

COMPANY PRESENTATION



Star Conference – May 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 and white, overlaid with a network of white lines connecting various points across the continents. The map is centered on the Atlantic Ocean. The background features a dark blue geometric pattern of triangles and lines on the left and right sides.

AGENDA

1. **Overview**
2. **Markets and Growth drivers**
3. **Innovation: products & applications**
4. **Financial Highlights**
5. **Current Outlook**
6. **Multiples & Comparables**

The background features a complex geometric pattern on the left side, composed of overlapping triangles and polygons in various shades of blue (from light to dark) and white. The right side of the image is a smooth, light blue gradient. A solid blue horizontal bar is positioned at the bottom right, containing the text 'Overview' in white.

Overview

Overview

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 50,000 laser sources sold and 5% of revenue invested in R&D

More than 125 patents

More than 115 R&D specialists



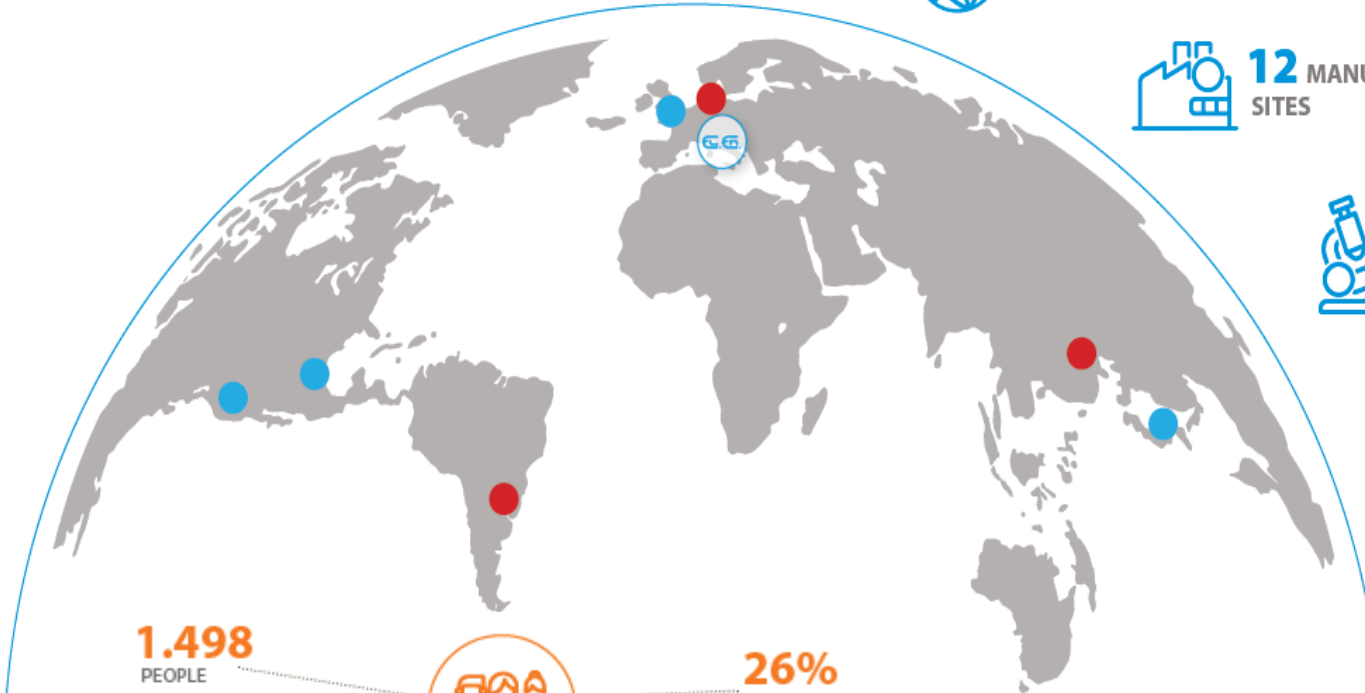
El.En. Worldwide

 **8 COUNTRIES**
IN THE WORLD

 **12 MANUFACTURING**
SITES

 **6 RESEARCH**
AND
DEVELOPMENT
CENTERS

 **20**
SUBSIDIARIES
COMPANIES



1.498
PEOPLE



26%
ARE
UNDER 30

+130
GROWTH IN NUMBER
OF EMPLOYEES IN 2019

653
REST OF
THE WORLD

165
REST OF
EUROPE

11%

44%

45%

680
ITALY

In 2019 El.En. was **classified second** among corporations quoted on the stock market in the **Integrated Governance Index** presented on June 13th at the ESG Business Conference.

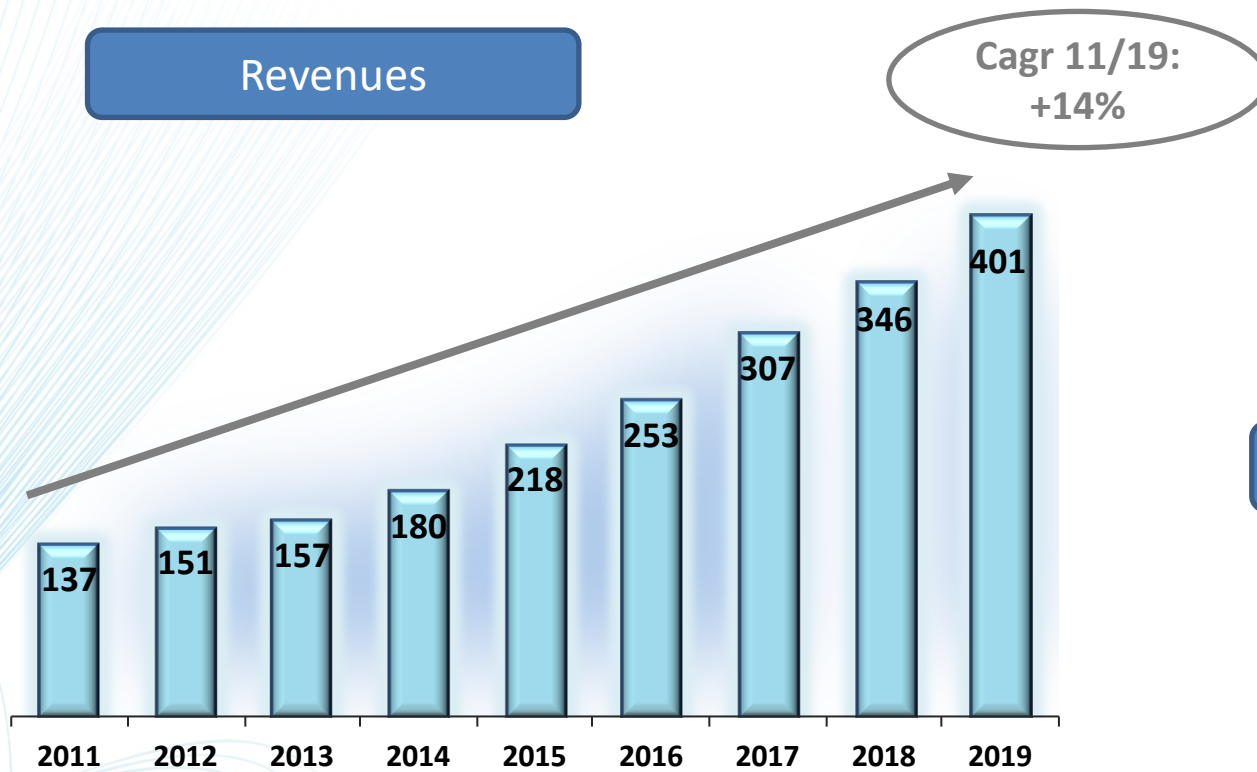
This index was drawn up by ETICANews and Top Legal with the scientific support of numerous associations in the sector and measures the **adoption of ESG** (Environmental, Social, and Governance) **topics in the company strategy.**



