



COMPANY PRESENTATION

Frankfurt - January 28th , 2020

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. **Latest News**
6. **Multiples & Comparables**

The image features an abstract background with a light blue gradient and a complex pattern of overlapping white and dark blue geometric shapes, primarily triangles and lines, on the left side. A solid light blue horizontal bar spans the bottom of the image.

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

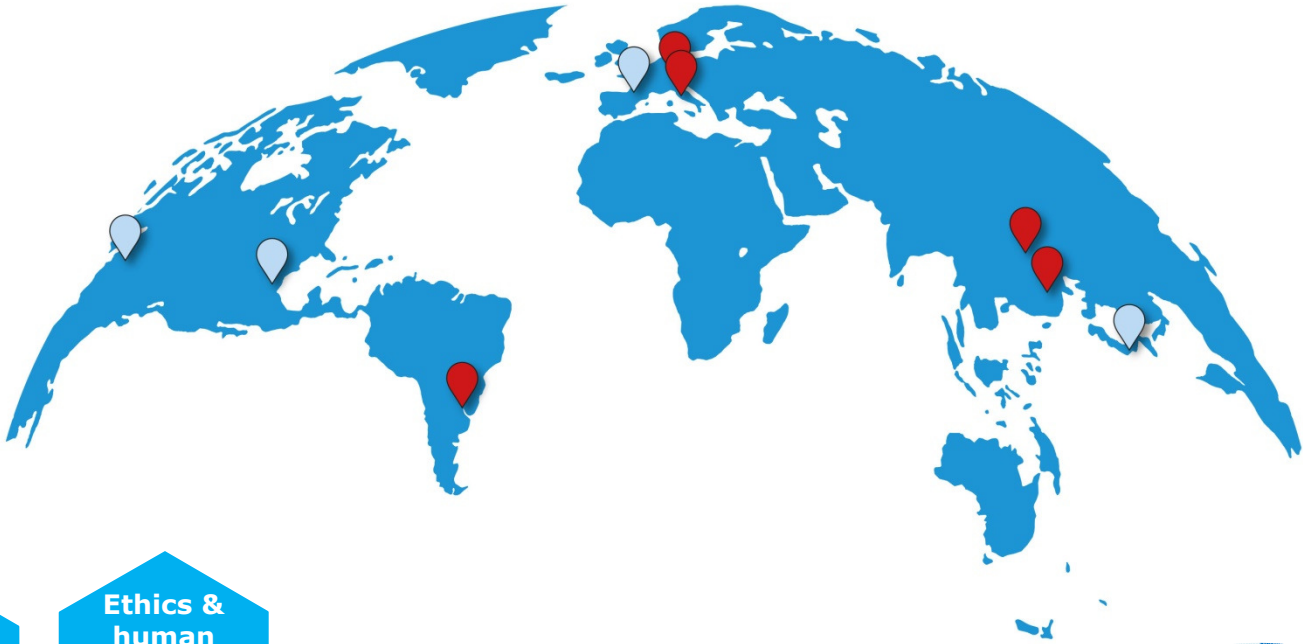
More than 45,000 laser sources sold and 5% of revenue invested in R&D

