



# **COMPANY PRESENTATION**

**STAR Conference  
London  
October 22<sup>nd</sup> 23<sup>rd</sup> , 2019**

# 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.*

A world map in shades of blue with a network of white lines connecting various points across the continents. The map is set against a background of dark blue and white geometric shapes.

# AGENDA

1. **El.En.**
2. **Markets and Growth drivers**
3. **Our Products**
4. **Financial Highlights**
5. **Multiples & Comparables**



El.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

Listed on the Milan Stock Exchange Star segment since 2000



### Global Group

More than 20 companies active worldwide on several laser application segments and markets



### Among the leaders in its space with a Worldwide distribution network

Progressively widening its worldwide presence registering continuous growth over the years

More than 45,000 laser sources sold and 5% of revenue invested in R&D

More than 120 patents

More than 90 R&D specialists



# El.En. Worldwide

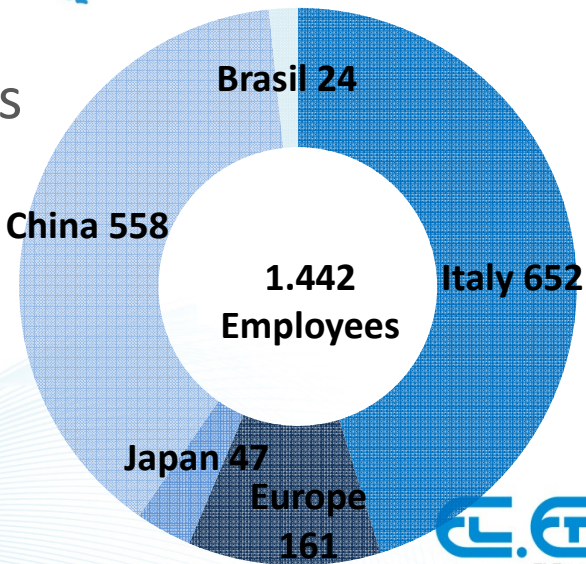


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Production sites

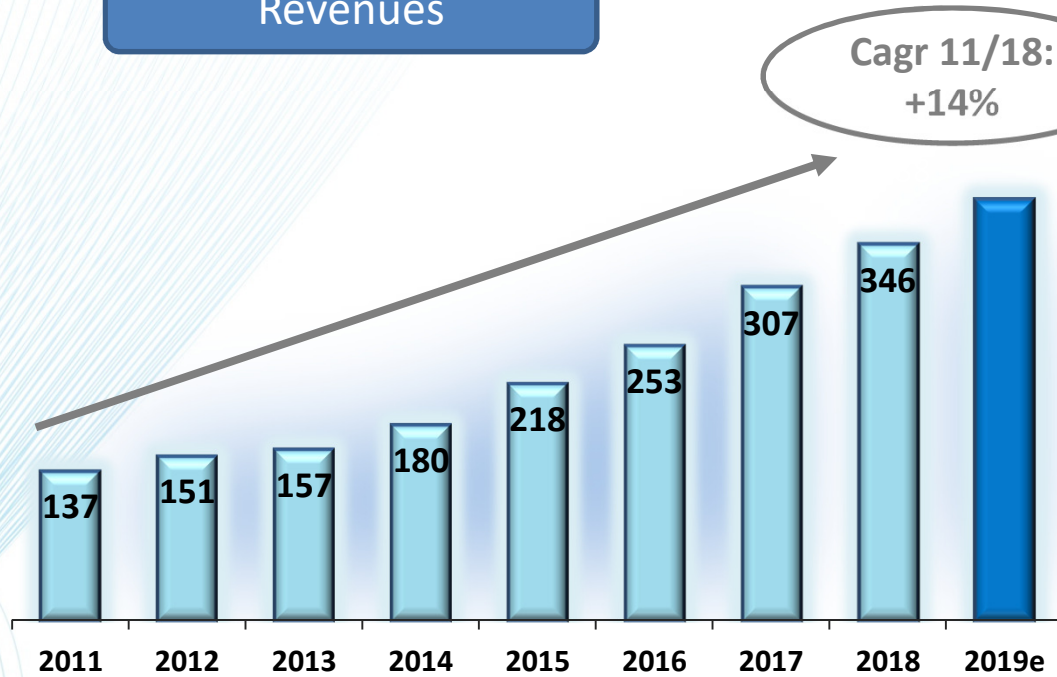
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R&D centers

