

# COMPANY PRESENTATION

We Laser your World



Industrial and Medical Laser Solutions

*INTERMONTE European Midcap Event November 29th, 2017*

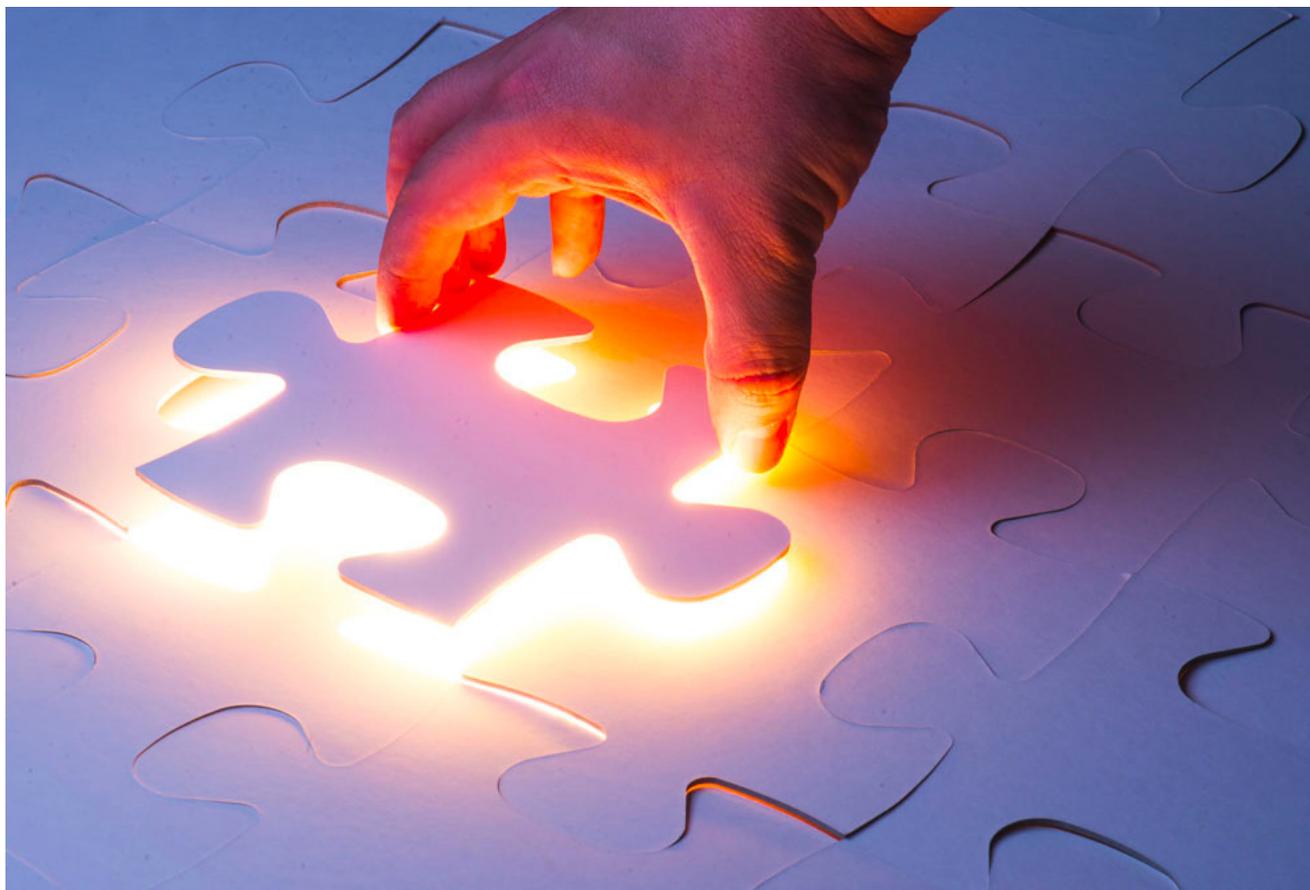
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# AGENDA



