



COMPANY PRESENTATION



Industrial and Medical Laser Solutions

Star Conference, Milan 27/28.03.2018

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.

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E1.En.

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 since 2000



Among the leaders in the global market

Progressively widening its worldwide presence registering continuous growth over the years



Worldwide distribution network

>1,200 employees worldwide; 38 years average age

More than 40,000 laser sources sold and 5% of revenue invested in R&D



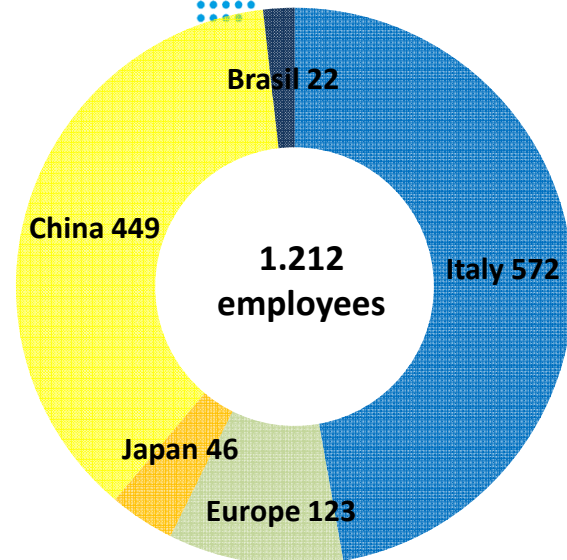
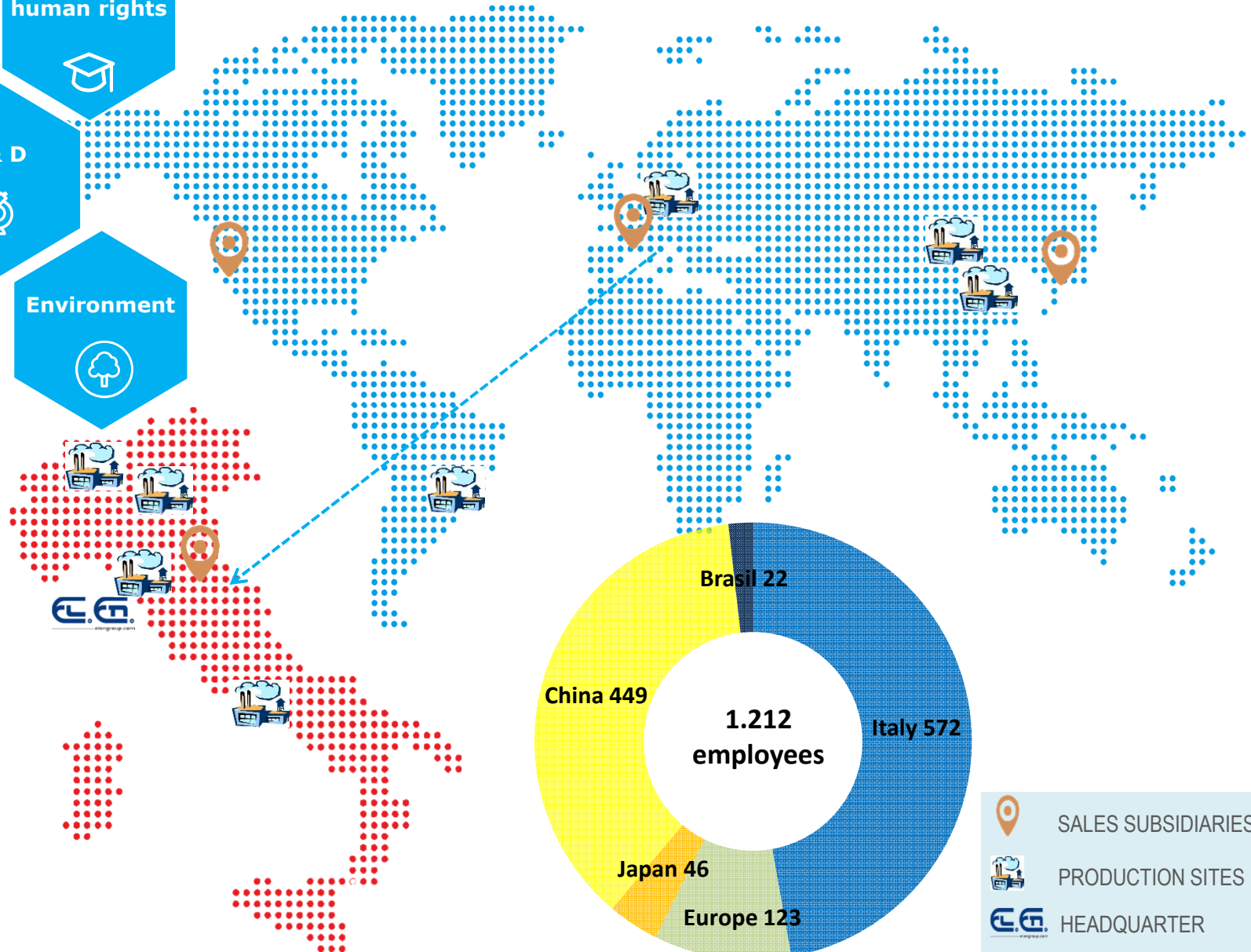
Constant and sustainable growth