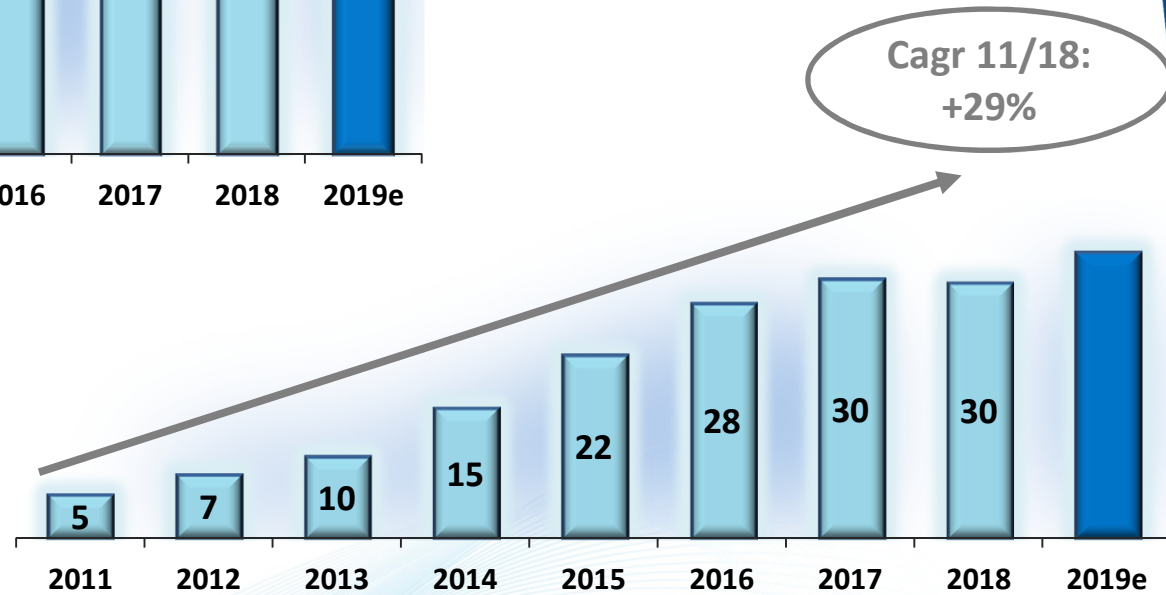


# Growth history

## Revenues



## EBIT



in Euro million

The background features a complex geometric pattern of overlapping triangles and lines in various shades of blue (from light to dark) and white. The pattern is most dense on the left side and fades into a lighter blue gradient towards the right. A solid light blue horizontal bar is positioned at the bottom, containing the text.

# Markets and Growth drivers



# Long term market trends

## Aesthetics:

- Aging population
- Growing global obesity epidemic
- Increasing desire of many individuals to improve their appearance
- Reduction in procedure costs, attracting a broader consumer base



## Minimally invasive surgeries:

- Minimally painful procedures
- Reduced side effects and risks
- Hospitalization days reduction
- Savings by Private & National Health Systems
- ROI increase for surgical services providers

# Long term market trends

## Laser cutting applications:

- Enhanced flexibility, productivity and quality standards in manufacturing processes
- New application verticals
- Building and construction
- Minimal environmental impact



## Laser marking:

- Products identification and traceability
- Minimal environmental impact

# Medical & Aesthetic 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%
<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 youthful appearance
- Increase in healthcare spending
- Requirements for fast and minimally invasive surgical procedures

Reports n Reports'  
analysts forecast :  
Medical aesthetics market  
2018 to 2023  
**10.6% CAGR**

# Industrial laser market

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

- Sheet metal cutting: technology breakthroughs leading to strong demand expansion
- 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

## MEDICAL

- Stronger presence in body contouring and cellulite treatment market
- New laser systems for hair removal
- Novel dermatologic treatment device
- OEM urology partnerships
- New products pipeline

## INDUSTRIAL

- New manufacturing applications for medium power CO<sub>2</sub> laser sources
- Strong demand for high power laser sheet metal cutting systems in China and Europe
- Strong manufacturing presence in China

# *Our critical success factors*

- Continuous innovation (breakthrough products)
- Flexibility and improvement of production capacity (new factories)
- Seeking regulatory clearances worldwide



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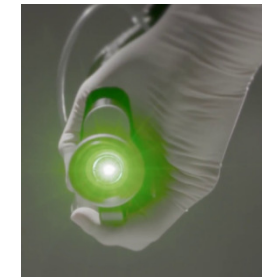
**Our Products**

# Permanent Hair Reduction Highlights

**QUANTA - THUNDER MT (Blended Alexandrite + Yag) –**  
High end system. The fastest in the world with scanner technology



**DEKA - MOTUS AX and MOTUS AY –** Moveo Technology ,  
virtually pain free also on dark skin types



**ASCLEPION - NEW MEDIOSTAR with MONOLITH**  
Handpiece 5kW diode -10 cm<sup>2</sup> - 20 Hz



**Fiona May, Long Jump World Champion**





## Vascular treatments Highlights

**ASCLEPION – QuadroStarPRO YELLOW – 577 nm**



**QUANTA SYSTEM– 585 and DenaVE (US Version) – 585 nm**



Rembrandt's Syndrome



# Tattoo and Benign Pigmented Lesions treatments Highlights

## QUANTA SYSTEM – DISCOVERY PICO PLUS & Q-PLUS C MT (blended)

Almost 2 GW peak power (Pico)



TATTOO REMOVAL - 4 TREATMENTS  
Courtesy Nicola Zerbinati MD



TATTOO REMOVAL - 4 TREATMENTS  
Courtesy Nicola Zerbinati MD



TATTOO REMOVAL - 5 TREATMENTS  
Courtesy Nicola Zerbinati MD



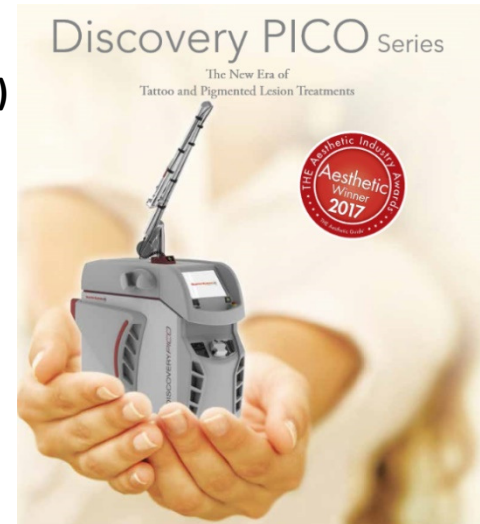
TATTOO REMOVAL - 4 TREATMENTS  
Courtesy Nicola Zerbinati MD



