
| Net Equity                   |              | 192.699    | 192.131    | -0,3%  |
| Net capital employed         |              | 109.915    | 125.337    | 14,0%  |
| <br>                         |              |            |            |        |
| Net Working Capital on sales |              | 21%        | 24%        |        |
| ROCE                         |              | 25%        | 21%        |        |
| (EBIT/Net capital employed)  |              |            |            |        |
| Capex                        |              | 11.441     | 1.636      |        |

# H1 - Revenue breakdown

By Business

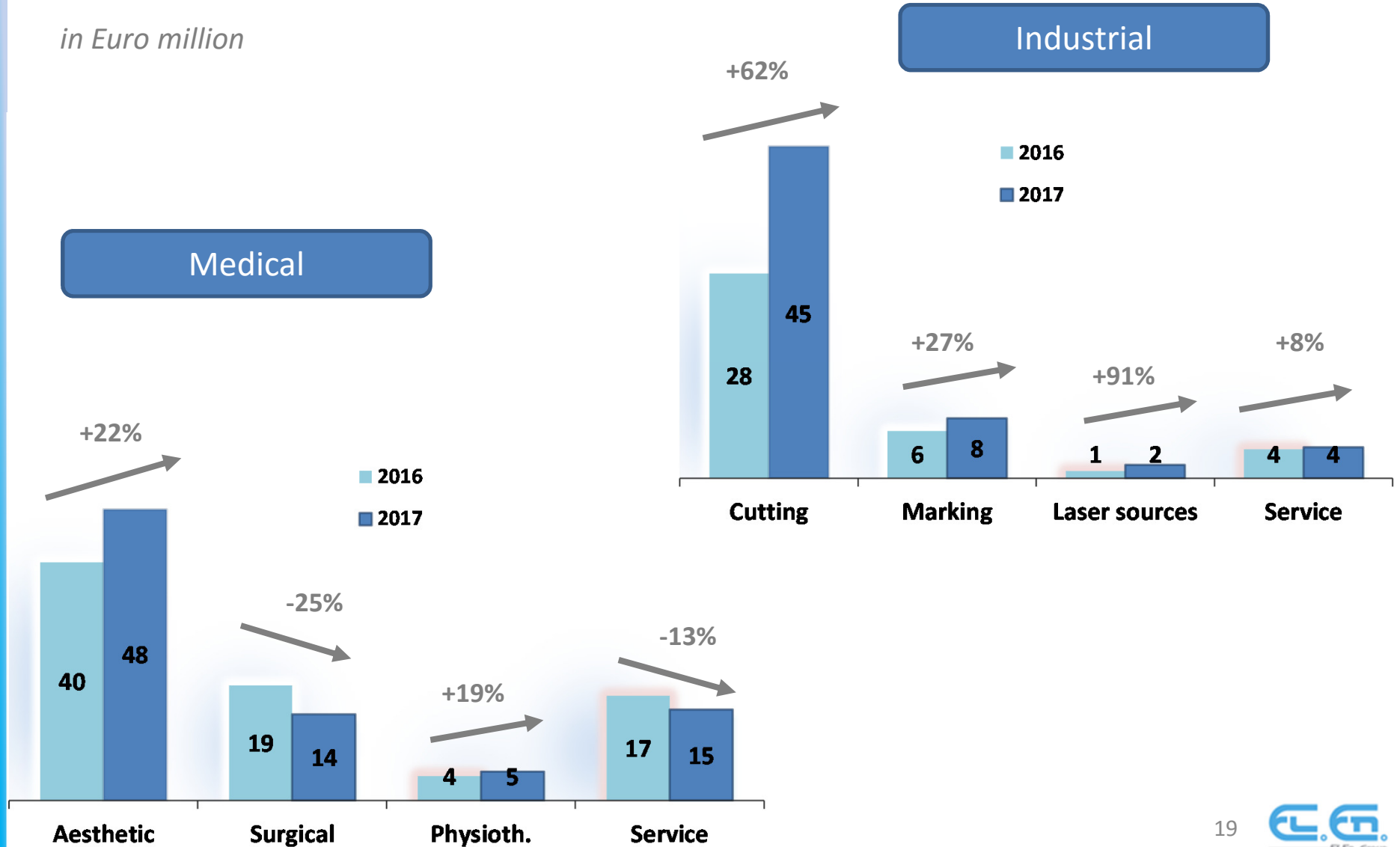
By Area



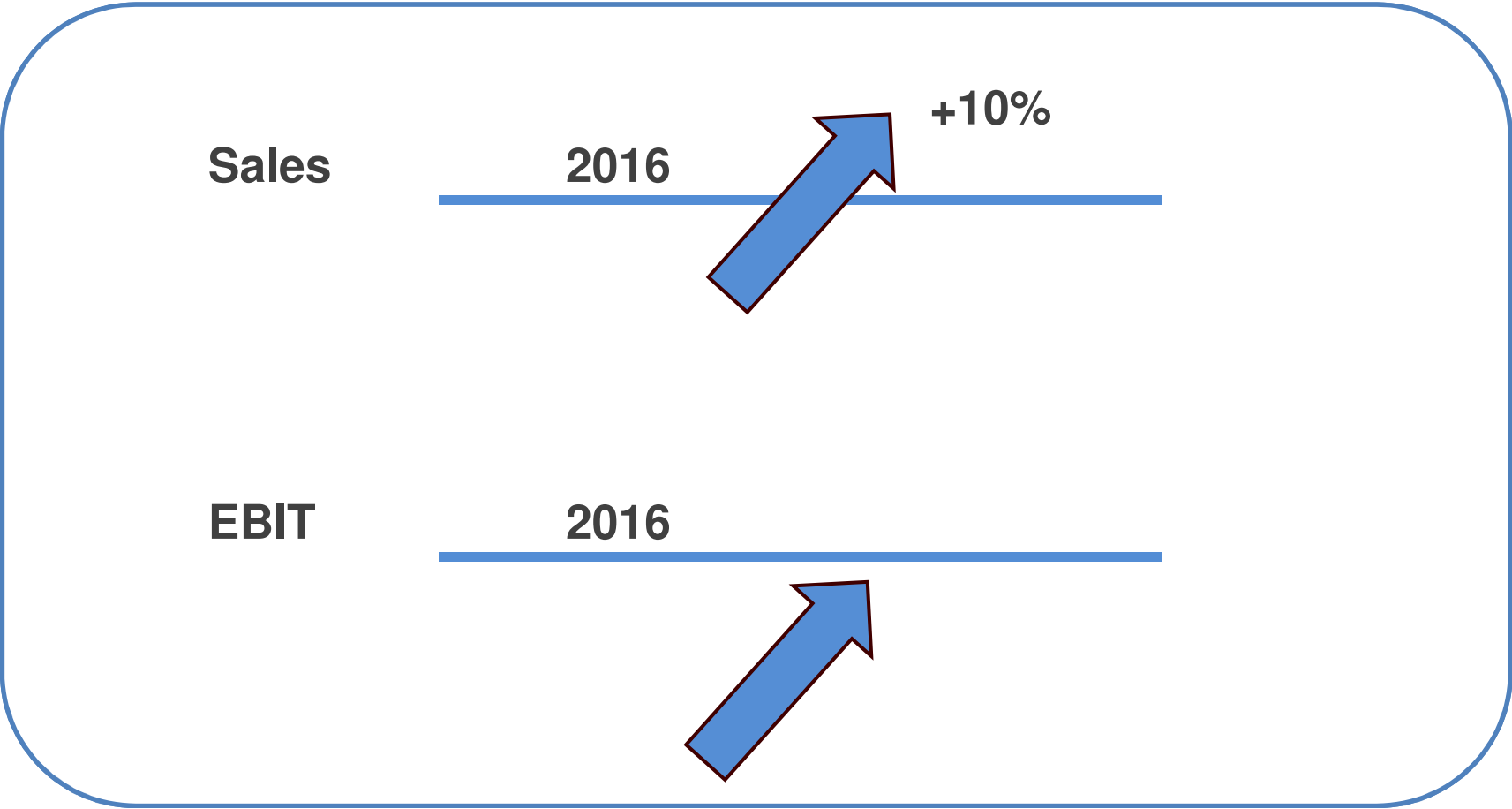
*in Euro million*

# H1 - Revenue breakdown

in Euro million



# 2017 Guidance







# Multiples & Comparables

# Multiples

|                                       |             |
|---------------------------------------|-------------|
| <b>Stockholder's Equity per share</b> | <b>9</b>    |
| <b>Price / Book Value Adj.</b>        | <b>2,6</b>  |
| <b>EV / EBIT (80% EBIT)</b>           | <b>18,5</b> |
| <b>EV / Sales (80% Sales)</b>         | <b>1,7</b>  |

|                                       |                          |
|---------------------------------------|--------------------------|