More than 120 patents

More than 90 R&D specialists



El.En. Worldwide

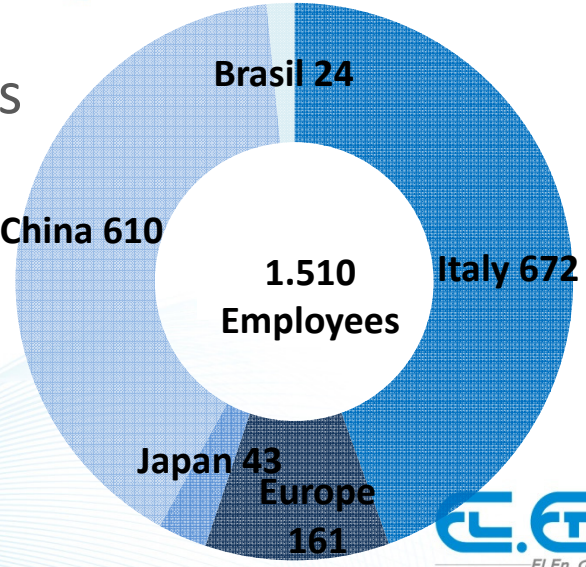


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Production sites

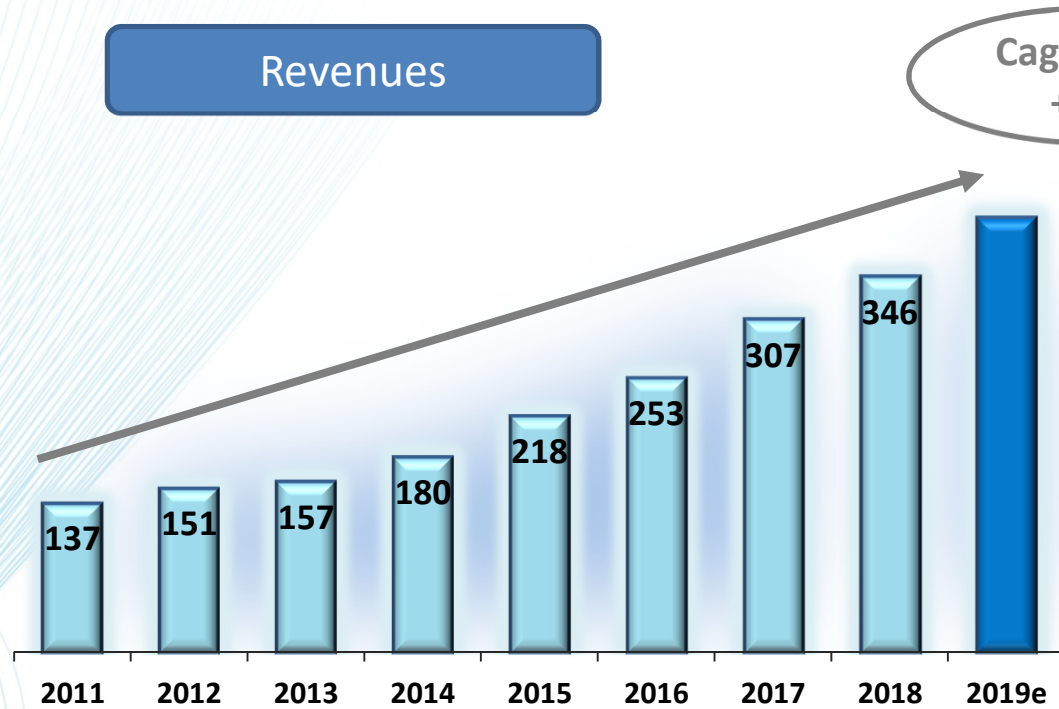
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R&D centers

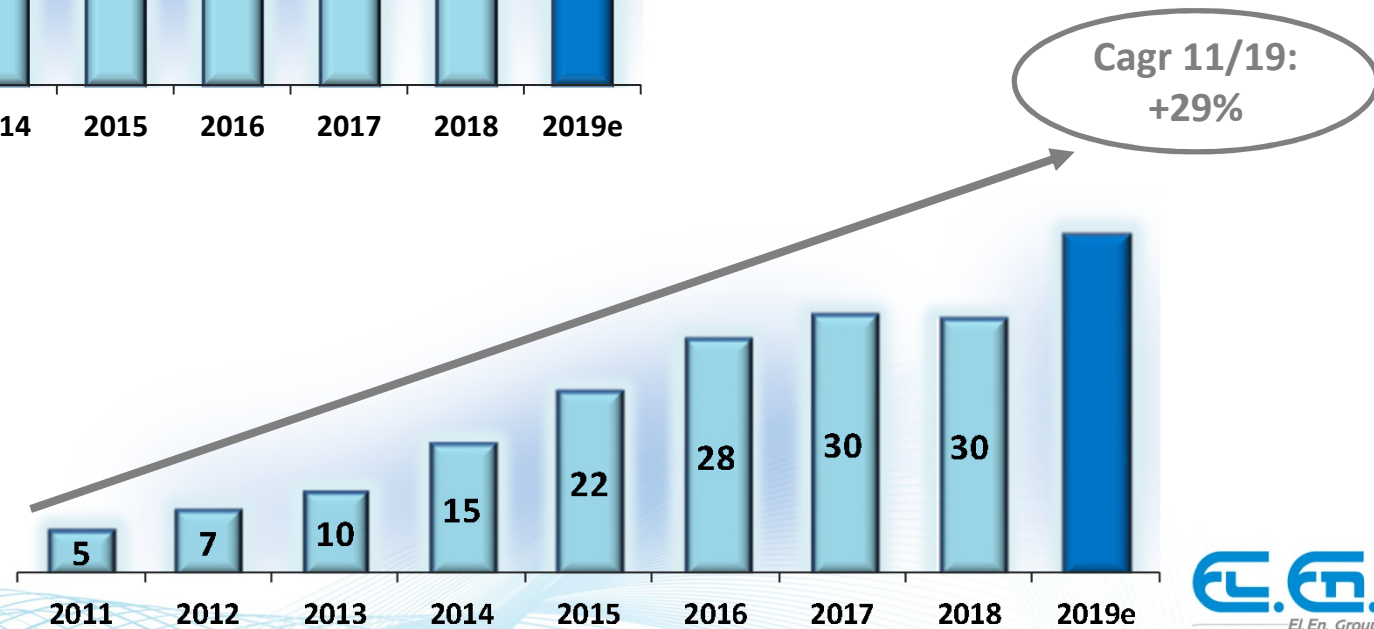


Growth history

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 prominent on the left side and fades into a lighter blue gradient on 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% |
| Total | 2.033 | 2.670 | 4.380 | 15% | 10% |

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 CO₂ 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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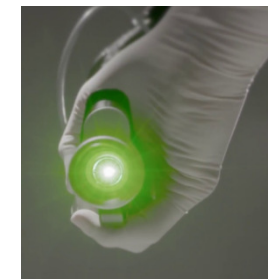
Our Products

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 cm² - 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