- 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

> 1,200 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, 9M 2017 €218m up 22%

# 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*

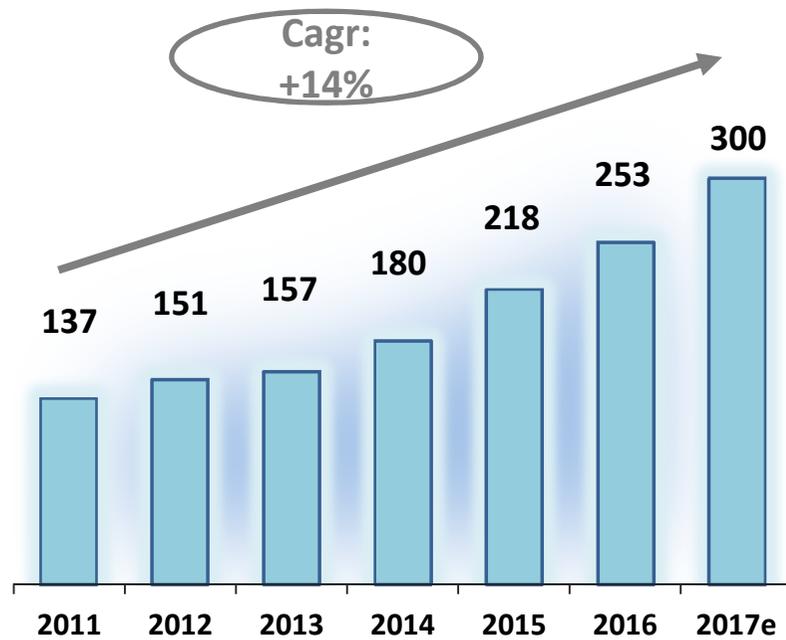


# Growth drivers

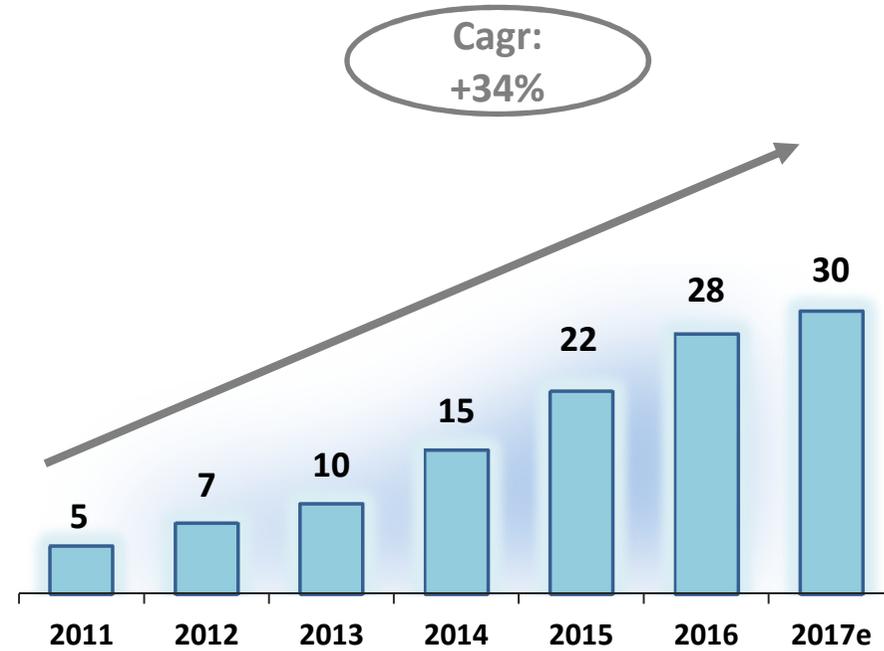
- Expected growth in our main markets: Aesthetic , Surgery, Industrial
- Novel body contouring and cellulite treatment device
- Novel dermatologic treatment device
- Picosecond tattoo removal lasers: new wavelength and max peak power
- Broaden indications of use for MonaLisa Touch through extensive clinicals
- 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