14% Revenue CAGR 2011 – 2017

35% EBIT CAGR 2011 – 2017

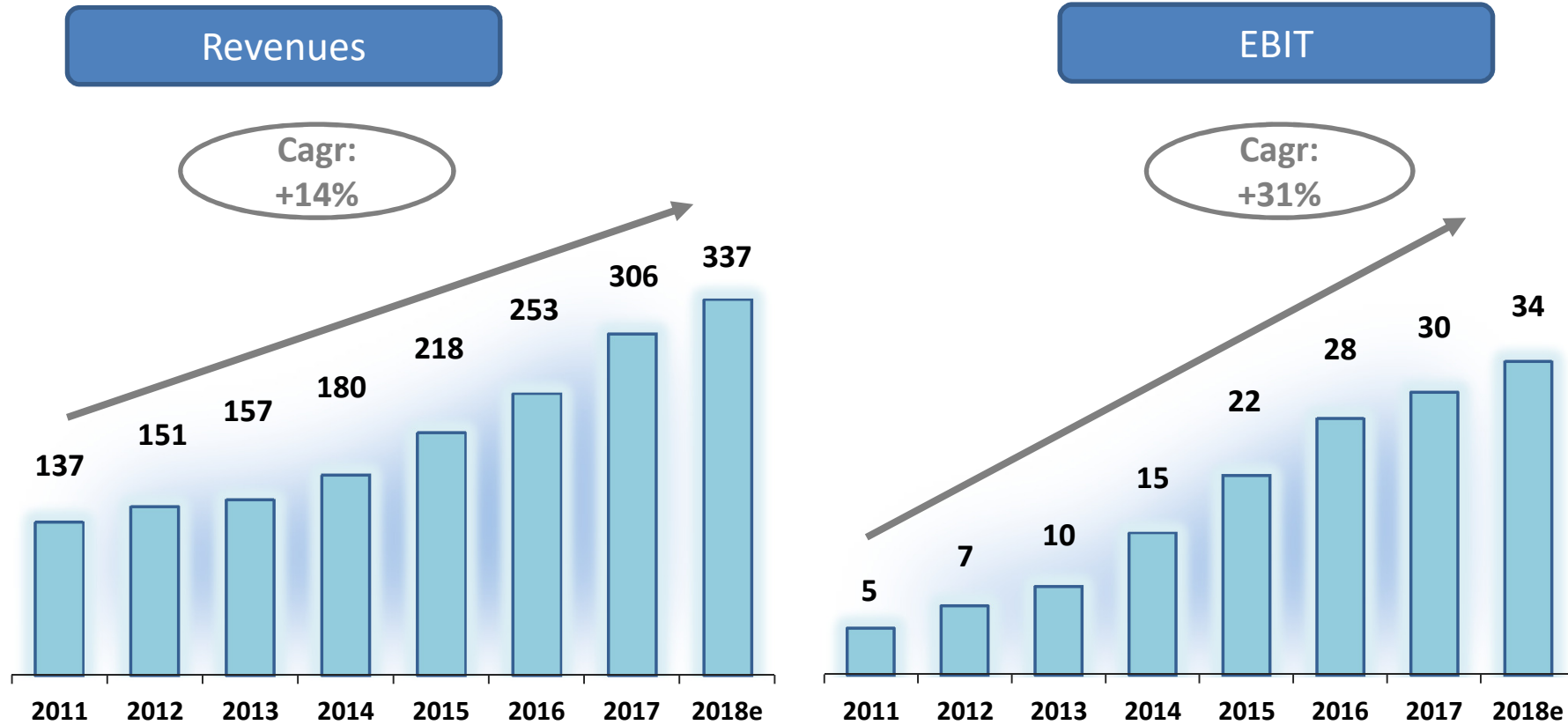
FY 2017 Consolidated Revenue: €306m, up 21% YoY

EI.En. Worldwide



A legend box with a light blue background containing three items: an orange location pin icon labeled 'SALES SUBSIDIARIES', a blue factory icon labeled 'PRODUCTION SITES', and the E.I. En. logo labeled 'HEADQUARTER'.

A path of growth



in Euro million



MEDICAL



INDUSTRIAL



CONSERVATION

Our Markets

Medical & Aesth energy-based systems market

| US\$ million | 2014 | 2016 | 2021 | CAGR 14-16 | CAGR 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% |
| Total | 2.033 | 2.670 | 4.380 | 15% | 10% |

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 STUDIES:

Technavio's analysts
forecast :

“The global industrial laser market to grow at a CAGR of 10.24% during the period 2017-2021”





Growth drivers

Growth drivers

- Expected growth in our main markets: Aesthetic , Surgery, Industrial
- Entering the body contouring and cellulite treatment market
- Novel dermatologic treatment device: 2019
- Hologic/ Cynosure focused again on Mona Lisa Touch
- Diabetic foot ulcers: seeking regulatory clearances worldwide
- New applications for medium power CO₂ laser sources
- Strong demand for high power laser sheet metal cutting systems in China and Europe

New systems and devices

- ONDA - Body contouring
- Motus AX expands to Motus AY
- BPH: Virtual basket and single use morcellator
- PicoStar - Asclepion launched the most powerful Picolaser
- High Power sheet metal cutting systems - 15kW
- OEM systems for urology



New factories

Jena

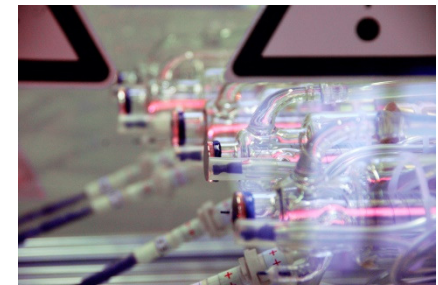
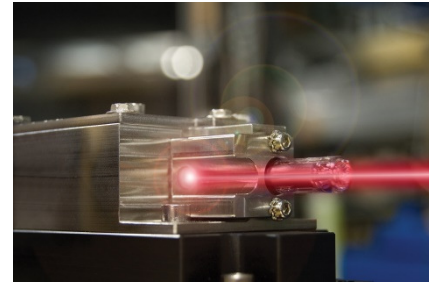


Wenzhou (2nd)