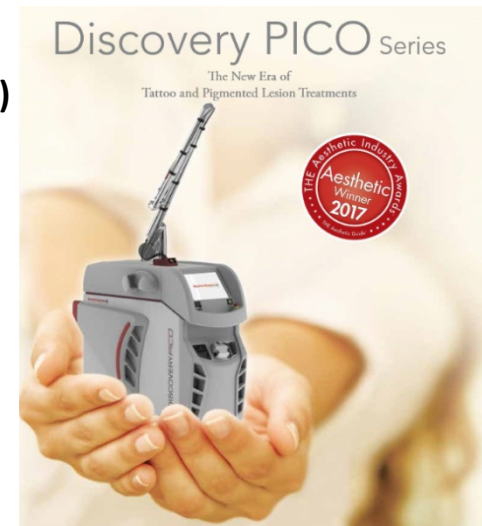
Rembrandt's Syndrome



Tattoo and Benign Pigmented Lesions treatments Highlights

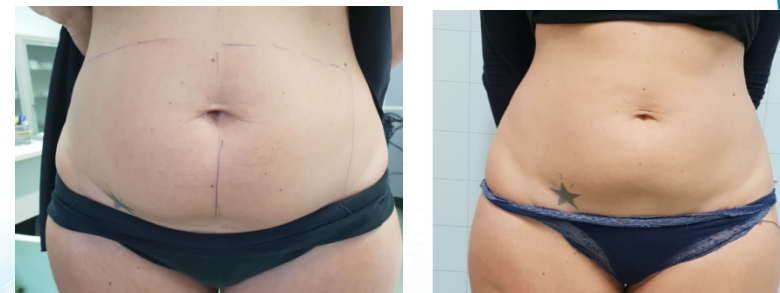
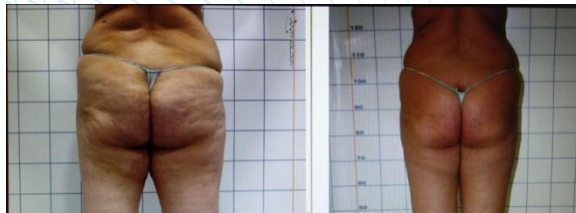
QUANTA SYSTEM – DISCOVERY PICO PLUS & Q-PLUS C MT (blended)

Almost 2 GW peak power (Pico)



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



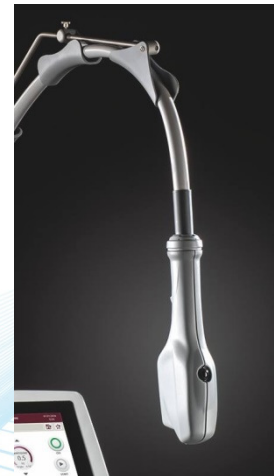
MULTI PLATFORM TECHNOLOGY Highlights

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:

- CO₂
- 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



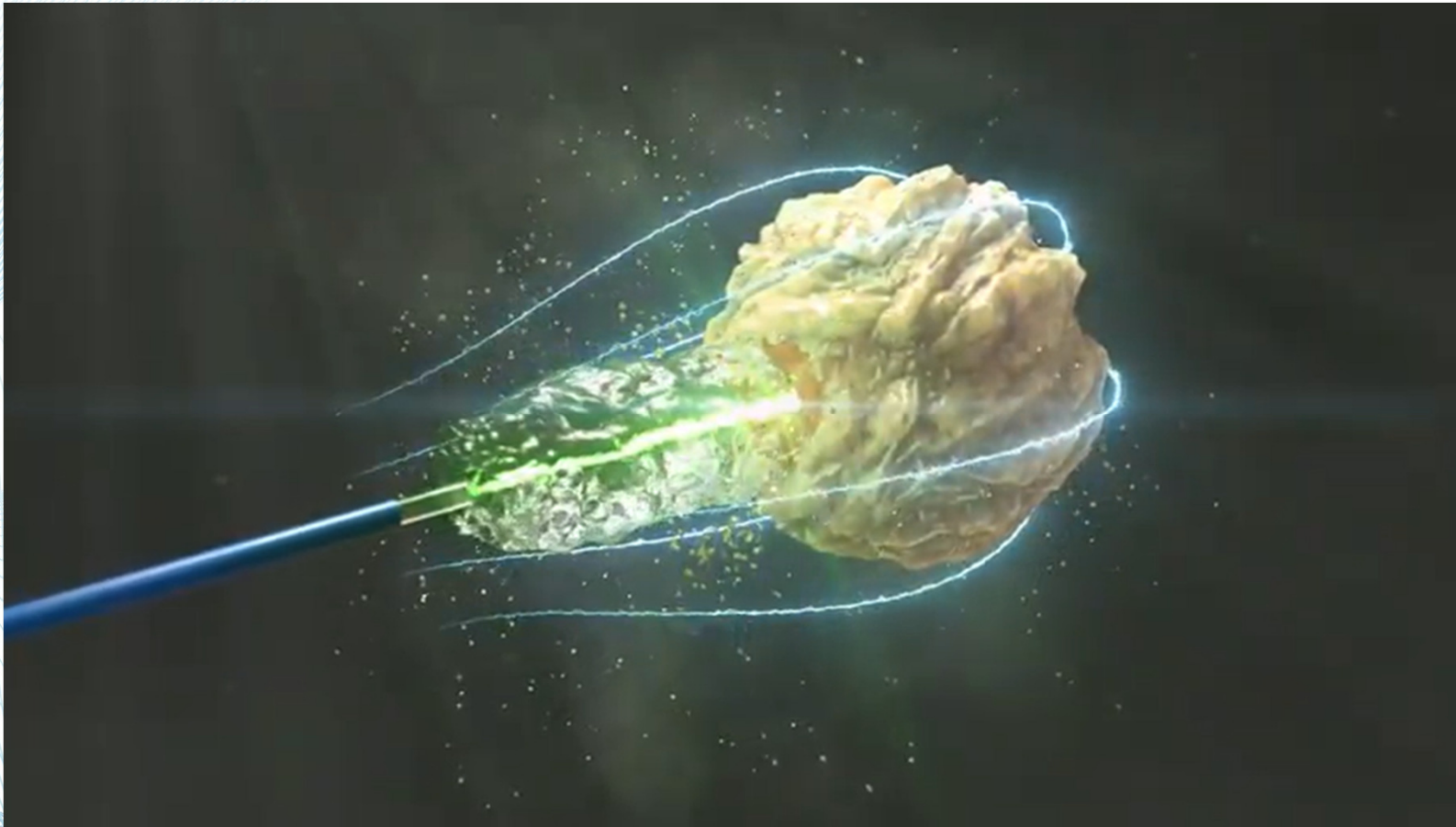
140 W

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



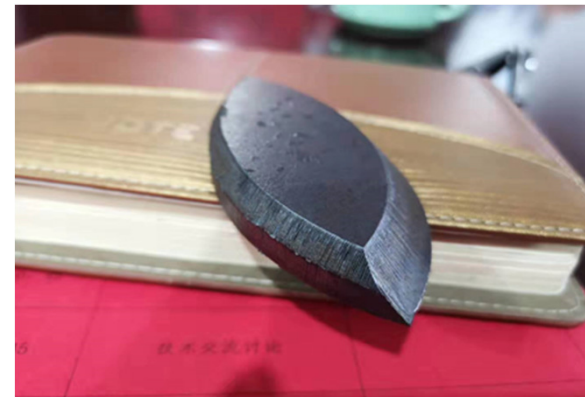
METAL CUTTING Highlights

PENTA & PENTA CHUTIAN

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



73mm stainless steel, another break-through cut by PENTA's 15kW.