BENIGN PIGMENTED LESIONS  
Courtesy Tamas Kovacs MD

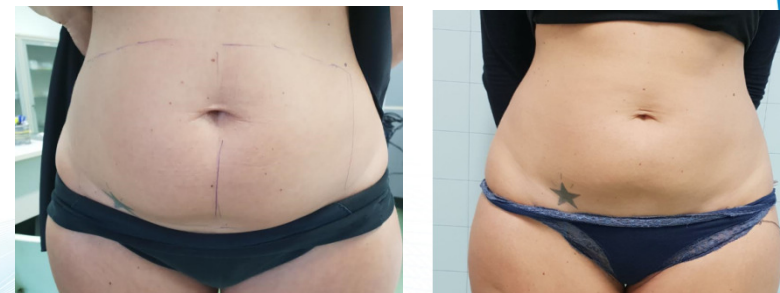
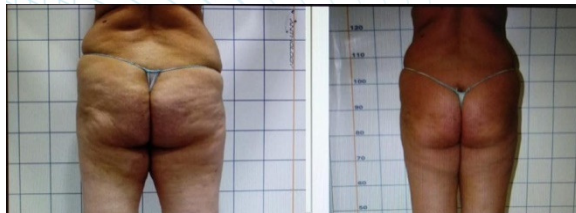


BENIGN PIGMENTED LESIONS  
Courtesy Nicola Zerbinati MD



# BODY CONTOURING Highlights

**DEKA - ONDA COOLWAVES** – the first system in the world based on Microwaves @ 2,5 GHz  
for localized fat accumulations, laxity, and cellulite reduction



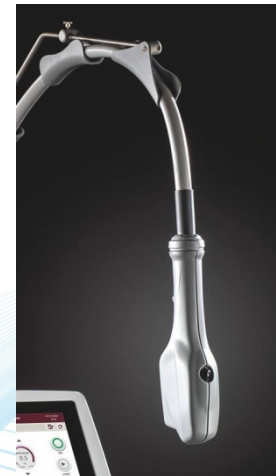
# MULTI PLATFORM TECHNOLOGY Highlights

**DEKA – LUXEA – CE 0123** marked in 2019 by TUV Sud

**The most complete multiplatform with**

- **Diode laser handpiece for permanent hair reduction**
- **IPL sets for skin tightening, skin rejuvenation, deeper vascular treatments and acne treatments**
- **Active Q-switch probe for tattoo removal and pigmented lesions treatments**
- **Nd:YAG 1064 nm probe for vessels treatments**
- **Radio Frequency (RF) probe for skin rejuvenation and tightening**
- **Er:YAG probe for micro ablative skin resurfacing**
- **Nd:YAP probe for non ablative skin rejuvenation**

**Total :15 different handpieces**



# PHYSIOTHERAPY Highlights

**ASA LASER – M6** the only robotized system for pain removal

The multitarget Laser system created to apply MLS® Laser Therapy automatically and uniformly to the treatment area.



**ASA LASER – HIRO TT**

TT® is the ultimate application of Hilterapia®, creating new and innovative capabilities in the treatment of painful pathologies of the musculoskeletal system.



# VAGINAL ATROPHY AND VAGINAL LAXITY

## Highlights

### DEKA – MONA LISA TOUCH (MLT) WITH RF TOUCH

The most complete vaginal surgical multiplatform with:

- CO<sub>2</sub>
- New single use probes for MLT
- New single use applicators for Treatment of vaginal laxity (non-surgical vaginal tightening) and vulvar treatment, in particular labia Majora and Minora hypertrophy. Adjuvant in the treatment of disorders of lower urinary tract: mild SUI (Stress Urinary Incontinence) and related symptoms.



Single use MLT



Single use RF Touch Probe

# UROLOGY - Stones Management and BPH Highlights

QUANTA SYSTEM – Litho 35 W Holmium laser

QUANTA SYSTEM – Cyber Ho 60 W Holmium laser

QUANTA SYSTEM – Cyber Ho 100 W Holmium laser

ASCLEPION / JENA SURGICAL MultiPulse HoPLUS 140 W Holmium laser  
with integrated morcellator