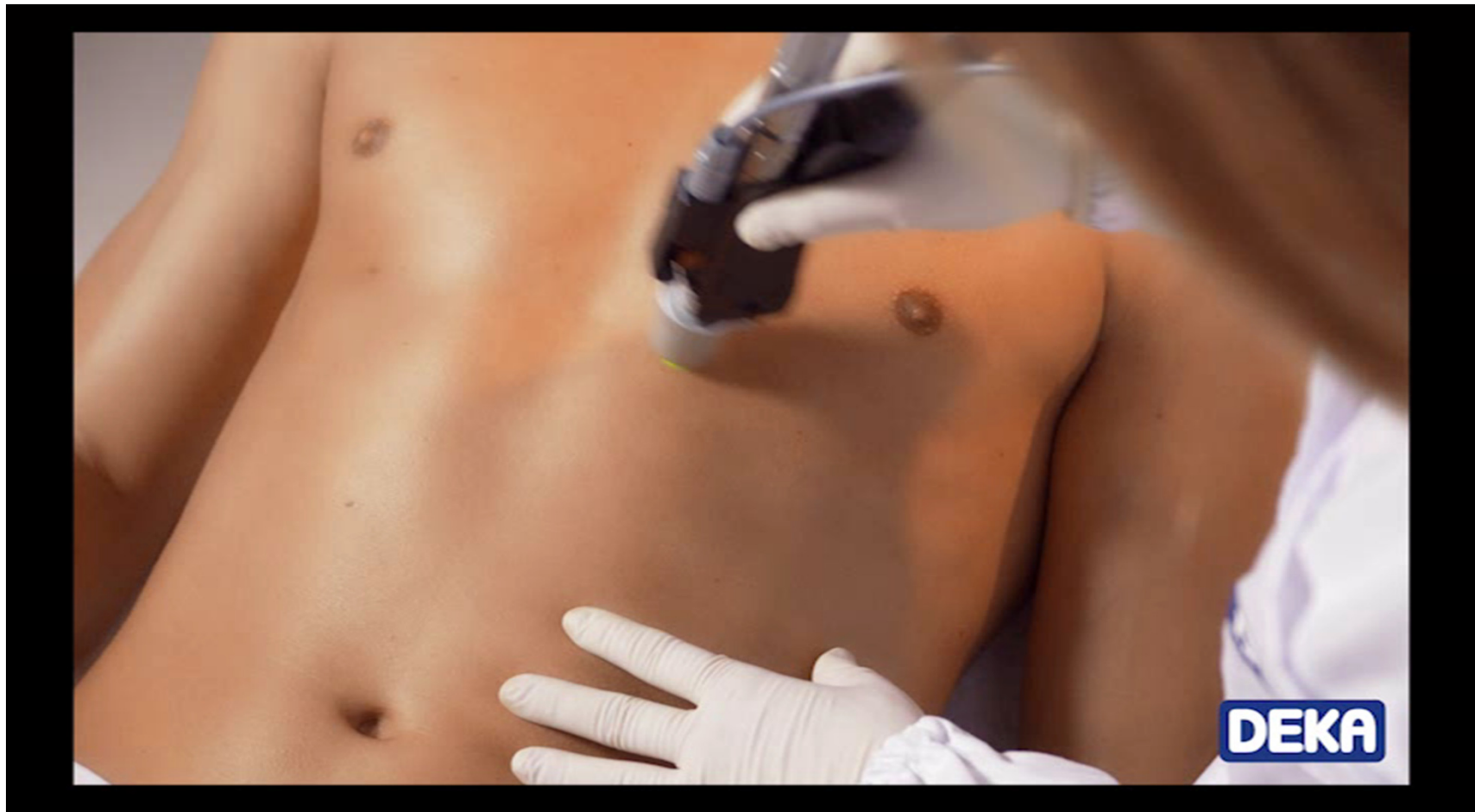
Vicenza



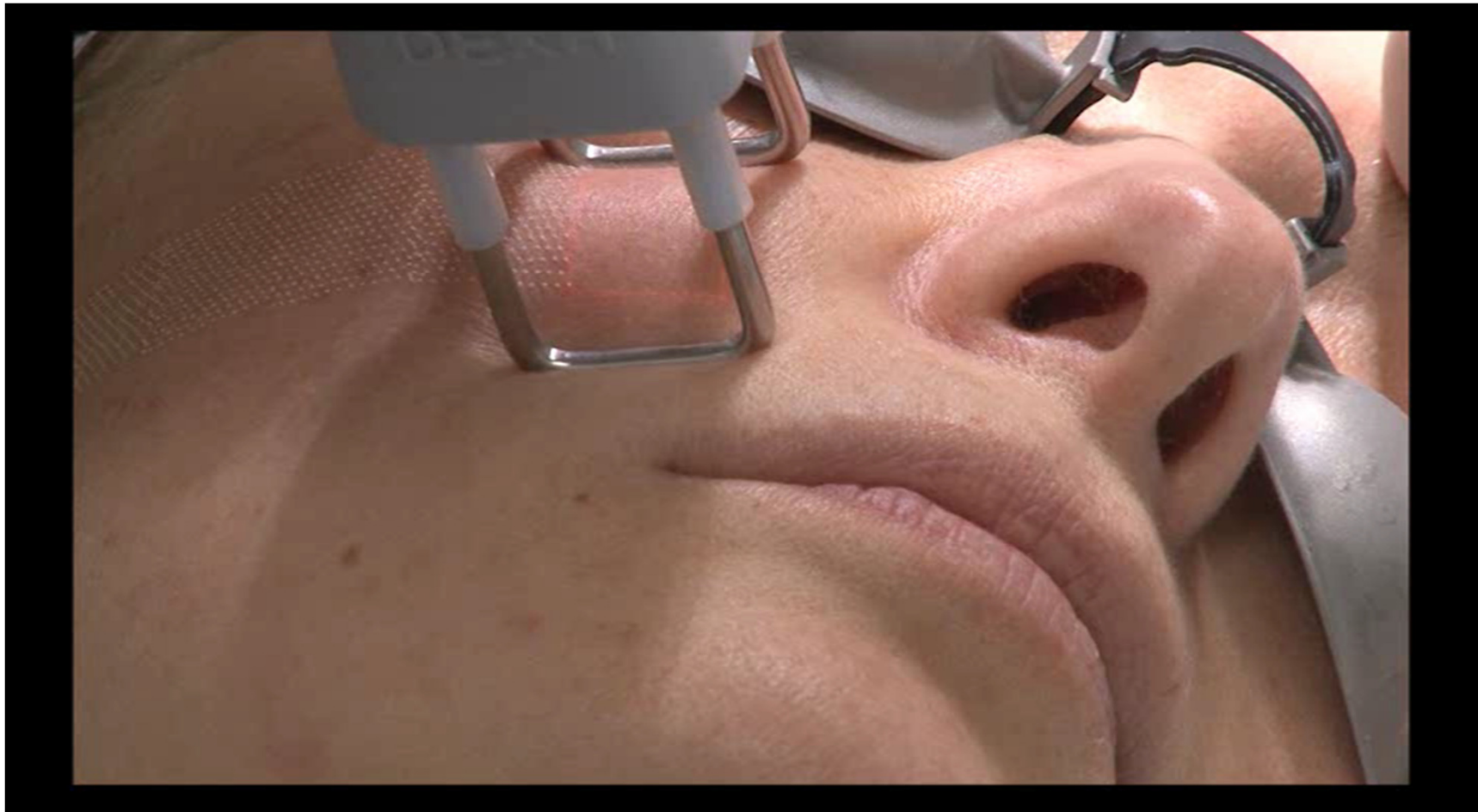


Laser applications