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

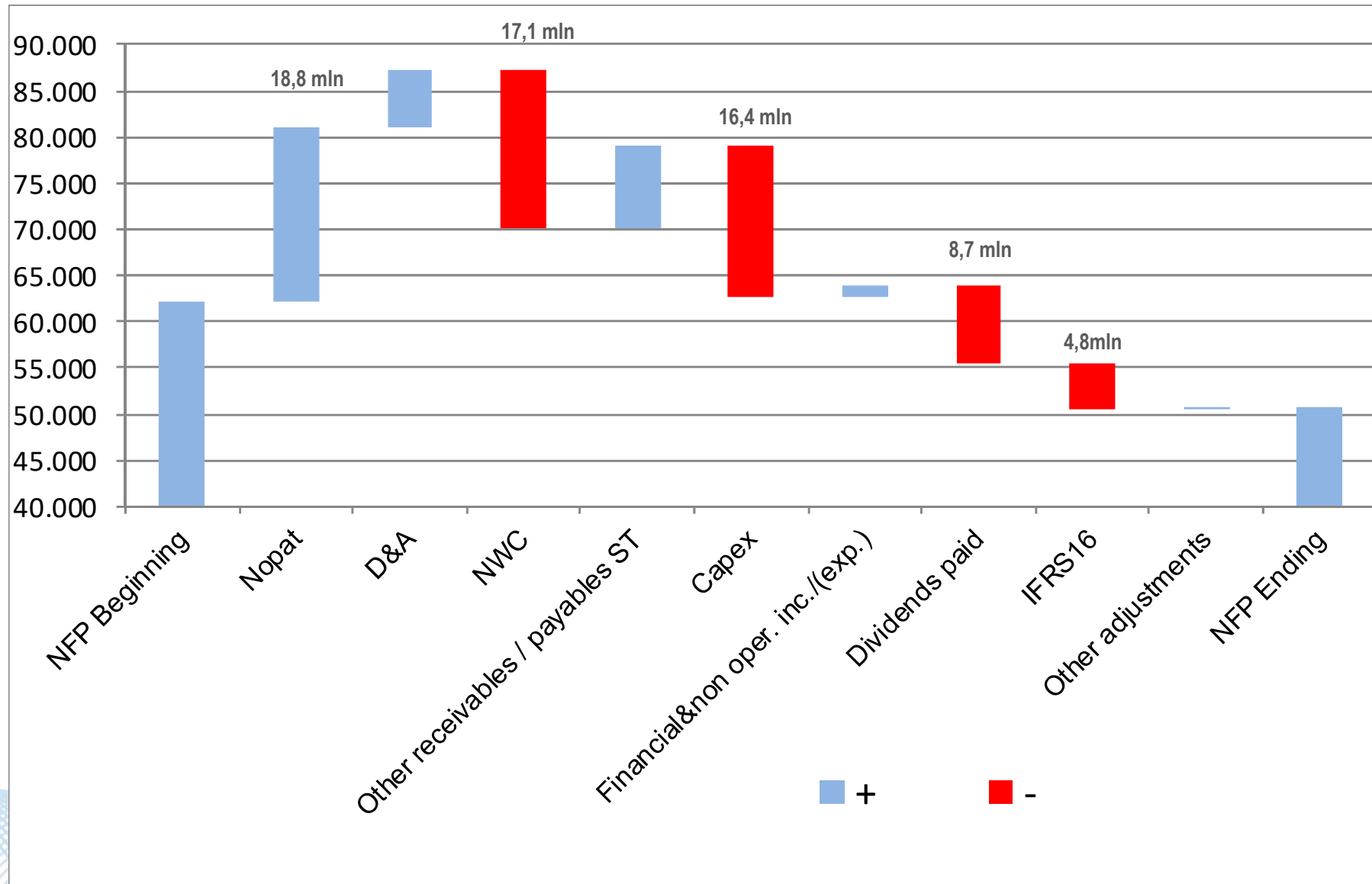


Financial Highlights

Income Statement 9M-2019

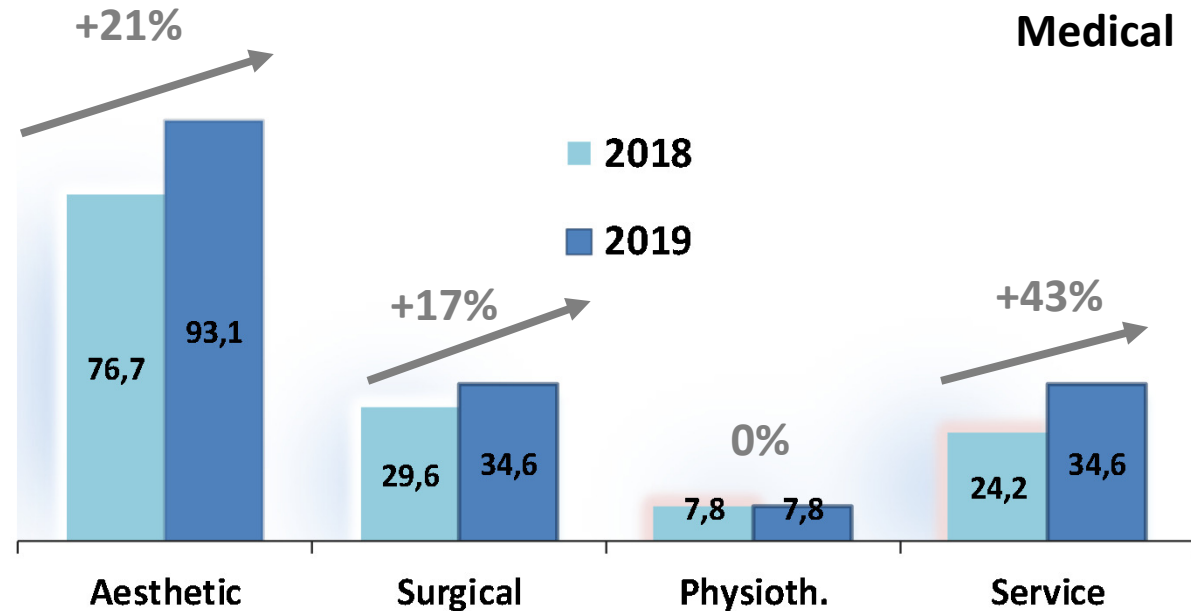
| Euro '000 | 30/09/18 unaudited | % | 30/09/19 unaudited | % | Var.% |
|------------------------|-----------------------|--------|-----------------------|--------|-------|
| Medical | 138.837 | 57,0% | 170.761 | 60,4% | 23,0% |
| Industrial | 104.600 | 43,0% | 112.187 | 39,6% | 7,3% |
| Total Revenues | 243.437 | 100,0% | 282.948 | 100,0% | 16,2% |
| Gross margin | 96.306 | 39,6% | 111.145 | 39,3% | 15,4% |
| EBITDA | 24.036 | 9,9% | 32.616 | 11,5% | 35,7% |
| EBIT | 20.007 | 8,2% | 26.445 | 9,3% | 32,2% |
| Pretax Income | 19.908 | 8,2% | 27.621 | 9,8% | 38,7% |
| | 31/12/18 | | 30/09/19 unaudited | | |
| Net financial position | 62.461 | | 50.819 | | |