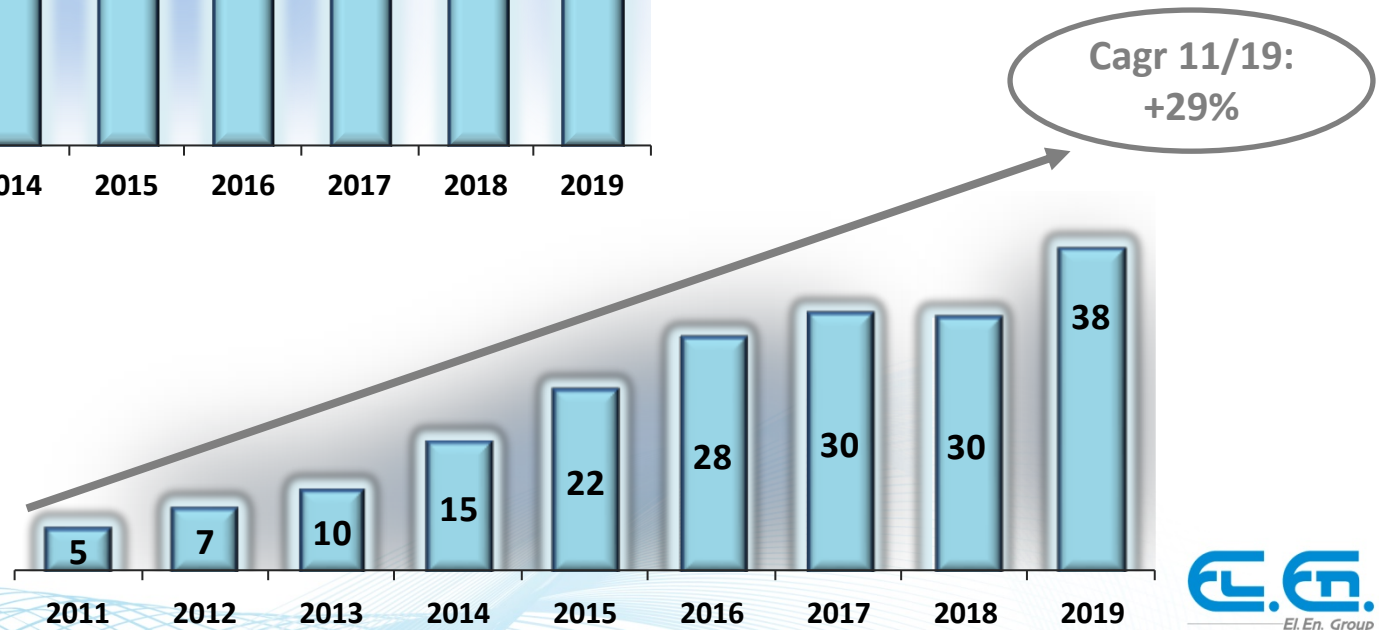
El.En. Group

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 of the page, containing the main text.

Markets and Growth drivers

Long term market trends

Aesthetics:

- Aging population
- Growing global obesity rate
- Increasing desire of individuals to improve their appearance
- Lower procedure cost, attracting a broader consumer base



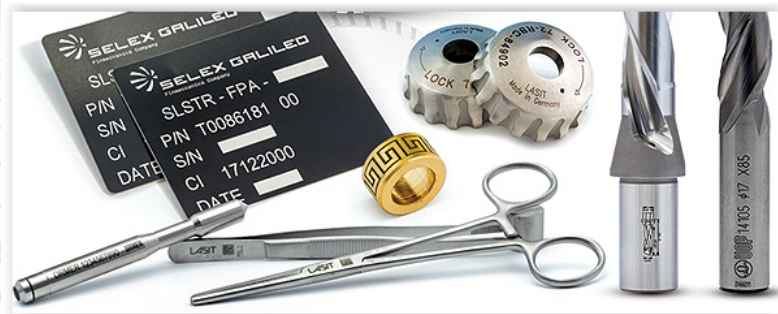
Minimally invasive surgeries:

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

Long term market trends

Laser cutting applications:

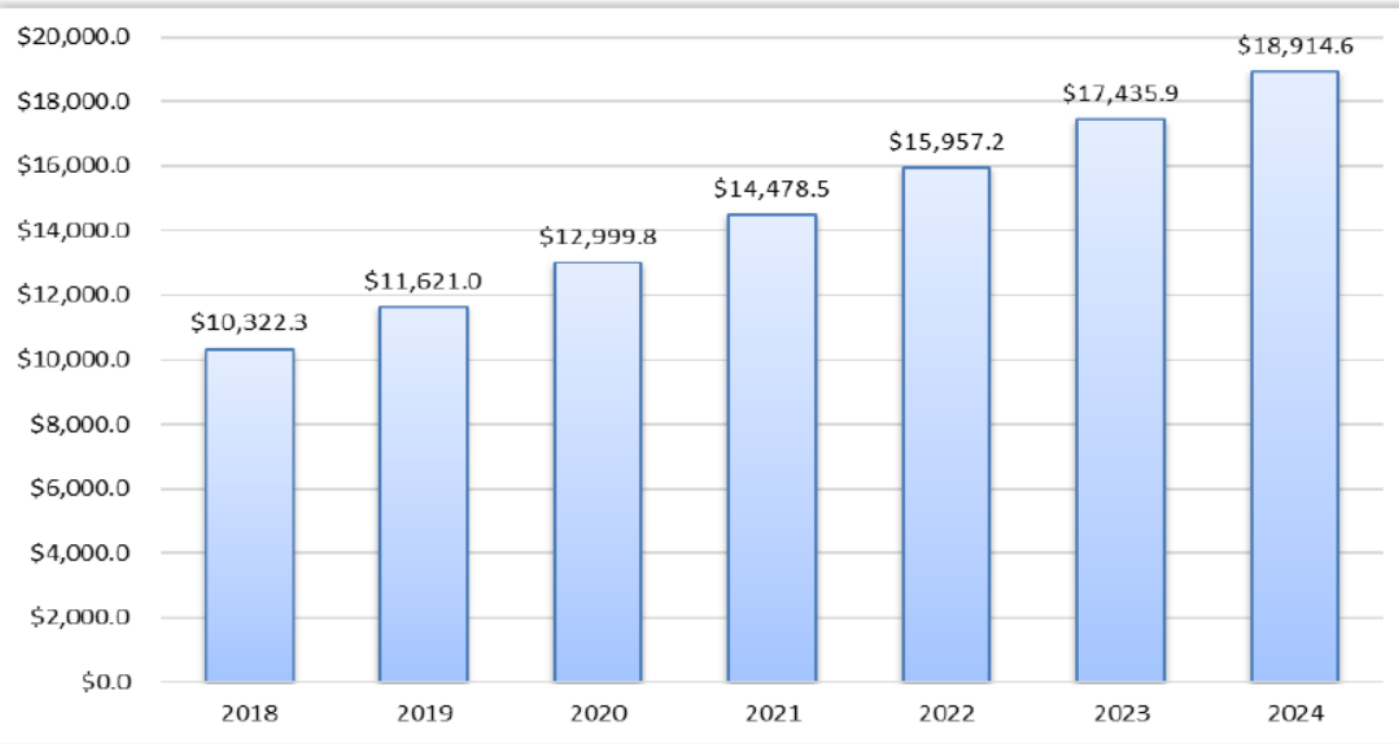
- Laser power increase + Cost reduction: Enhanced flexibility, productivity and quality standards in manufacturing processes
- New application verticals
- Building and construction
- Minimal environmental impact