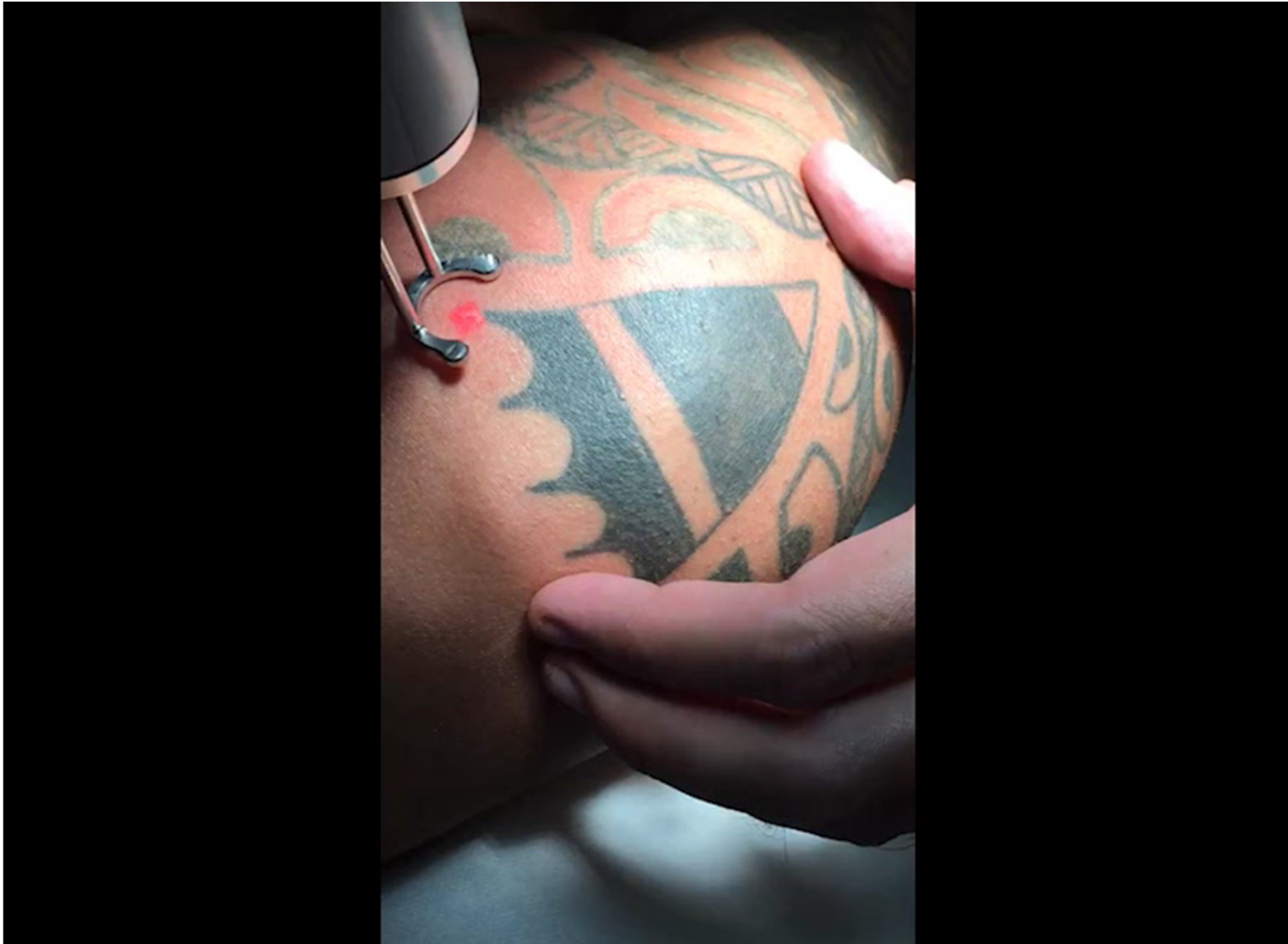
Hair removal



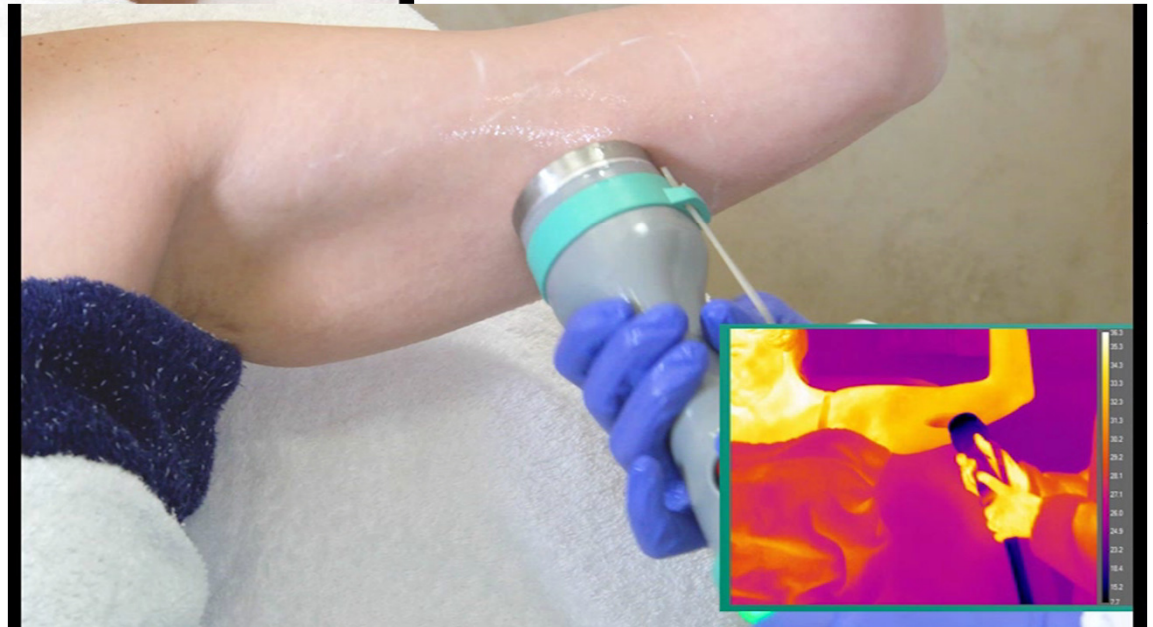
Skin rejuvenation