Cash Flow

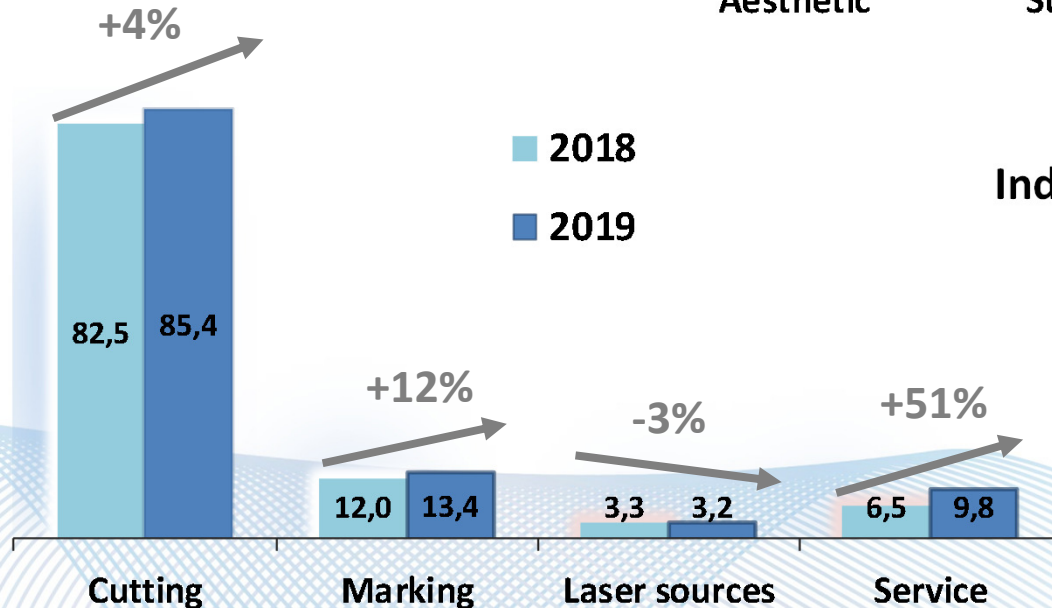


Revenue breakdown by business

Medical



Industrial

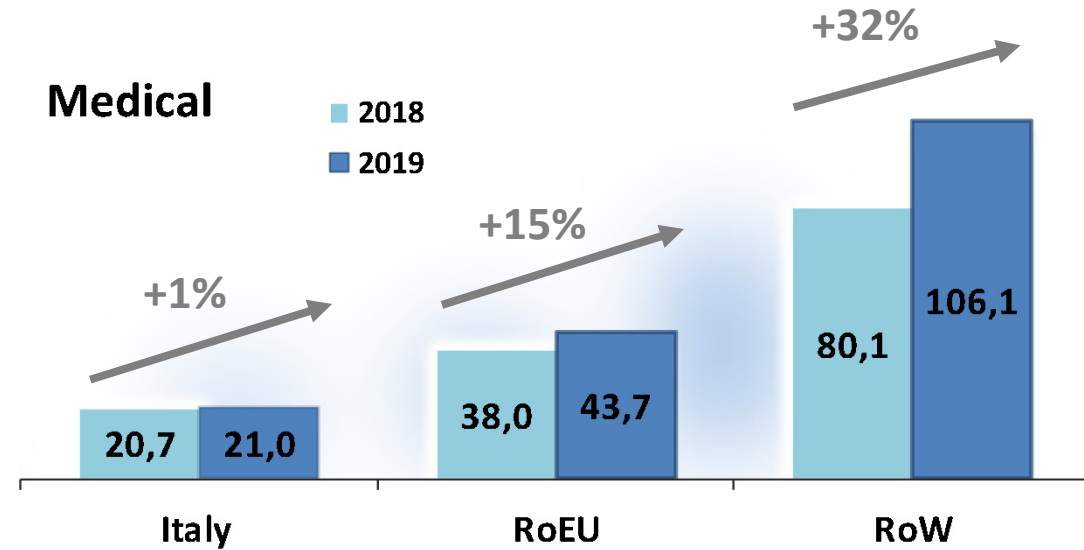


in Euro million

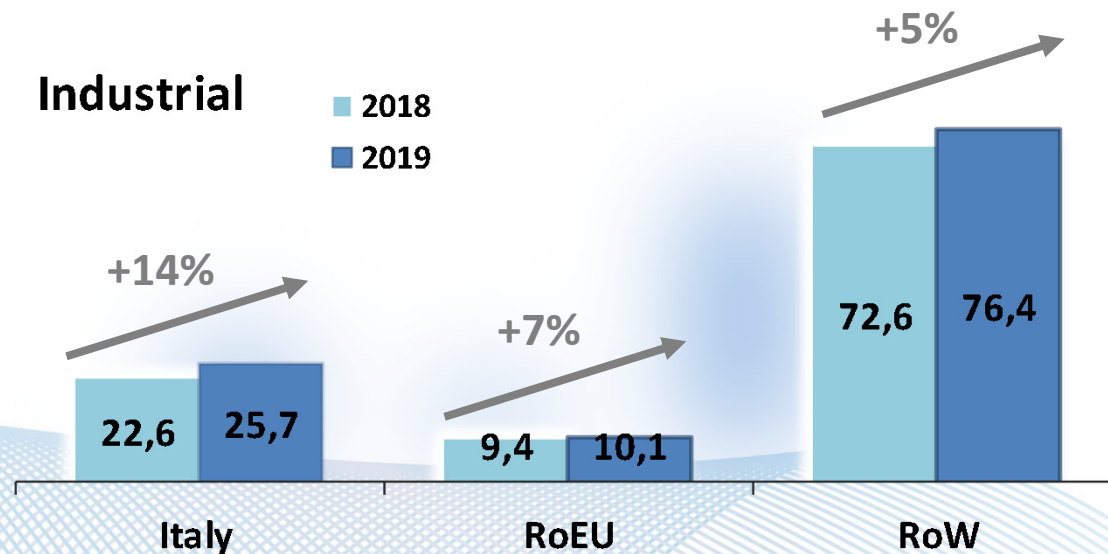
Revenue breakdown by area

in Euro million

Medical



Industrial



New factories

Jena - Asclepion



Vicenza – ASA Laser



Wenzhou (2nd) – Penta Laser



透视图

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



Revenue and EBIT% guidance

Aspirational targets:

400 mln
10%

Previous guidance:

≈ 380 mln

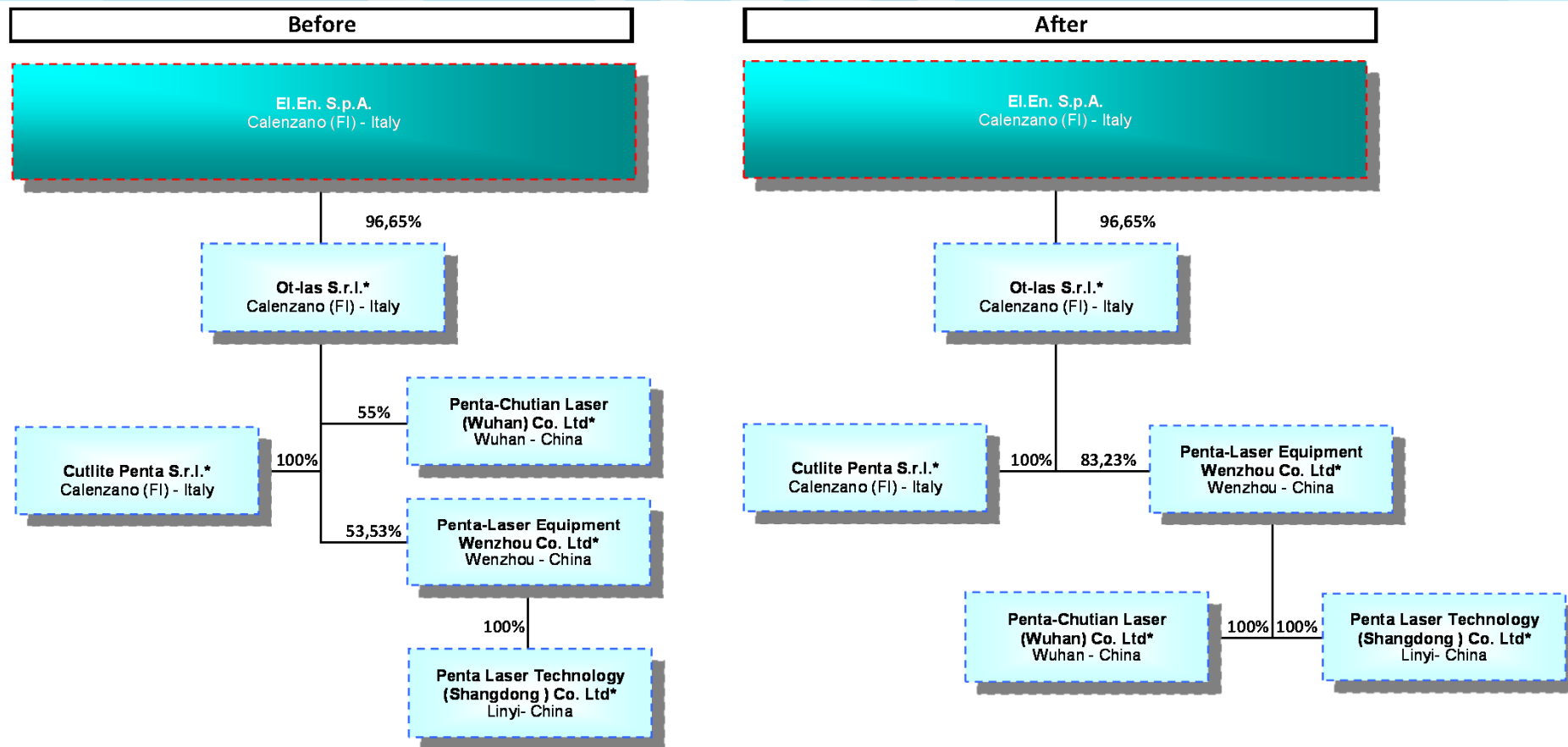
≈ 9%





Latest News

Minorities acquisition in China



Acquired 45% of **Penta Chutian Wuhan** and 29,7% of **Penta Laser Wenzhou** for approx. 20 mln euros + 5 mln of euros Earn Out .

Transaction funded with available cash
No impact on financial consolidation and guidance

Minorities acquisition in China - Ratios

| | | |
|---|---------|----------|
| Equity value | 521.886 | Rmb '000 |
| Enterprise value (ref NFP as of 30/9/2019) | 467.875 | Rmb '000 |
| Enterprise value (after Wuhan acquisition) | 508.875 | Rmb '000 |

| | 2018 | 2017 | 9/2019 |
|--------------------|------|-------|--------|
| EV/ Sales | 0,71 | 0,79 | 0,72 |
| EV / EBITDA | 7,16 | 6,93 | 11,88 |
| EV / EBIT | 8,53 | 8,32 | 18,01 |
| P/E | 9,99 | 10,89 | 19,25 |

Elesta preliminary activities for IPO

- **50% currently owned – Net worth consolidation**
- **2018 Revenue: €3 mln; 2018 Net Income: € 0,2 mln**
- **Possible timing: first half 2020**