## Revenues



## EBIT



*in Euro million*



# Financial Highlights

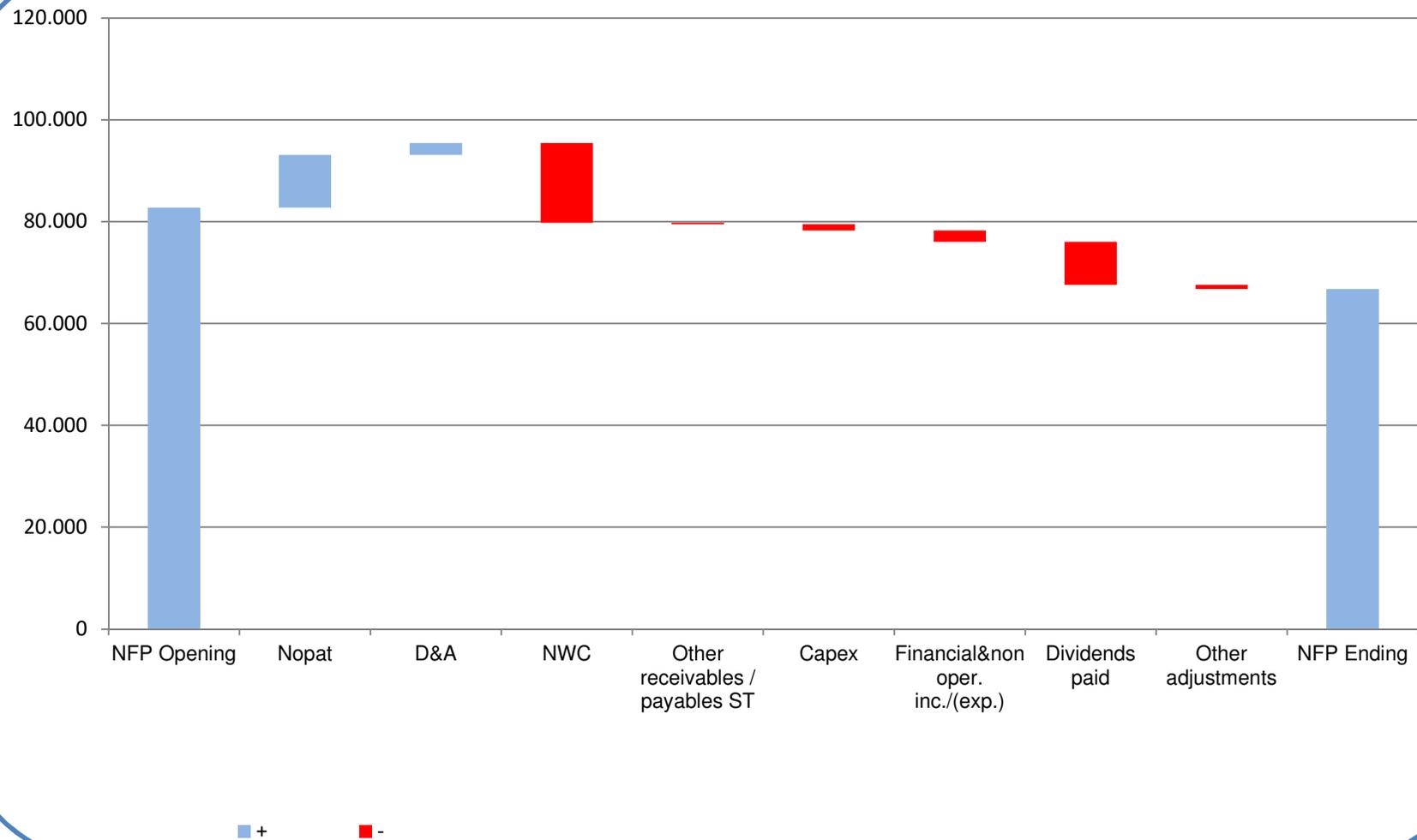
# INCOME STATEMENT 9M-2017

| Euro Million  | 30/09/16<br>unaudited | %      | 30/09/17<br>unaudited | %      | Var.%  |
|---------------|-----------------------|--------|-----------------------|--------|--------|
| Revenues      | 179.565               | 100,0% | 218.412               | 100,0% | 21,6%  |
| Gross margin  | 78.623                | 43,8%  | 90.899                | 41,6%  | 15,6%  |
| EBITDA        | 22.962                | 12,8%  | 26.548                | 12,2%  | 15,6%  |
| EBIT          | 19.769                | 11,0%  | 22.160                | 10,1%  | 12,1%  |
| Pretax Income | 42.027                | 23,4%  | 19.108                | 8,7%   | -54,5% |