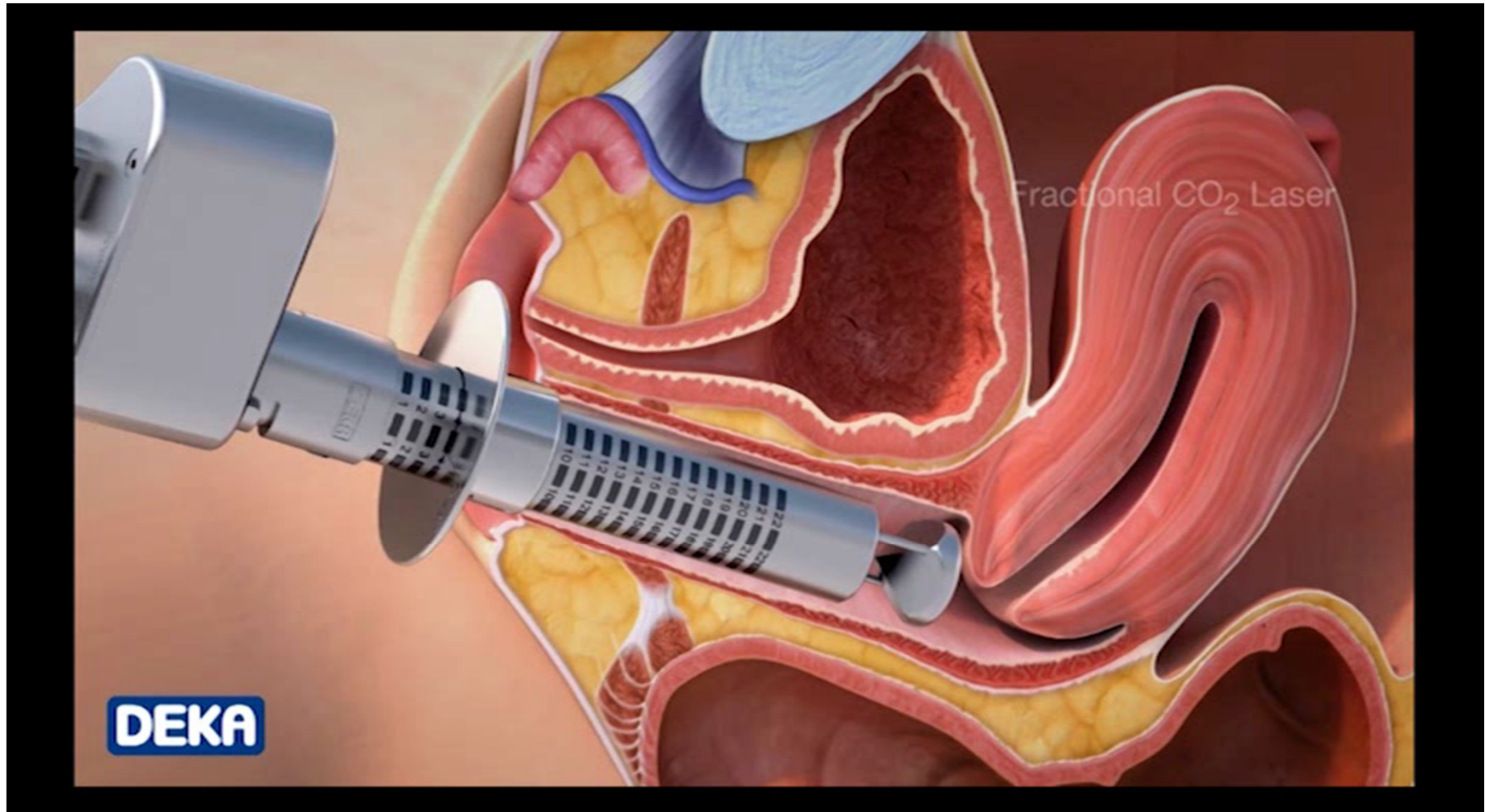
Tattoo removal



Body contouring



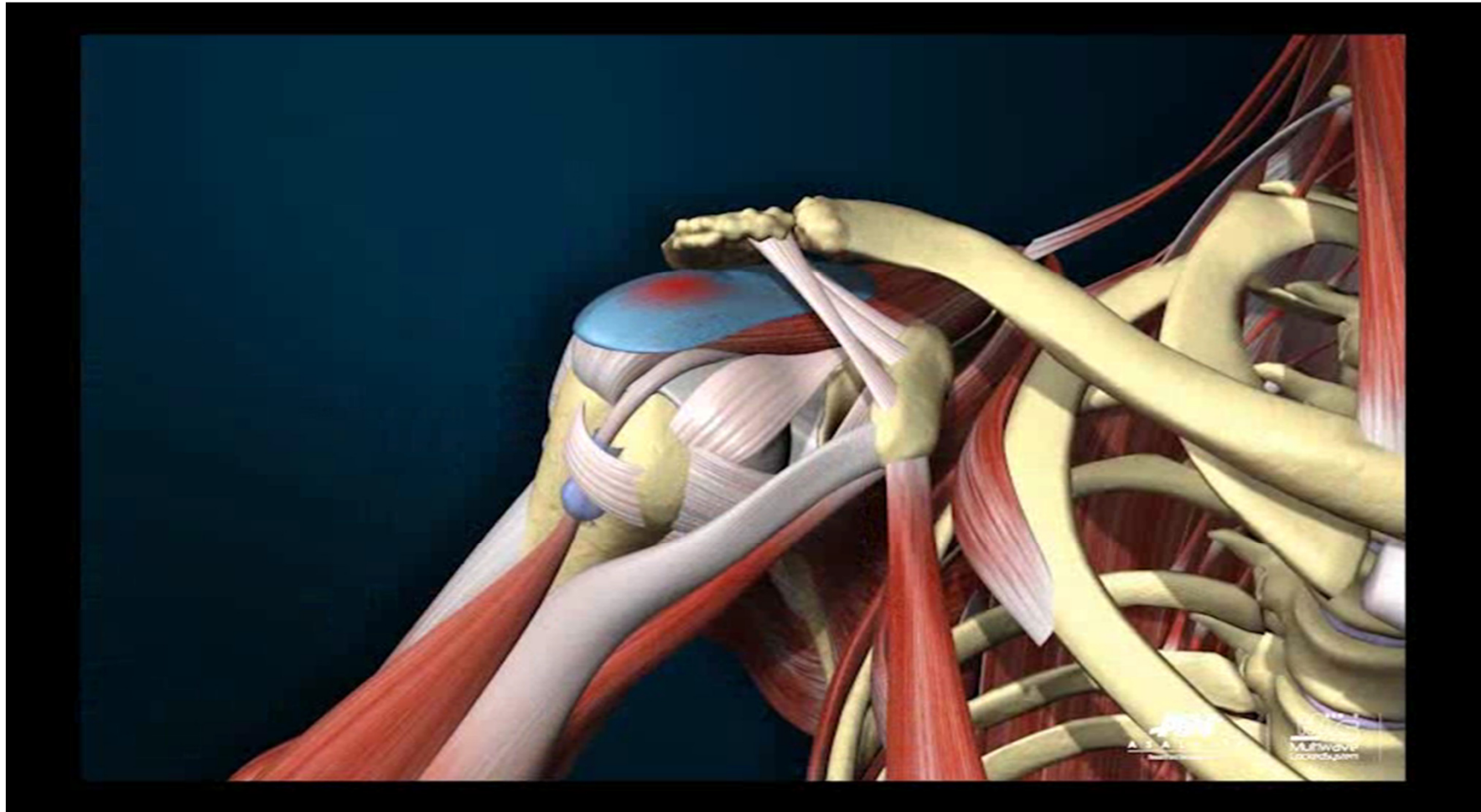
Monna Lisa Touch