2018 vs 2017 : +51,6%



35 W



60 & 100 W



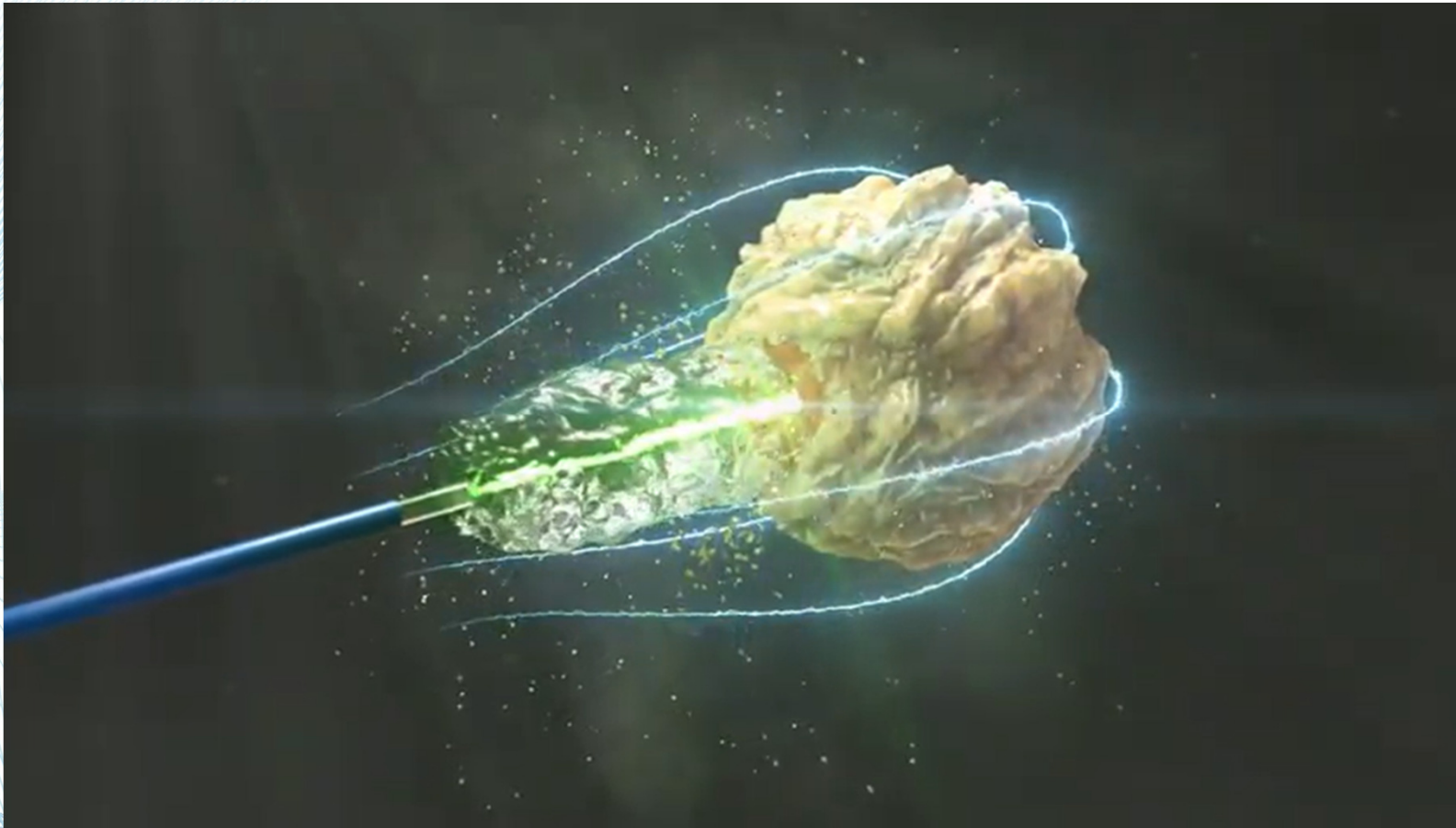
140 W

W

23

## *UROLOGY – Virtual Stone Basket*

**QUANTA** – Virtual Stone Basket Effect – onboard of 100 W Holmium lasers to avoid stone retropulsion and to capture stone fragments





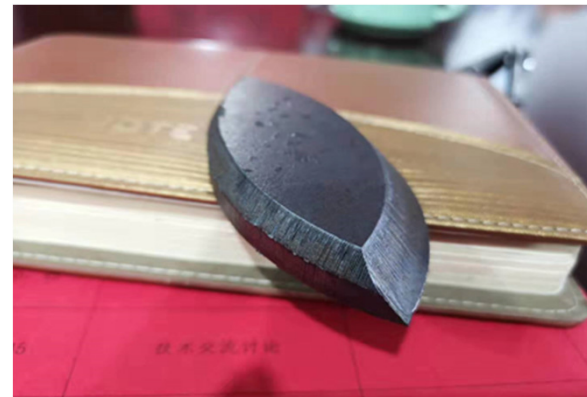
# METAL CUTTING Highlights

## PENTA & PENTA CHUTIAN

- Automatic CNC machines with up to 20 kW fiber lasers onboard



73mm stainless steel, another breakthrough cut by PENTA's 15kW.



**BEVELING CUT** our new laser special preparation for butt-welding metal sheet edges

The background features a complex geometric pattern of overlapping triangles and lines in various shades of blue (from light to dark) and white. A prominent white line structure is visible on the left side, resembling a stylized architectural or structural element. The overall aesthetic is modern and professional.