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Multiples & Comparables

Multiples

Stockholder's Equity per share **11,5**

Price / Book Value Adj. **2,9**

EV / EBIT (85% EBIT) **19,2**

EV / Sales (85% Sales) **1,8**

El.En. Market Cap. **639,8 @ € 33,00**

Net financial position **50,8 @ 30/09/19**

Financial investments m/l term **12,4 @ 30/09/19**

Enterprise Value **576,6**

Comparables

Sept. 30th, 2019

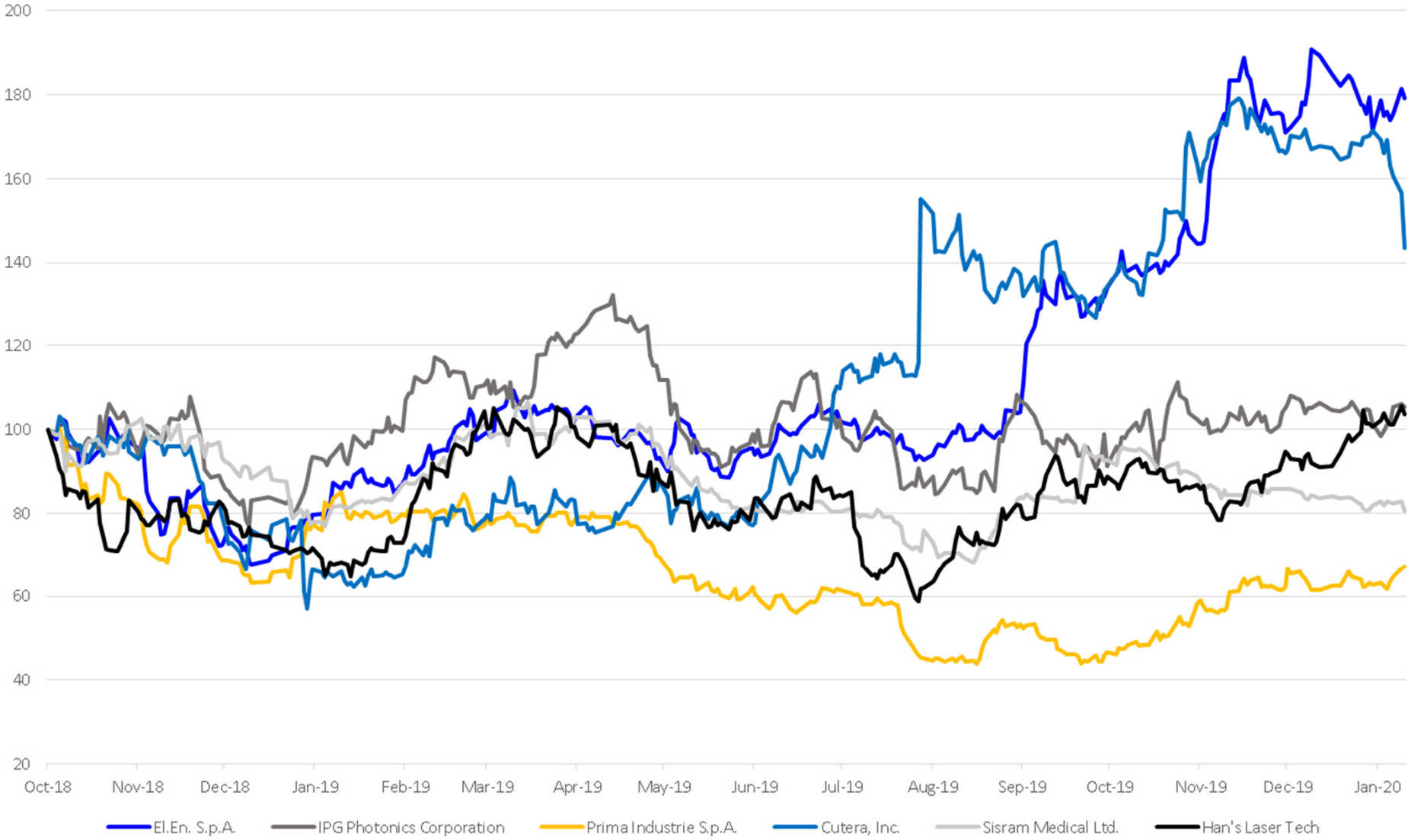
Amounts in mln

| | Price | Revenue | Var.% Rev. | EBIT | EBIT% | MK.Cap. | EV | EV/Sales (*) | EV/EBIT (*) | P/Book Value |
|--------------------------|----------|---------|---------------|--------|-------|---------|---------|-----------------|----------------|-----------------|
| Medical/Aesthetic | | | | | | | | | | |
| Cutera | \$31,04 | \$130 | 11% | \$(10) | -8% | \$441 | \$420 | 2,4 | n.a. | 10,0 |
| InMode | \$46,99 | \$109 | 53% | \$42 | 38% | \$1.500 | \$1.334 | 9,1 | 24,0 | 9,3 |
| Venus | \$5,71 | \$12 | -24% | \$(22) | -188% | \$169 | \$185 | 11,9 | n.a. | n.a. |
| Sisram Medical | \$0,51 | \$85 | 9% | \$16 | 18% | \$227 | \$125 | 0,7 | 4,0 | 0,7 |
| Lutronic | € 6,22 | € 62 | 29% | -€ 8 | -13% | € 165 | € 146 | 1,8 | n.a. | 1,8 |
| Industrial | | | | | | | | | | |
| IPG Photonics Co. | \$144,85 | \$1.008 | -11% | \$234 | 23% | \$7.690 | \$6.615 | 4,9 | 21,2 | 3,2 |
| Prima Industrie | € 17,12 | € 307 | -4% | € 11 | 3% | € 179 | € 321 | 0,8 | 22,4 | 1,1 |
| Han's Laser | ¥45,45 | ¥6.880 | -21% | ¥358 | 5% | ¥48.500 | ¥50.143 | 5,5 | 105,0 | 5,6 |
| El.En. (1) | € 33,00 | € 283 | 16% | € 26 | 9% | € 640 | € 577 | 1,8 | 19,2 | 2,9 |

(1) EV and multiples as for previous slide

(*) Revenue, Ebit and earnings annualized

Comparables



“...and the best is yet to come....”

*Nobel Prize for
Physics
Prof. Gérard Mourou*



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