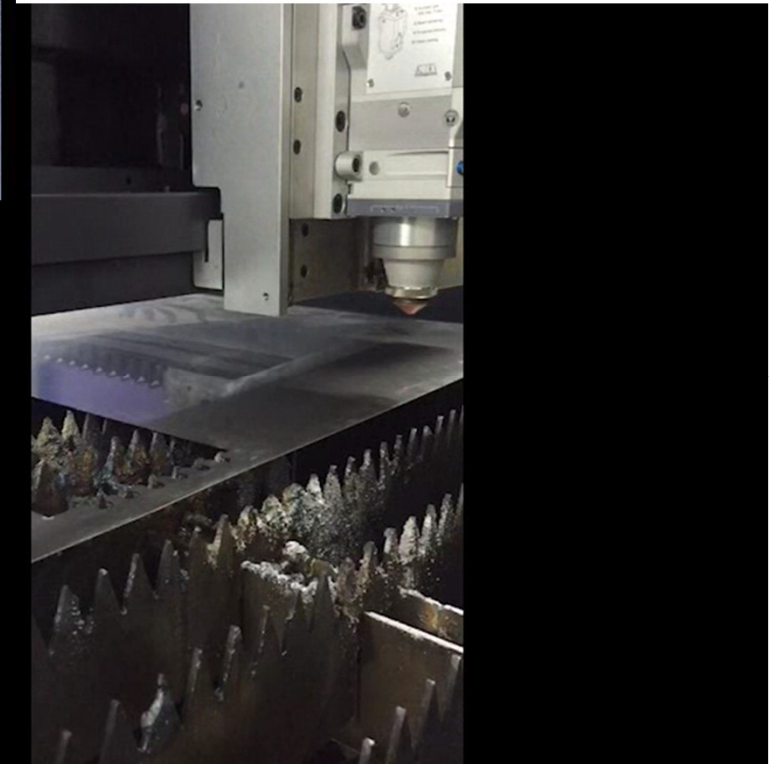
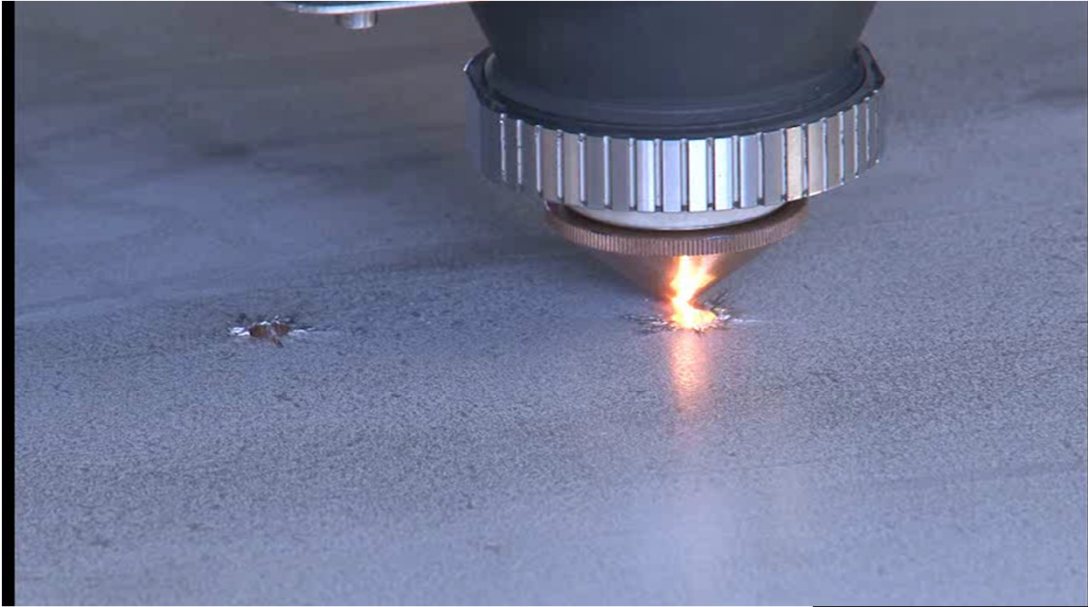
Lithotripsy: Virtual basket