Laser marking:

- Products identification and traceability
- Minimal environmental impact

Medical Aesthetics: Market Overview (pre-Covid)



Source: Daniel Associates

Daniel Associates:
Medical aesthetics
market 2018 to 2023
10.23% CAGR

Key growth drivers:

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

Medical Aesthetics: Market Overview

	2018	2024	Cagr
Facial Aesthetics Products	1.831	3.638	10,7%
Body Contouring Devices	1.708	3.172	10,3%
Cosmetic Implants	1.321	2.415	10,0%
Physician-dispensed cosmoceuticals and skin	1.104	1.903	10,2%
Skin Aesthetic Devices	938	1.762	10,2%
Physician-dispensed eyelash products	910	1.551	10,0%
Hair removal devices	783	1.432	10,0%
Tattoo removal devices	87	153	9,9%
Thread lift products	73	125	9,8%
Nail treatment laser devices	61	110	9,5%
	8.816	16.261	

Source: Daniel Associates



	2018	2024	Cagr
North America	3.147	5.689	9,9%
Europe	1.958	3.480	9,4%
Asia Pacific	2.343	4.635	11,6%
Middle East&Africa	822	1.492	9,8%
Latin America	547	965	9,4%
	8.816	16.261	

Industrial laser market

Laser systems 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:

Total reported company revenue (20 "laser-type" companies)

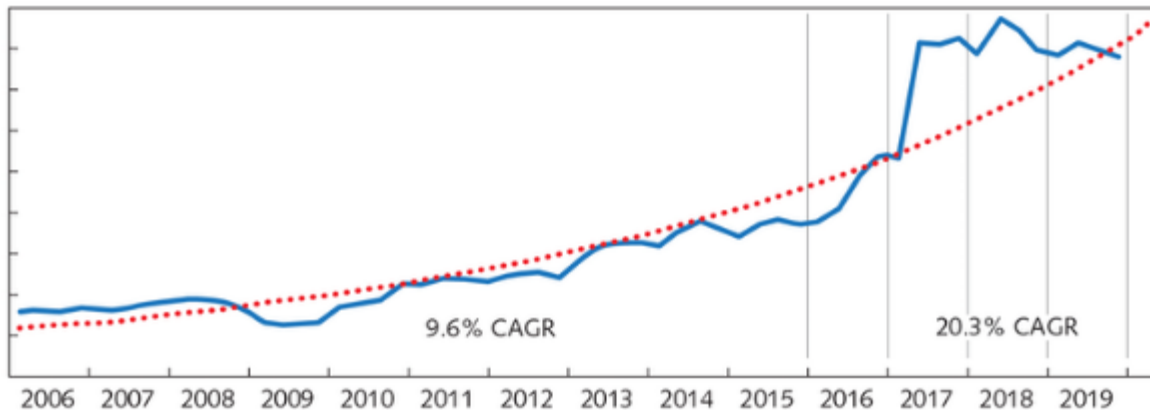


FIGURE 1. After years of moderate growth reflected, the revenues for lasers exploded in 2016. In 2019, they returned to normal.

(Credit: Strategies Unlimited)

ResearchAndMarkets's analysts forecast :

“The global industrial lasers systems market size was valued at \$20,120.2 million in 2018, and is projected to reach \$36,510.6 million by 2026, growing at a CAGR of 7.5% from 2019 to 2026”

Growth drivers

Increasing laser power in metal cutting

Stronger presence in body contouring and cellulite market

Novel acne treatment device

New manufacturing applications for CO2 laser sources

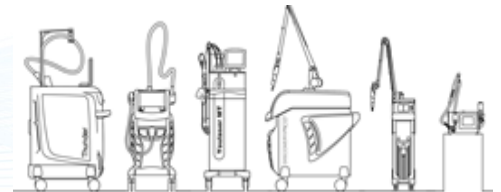
Leading innovation in hair removal Laser systems