# Financial Highlights

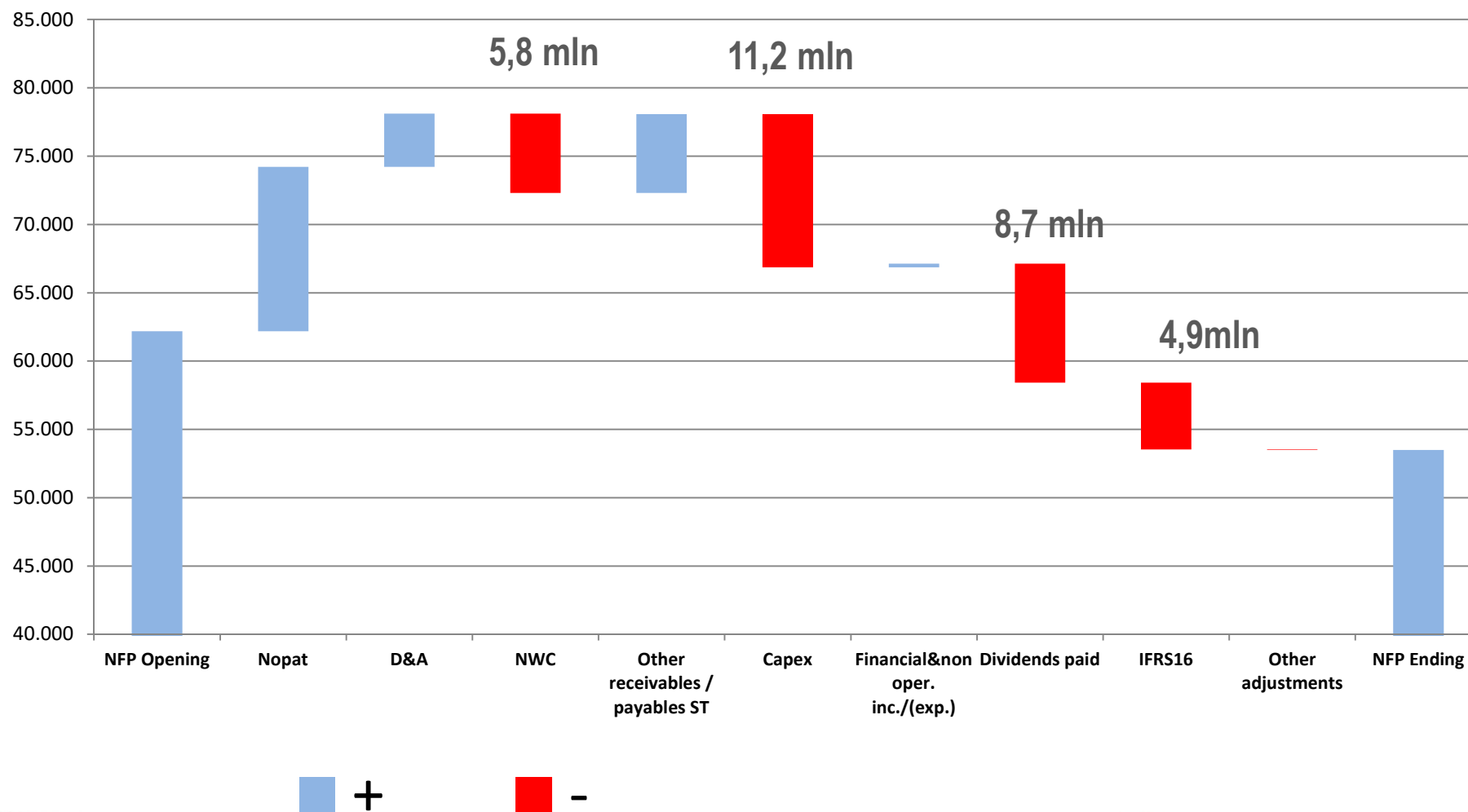
# Income Statement H1-2019

Euro '000	30/06/18	%	30/06/19	%	Var.%
Medical	93.598	58,3%	112.129	59,5%	19,8%
Industrial	67.039	41,7%	76.321	40,5%	13,8%
Total Revenues	160.637	100,0%	188.450	100,0%	17,3%
Gross margin	64.701	40,3%	74.385	39,5%	15,0%
EBITDA	15.349	9,6%	20.604	10,9%	34,2%
EBIT	12.731	7,9%	16.713	8,9%	31,3%
Pretax Income	13.090	8,1%	16.894	9,0%	29,1%
Net income	7.452	4,6%	10.223	5,4%	37,2%
Net Income per share	0,39		0,53		