| <b>El.En. Market Cap.</b>             | <b>468,0 @ € 24,25</b>   |
| <b>Net financial position</b>         | <b>66,8 @ 30/06/2017</b> |
| <b>Financial investments m/l term</b> | <b>12,0 @ 30/06/2017</b> |
| <b>Enterprise Value</b>               | <b>389,2</b>             |

# Comparables

|                          | Price    | Revenue   | Var.%<br>Revenue | EBIT      | EBIT<br>% | MK.Cap.     | EV          | EV/Sales<br>(*) | EV/EBI<br>T(*) | Cash<br>Adj. P/E<br>(*) | P/Book<br>Value |
|--------------------------|----------|-----------|------------------|-----------|-----------|-------------|-------------|-----------------|----------------|-------------------------|-----------------|
| <b>Medical/Aesthetic</b> |          |           |                  |           |           |             |             |                 |                |                         |                 |
| Cutera                   | \$39,65  | \$65.688  | 32%              | \$317     | 0%        | \$555.300   | \$502.061   | 3,8             | 791,9          | 271,4                   | 9,2             |
| Biolase                  | \$0,60   | \$23.486  | -5%              | \$(8.556) | -36%      | \$45.590    | \$37.423    | 0,8             | n.a.           | n.a.                    | 1,8             |