Physiotherapy



Sheet metal cutting



Conservation



Gates of Paradise - Lorenzo Ghiberti - Museum of the Opera del Duomo - Florence

LIGHT FOR ART



Financial Highlights

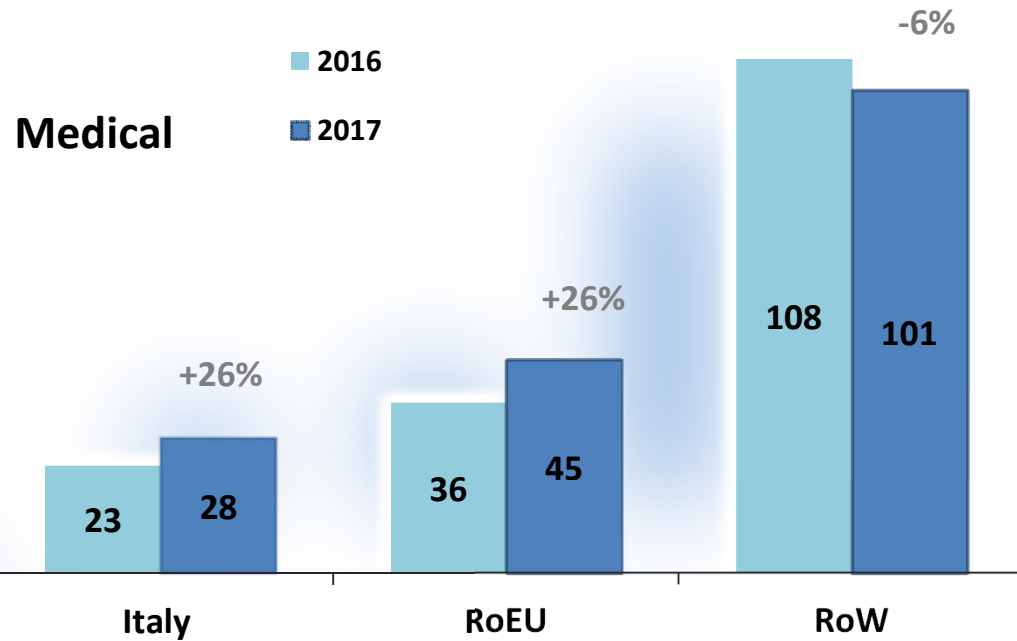
Income statement FY-2017

| Euro Million | 31/12/16 | % | 31/12/17 unaudited | % | Var.% |
|----------------------|----------|--------|-----------------------|--------|--------|
| Medical | 166.056 | 65,7% | 174.416 | 56,9% | 5,0% |
| Industrial | 86.590 | 34,3% | 132.045 | 43,1% | 52,5% |
| Total Revenues | 252.646 | 100,0% | 306.461 | 100,0% | 21,3% |
| Gross margin | 110.533 | 43,8% | 127.284 | 41,5% | 15,2% |
| EBITDA | 32.388 | 12,8% | 36.125 | 11,8% | 11,5% |
| EBIT | 27.594 | 10,9% | 30.449 | 9,9% | 10,3% |
| Pretax Income | 52.721 | 20,9% | 27.217 | 8,9% | -48,4% |
| Net income | 40.408 | 16,0% | 15.634 | 5,1% | -61,3% |
| Net Income per share | 2,09 | | 0,81 | | |

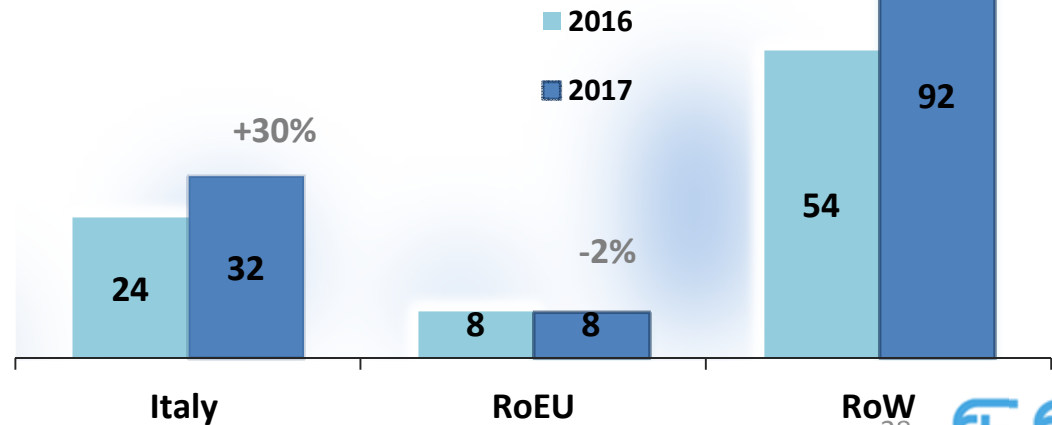
Balance sheet - 2017

| Euro Million | 31/12/16 | 31/12/17 unaudited | Var.% |
|------------------------------|----------|-----------------------|-------|
| Total non current assets | 64.737 | 65.664 | 1,4% |
| Net Working Capital | 54.160 | 63.622 | 17,5% |
| Net financial position | 82.784 | 84.506 | 2,1% |
| Long term liabilities | 8.982 | 9.496 | 5,7% |
| Net Equity | 192.699 | 204.296 | 6,0% |
| Net capital employed | 109.915 | 119.790 | 9,0% |
| | | | |
| Net Working Capital on sales | 21,4% | 20,8% | |
| ROCE | 25,1% | 25,4% | |
| (EBIT/Net capital employed) | | | |
| Capex | 11.441 | 5.158 | |