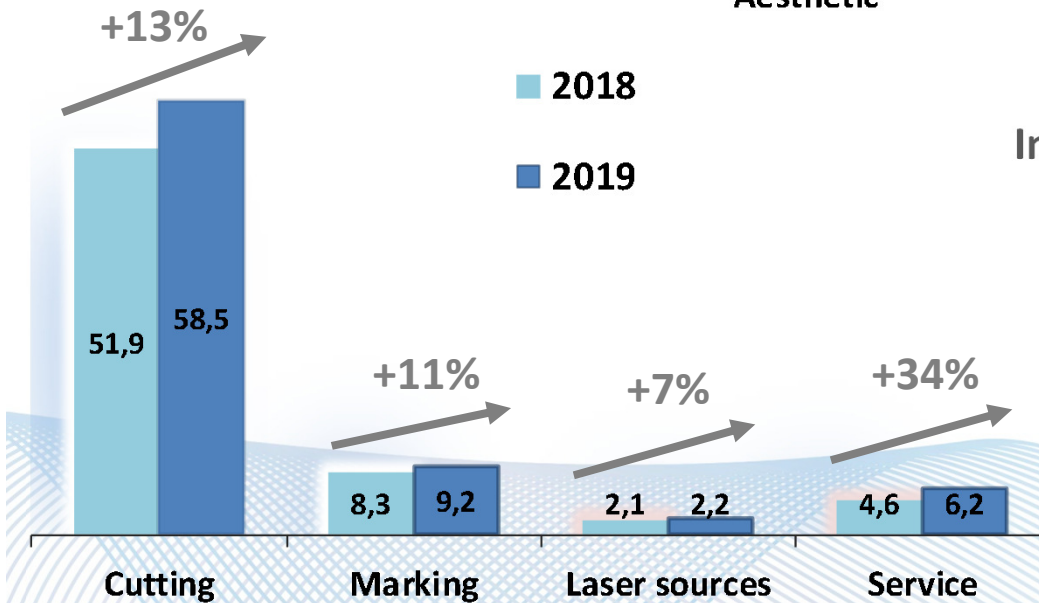
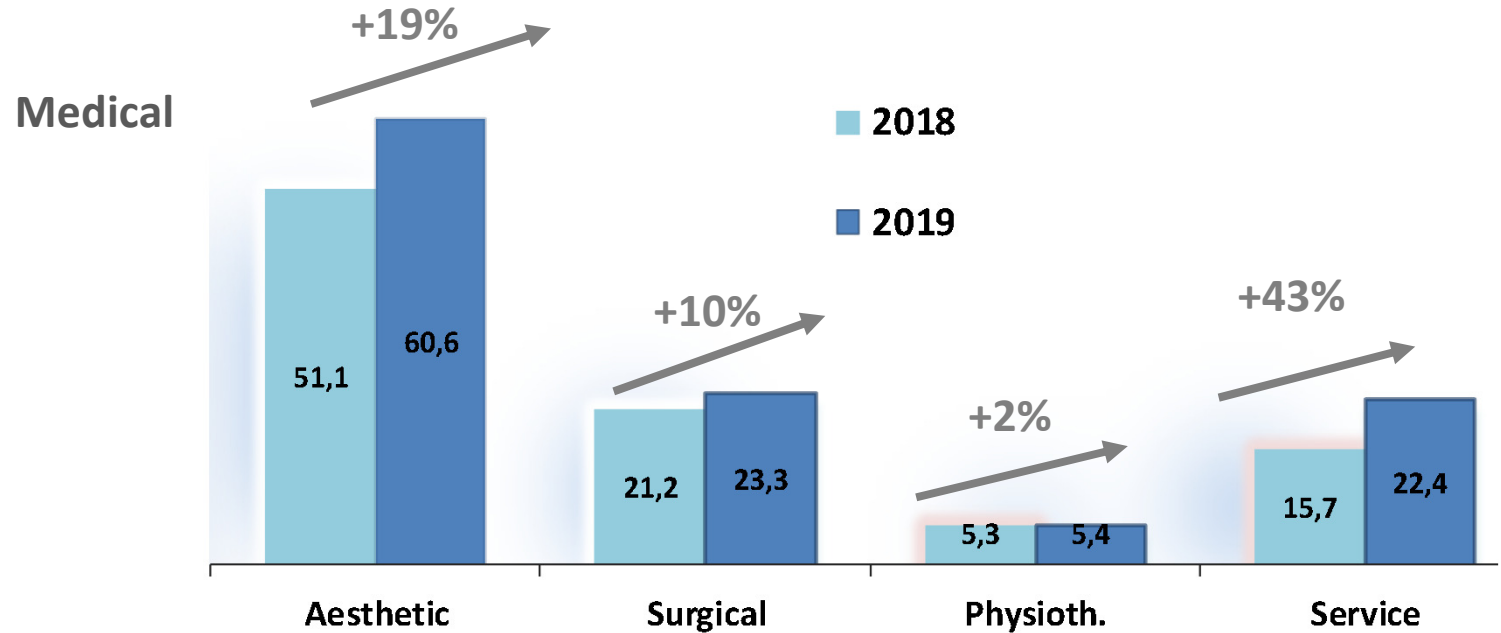
# Balance Sheet 2019

Euro '000	31/12/18	30/06/19	Var.%
Total non current assets	86.879	99.968	15,1%
Net Working Capital	102.248	108.494	6,1%
Other receivables/payables ST	(22.341)	(28.224)	26,3%
Net financial position	62.461	53.770	-13,9%
Long term liabilities	10.011	10.779	7,7%
Net Equity	219.236	223.229	1,8%
Net capital employed	157.051	169.745	8,1%
Net Working Capital on sales	29,5%	28,8%	
ROCE (EBIT/Net capital employed)	19,1%	19,7%	
Capex	27.058	11.262	