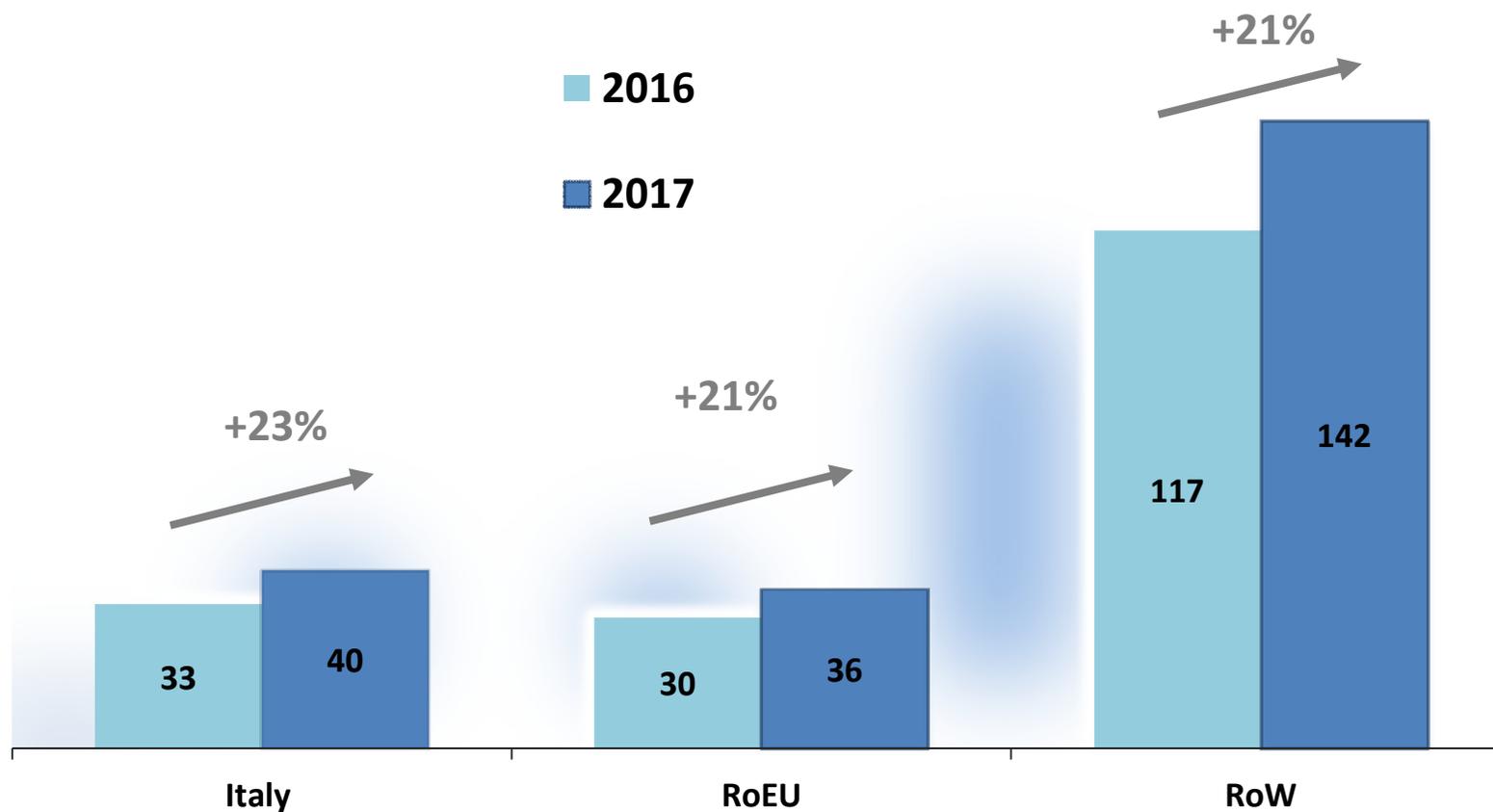
  

|                        | 31/12/16 | 30/09/17<br>unaudited |
|------------------------|----------|-----------------------|
| Net financial position | 82.784   | 75.760                |