Revenue breakdown FY-2017

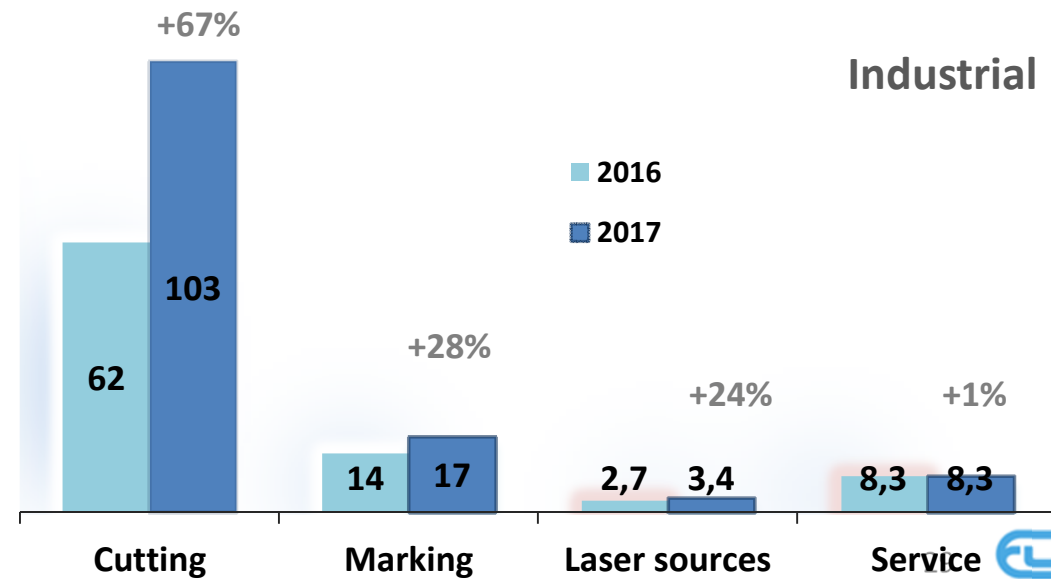
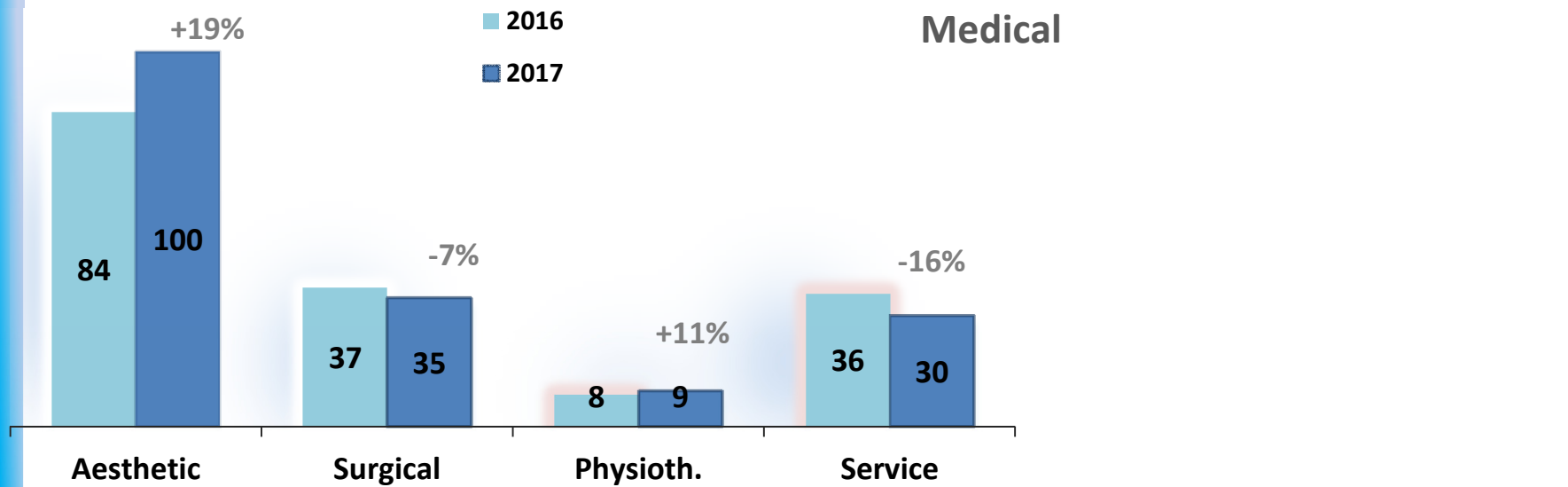


Industrial



in Euro million

Revenue breakdown FY-2017



in Euro million

Guidance

2018 vs 2017:

Revenue: +10%

EBIT: +10%





Multiples & Comparables

Multiples

| | |
|---------------------------------------|-------------|
| Stockholder's Equity per share | 9,9 |
| Price / Book Value Adj. | 3,2 |
| EV / EBIT (80% EBIT) | 21,0 |
| EV / Sales (80% Sales) | 2,1 |

| | |
|---------------------------------------|------------------------|
| El.En. Market Cap. | 608,6 @ € 31,54 |
| Net financial position | 84,5 @ 31/12/17 |
| Financial investments m/l term | 12,1 @ 31/12/17 |
| Enterprise Value | 512,1 |

Comparables

Amounts in mln

Dec. 31st, 2017

| | Price | Revenue | Var.% Rev. | EBIT | EBIT% | MK.Cap. | EV | EV/Sales | EV/EBIT | Cash Adj. P/E | P/Book Value |
|--------------------------|----------|---------|---------------|--------|-------|----------|----------|----------|---------|------------------|-----------------|
| Medical/Aesthetic | | | | | | | | | | | |
| Cutera | \$52,85 | \$151 | 28% | \$11 | 7% | \$732 | \$696 | 4,6 | 62,9 | 23,2 | 11,3 |
| Biolase | \$0,43 | \$47 | -9% | \$(18) | -38% | \$44 | \$32 | 0,7 | n.a. | n.a. | 1,5 |
| Sisram Medical (**) | \$0,77 | \$66 | 13% | \$14 | 21% | \$339 | \$352 | 2,7 | 12,4 | 22,5 | 7,0 |
| Industrial | | | | | | | | | | | |
| IPG Photonics Co. | \$248,66 | \$1.409 | 40% | \$551 | 39% | \$13.440 | \$12.327 | 8,7 | 22,4 | 35,5 | 6,6 |
| Prima Industrie | € 40,05 | € 450 | 14% | € 26 | 6% | € 420 | € 489 | 1,1 | 18,6 | 26,2 | 2,8 |
| Han's Laser | ¥53,85 | ¥11.560 | 68% | ¥1.803 | 16% | ¥57.460 | ¥55.904 | 4,8 | 31,0 | 33,4 | 8,0 |
| El.En. (1) | € 31,54 | € 306 | 21% | € 30 | 10% | € 609 | € 512 | 2,1 | 21,0 | 32,8 | 3,2 |

(1) EV and multiplies as for previous slide

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

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