# Cash Flow 2019



# Revenue breakdown by business

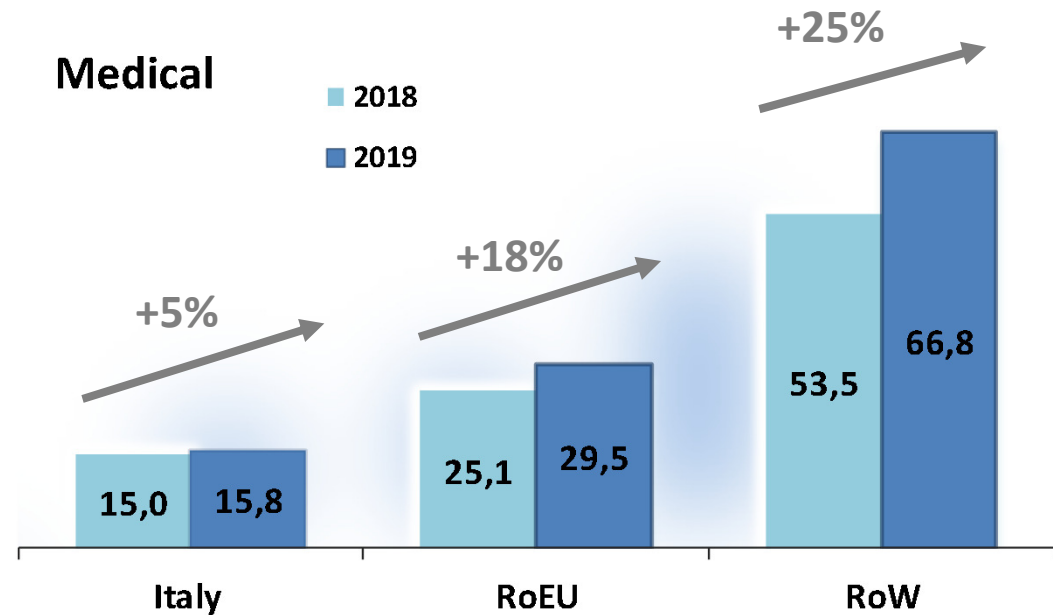


*in Euro million*

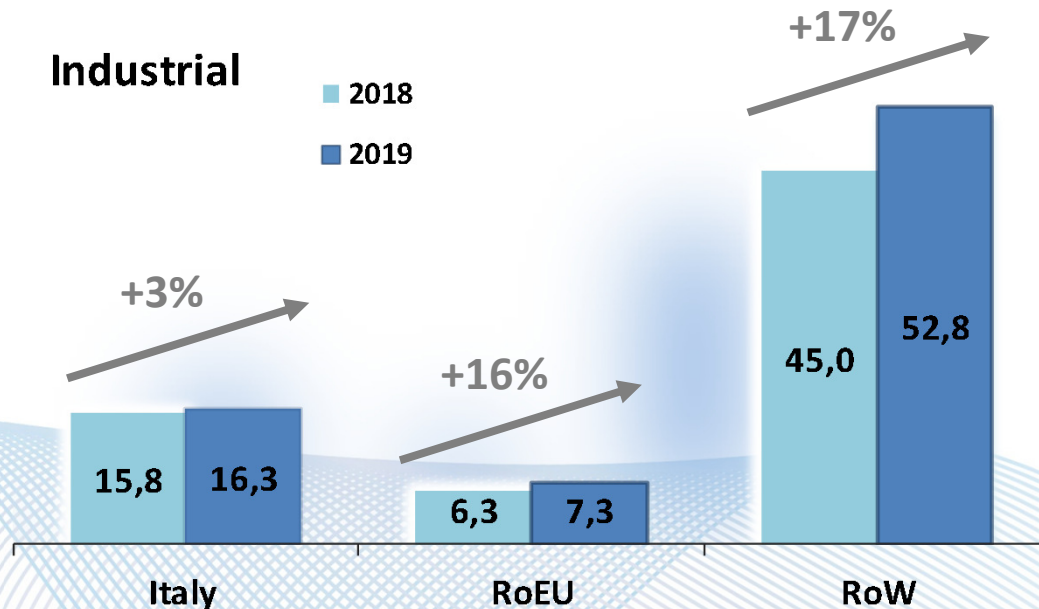
# Revenue breakdown by area

in Euro million

## Medical



## Industrial



# New factories

## Jena - Asclepion



## Wenzhou (2nd) – Penta Laser



透视图

## Vicenza – ASA Laser



	Euro million		
Capex plan	2018	2019 td	Total
Total capex	27	12	39
of which:			
New plants	22	8	30