# CASH FLOW 9M-2017

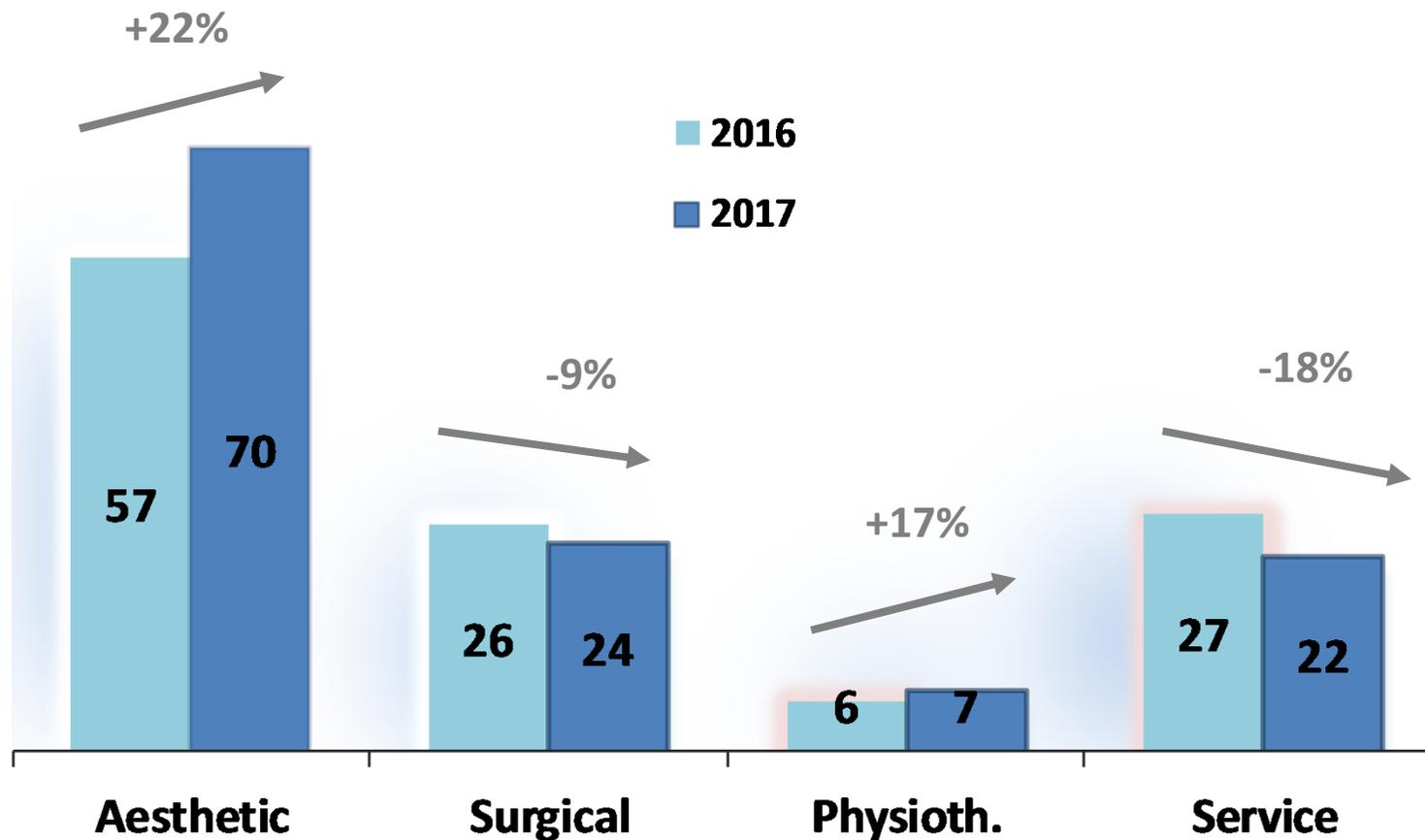


# 9M-REVENUE BREAKDOWN BY AREA



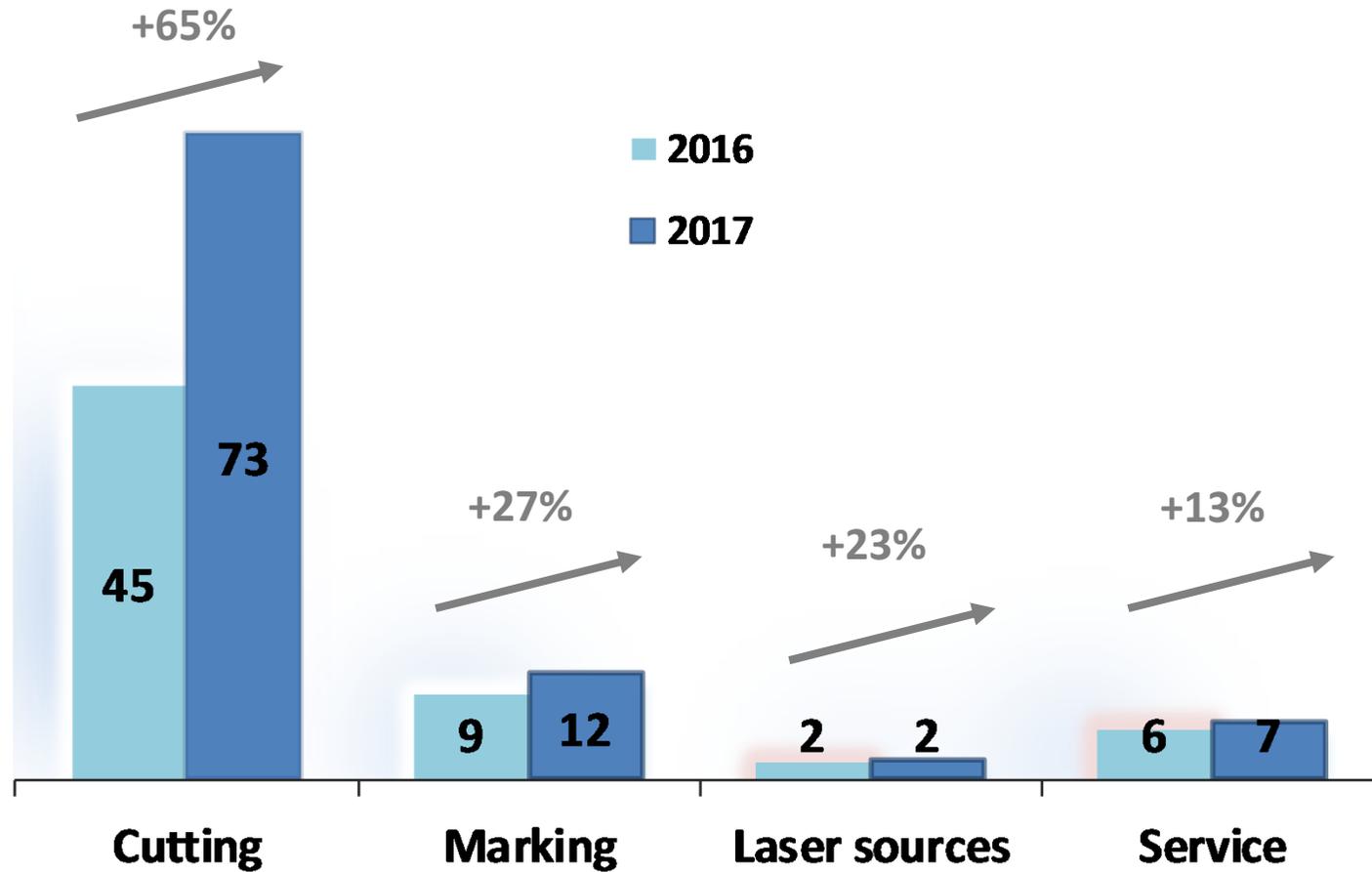
*in Euro million*

# 9M-MEDICAL REVENUE BREAKDOWN



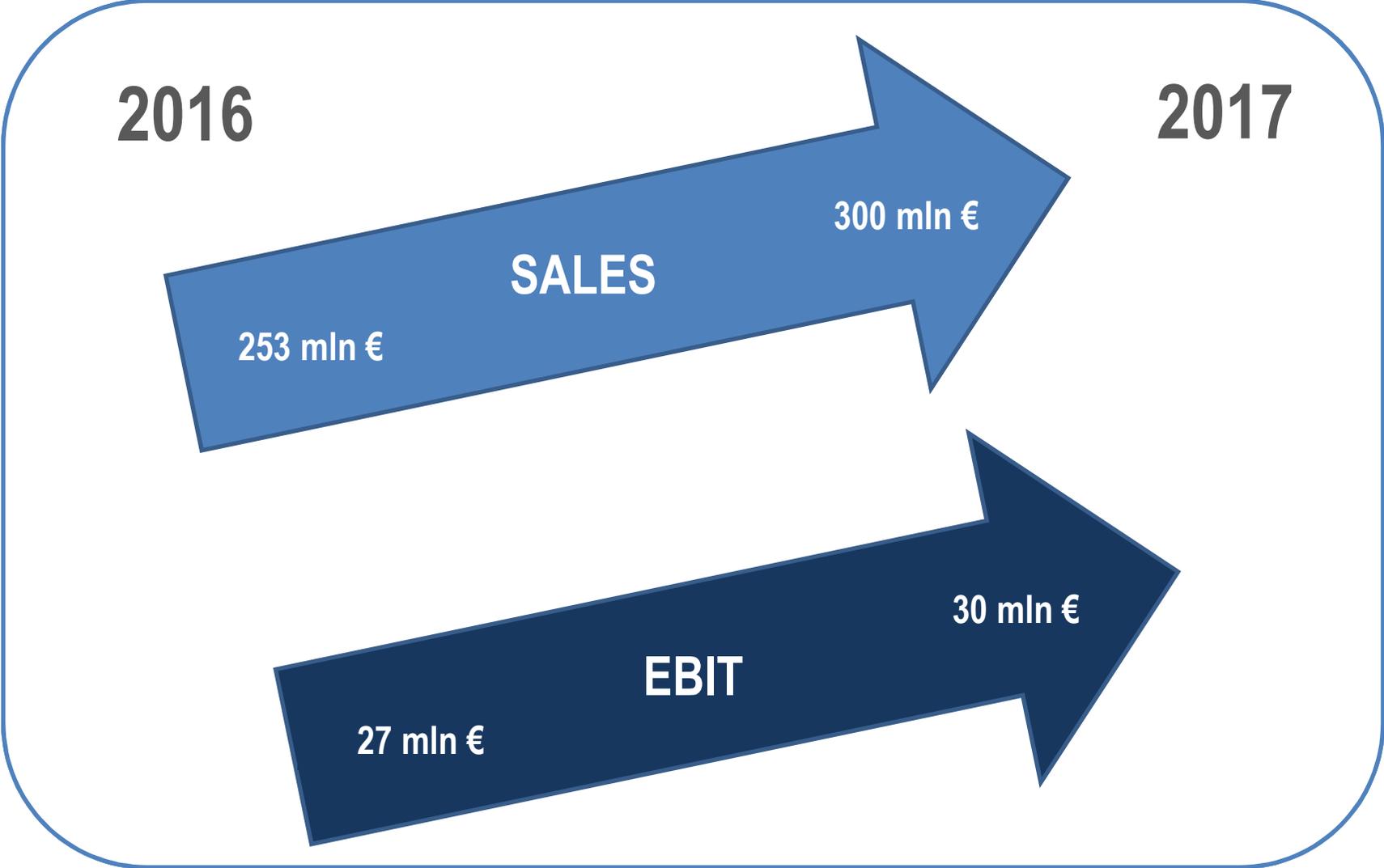
*in Euro million*

# 9M-INDUSTRIAL REVENUE BREAKDOWN



*in Euro million*

# 2017 GUIDANCE





## Multiples & Comparables

# Multiples

|  |                    |
|--|--------------------|
| <b><u>Stockholder's Equity per share</u></b> | <b><u>9,6</u></b>  |
| <b><u>Price / Book Value Adj.</u></b>        | <b><u>2,8</u></b>  |
| <b><u>EV / EBIT (80% EBIT)</u></b>           | <b><u>17,9</u></b> |
| <b><u>EV / Sales (80% Sales)</u></b>         | <b><u>1,8</u></b>  |

|                                       |                        |
|---------------------------------------|------------------------|