| <b>Industrial</b>        |          |           |                  |           |           |             |             |                 |                |                         |                 |
| IPG Photonics Co.        | \$182,08 | \$655.219 | 42%              | \$242.623 | 37%       | \$9.808.000 | \$8.878.773 | 6,8             | 18,3           | 24,8                    | 5,4             |
| Prima Industrie          | € 39,35  | € 202.415 | 10%              | € 10.644  | 5%        | € 412.520   | € 508.010   | 1,3             | 23,9           | 33,8                    | 3,0             |
| El.En. (1)               | € 24,25  | € 142.877 | 19%              | € 13.134  | 9%        | € 467.964   | € 389.216   | 1,7             | 18,5           | 32,4                    | 2,6             |

(1) EV and multiplies as for previous slide

(\*) Revenue, Ebit and earnings annualized

# Contacts

## El.En. SPA

Enrico ROMAGNOLI  
*Investor Relations Manager*  
tel. +39 055-8826807  
E-mail: [finance@elen.it](mailto:finance@elen.it)

## POLYTEMS HIR

*Financial Communication, IR and Press Office*  
Bianca FERSINI MASTELLONI - [b.fersini@polytemshir.it](mailto:b.fersini@polytemshir.it)  
[s.dagostino@polytemshir.it](mailto:s.dagostino@polytemshir.it) ; [s.marongiu@polytemshir.it](mailto:s.marongiu@polytemshir.it)  
Tel. +39 06-69923324