# Guidance

**2019 vs 2018:**

**Revenue: > +10%**

**EBIT% 2019 > EBIT% 2018**



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# Multiples & Comparables

# Multiples

**Stockholder's Equity per share** **11,6**

**Price / Book Value Adj.** **2,2**

**EV / EBIT (85% EBIT)** **14,7**

**EV / Sales (85% Sales)** **1,3**

**El.En. Market Cap.** **482,4 @ € 25,00**

**Net financial position** **53,8 @ 30/06/19**

**Financial investments m/l term** **12,3 @ 30/06/19**

**Enterprise Value** **416,4**

# Comparables

Amounts in mln

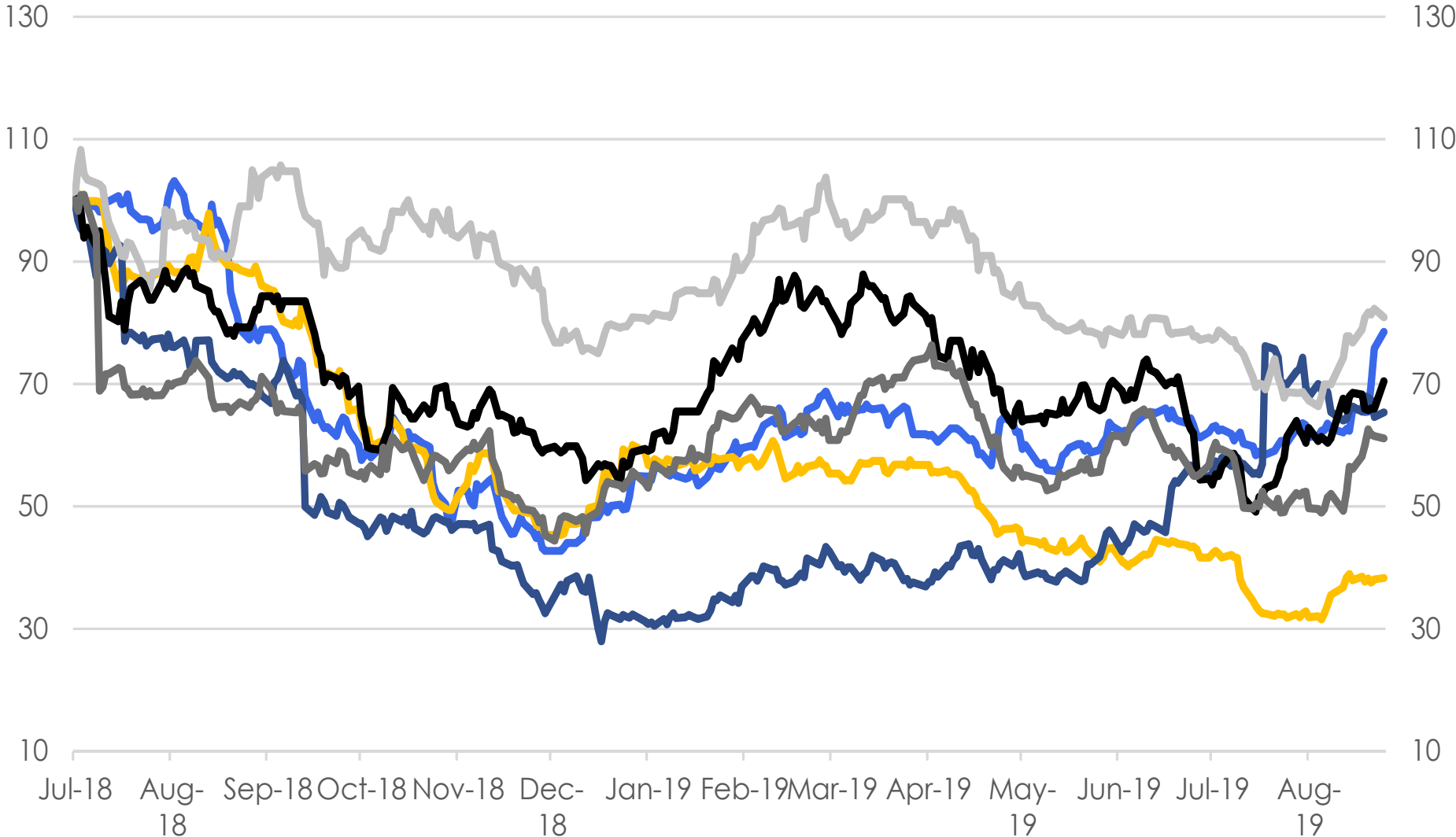
Sept. 30th, 2019

	Price	Revenue	Var.% Rev.	EBIT	EBIT%	MK.Cap.	EV	EV/Sales (*)	EV/EBIT (*)	P/E (*)	P/Book Value
<b>Medical/Aesthetic</b>											
Cutera	\$29,72	\$84	9%	\$(8)	-9%	\$421	\$399	2,4	n.a.	n.a.	9,8
InMode	\$25,96	\$69	51%	\$26	37%	\$830	\$748	5,4	14,6	14,4	11,6
Sisram Medical	\$0,58	\$85	9%	\$16	18%	\$256	\$153	0,9	4,9	5,5	0,8
Lutronic	€ 6,82	€ 41	20%	-€ 5	-13%	€ 182	€ 166	2,0	n.a.	n.a.	2,0
<b>Industrial</b>											
IPG Photonics Co.	\$131,84	\$679	-12%	\$159	23%	\$7.010	\$5.971	4,4	18,7	23,4	3,0
Prima Industrie	€ 12,30	€ 215	-1%	€ 6	3%	€ 129	€ 262	0,6	20,2	72,1	0,8
Han's Laser	¥36,90	¥4.684	-8%	¥296	6%	¥40.060	¥41.725	4,5	70,5	55,0	4,7
El.En. (1)	€ 25,00	€ 188	17%	€ 17	9%	€ 482	€ 416	1,3	14,7	20,4	2,2

(1) EV and multiples as for previous slide

(\*) Revenue, Ebit and earnings annualized

# Comparables



El.En. S.p.A. Prima Industrie S.p.A. Cutera, Inc.  
Sisram Medical Ltd. Han's Laser Tech IPG Photonics Corporation

*“...and the best is yet to come....”*

*Nobel Prize for  
Physics  
Prof. Gérard Mourou*



# Contacts

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