| <b>El.En. Market Cap.</b>             | <b>510,8 @ € 26,47</b> |
| <b>Net financial position</b>         | <b>75,8 @ 30/09/17</b> |
| <b>Financial investments m/l term</b> | <b>12,0 @ 30/09/17</b> |
| <b>Enterprise Value</b>               | <b>423,1</b>           |

# Comparables

Amounts in mln

Sept. 30th, 2017

|                          | Price    | Revenue | Var.%<br>Rev. | EBIT   | EBIT % | MK.Cap.  | EV       | EV/Sales<br>(*) | EV/EBIT<br>(*) | Cash<br>Adj. P/E<br>(*) | P/Book<br>Value |
|--------------------------|----------|---------|---------------|--------|--------|----------|----------|-----------------|----------------|-------------------------|-----------------|
| <b>Medical/Aesthetic</b> |          |         |               |        |        |          |          |                 |                |                         |                 |
| Cutera                   | \$40,75  | \$104   | 30%           | \$7    | 6%     | \$571    | \$520    | 3,8             | 59,7           | 54,9                    | 9,3             |
| Biolase                  | \$0,59   | \$34    | -10%          | \$(13) | -39%   | \$48     | \$43     | 0,9             | n.a.           | n.a.                    | 2,3             |
| Sisram Medical (**)      | \$0,89   | \$66    | 13%           | \$14   | 21%    | \$393    | \$405    | 3,1             | 14,3           | 25,9                    | 8,1             |
| <b>Industrial</b>        |          |         |               |        |        |          |          |                 |                |                         |                 |
| IPG Photonics Co.        | \$239,48 | \$1.048 | 44%           | \$403  | 38%    | \$12.890 | \$11.848 | 8,5             | 22,1           | 30,2                    | 6,6             |
| Prima Industrie          | € 34,85  | € 300   | 9%            | € 17   | 6%     | € 365    | € 468    | 1,2             | 20,6           | 29,0                    | 2,6             |
| Han's Laser              | ¥52,48   | ¥8.915  | 42%           | ¥1.573 | 18%    | ¥56.000  | ¥54.489  | 4,6             | 26,0           | 27,2                    | 8,1             |
| El.En. (1)               | € 26,47  | € 218   | 22%           | € 22   | 10%    | € 511    | € 423    | 1,8             | 17,9           | 30,1                    | 2,8             |

(1) EV and multiplies as for previous slide

(\*) Revenue, Ebit and earnings annualized

(\*\*) Data as at June 30 th. 2017

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