Strong manufacturing infrastructure in China for China

Regulatory clearances worldwide

Innovation for OEM urology partners

Rich innovative products pipeline



DEKA
Innate Ability

Asclepion
Laser Technologies

ASV
A S A L A S E R
Research and Therapeutic Solutions

esthelogue
HIGH TECH BEAUTY

Quanta System
LASER IN OUR DNA

 **PENTA CHUTIAN**

LASIT
LASER MARKING INNOVATION

 **CUTLITE**
LASER SOLUTIONS

 **CUTLITE PENTA**

 **OT-LAS**

Innovation: Products & applications

Complete product portfolio for body contouring, cellulite treatments, skin firming

New ONDA (microwaves)

Unique high end system for cellulite, localized adiposities, fat removal, submental treatments



Physiq, Delinea, B-Star

A family of unique combinations of superluminescent matrices with Tents and EMS



Schwarzzy

High intensity magnetic fields for muscles stimulation



FMS
(Focused Magnetic Stimulation)

New Icoone Laser

Micro alveolar stimulation



RED TOUCH

Unique system for neocollagenesis and tiussue regeneration



Tattoo and Toning

Discovery Pico Derm
Designed for asian skins



PicoStar

The most powerful picosecond
laser in the marketplace



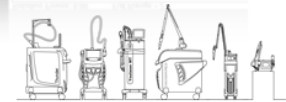
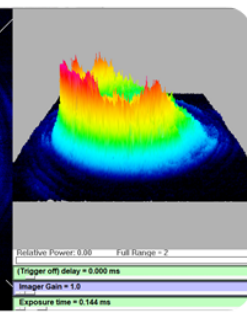
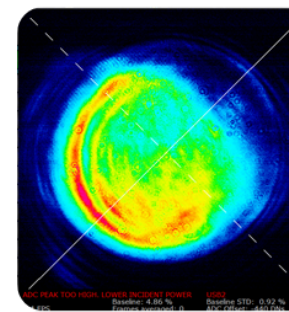
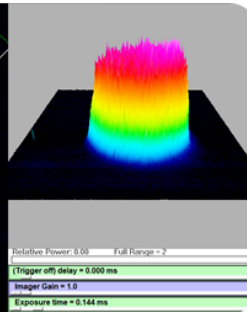
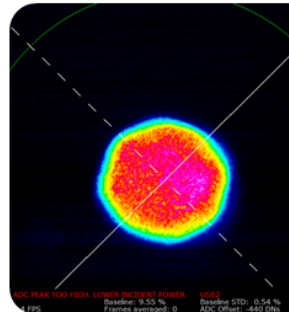
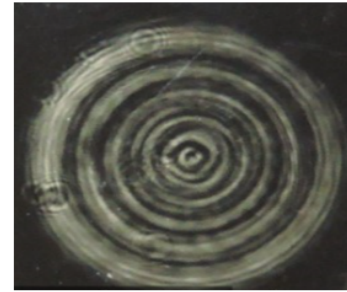
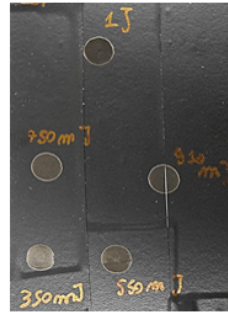
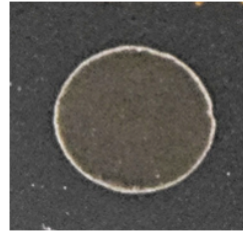
Chrome Station
Three wavelengths
multi platform



Tattoo and Toning

Chrome
LASE-STATION

Competition



Italian market: launch in
September 2020



ACCURE



ACCURE

A DURABLE SOLUTION FOR THE TREATMENT OF ACNE

The Accure Advantage



Before Treatment



June 29, 2019

After Treatment *12 weeks post-Treatment 4*

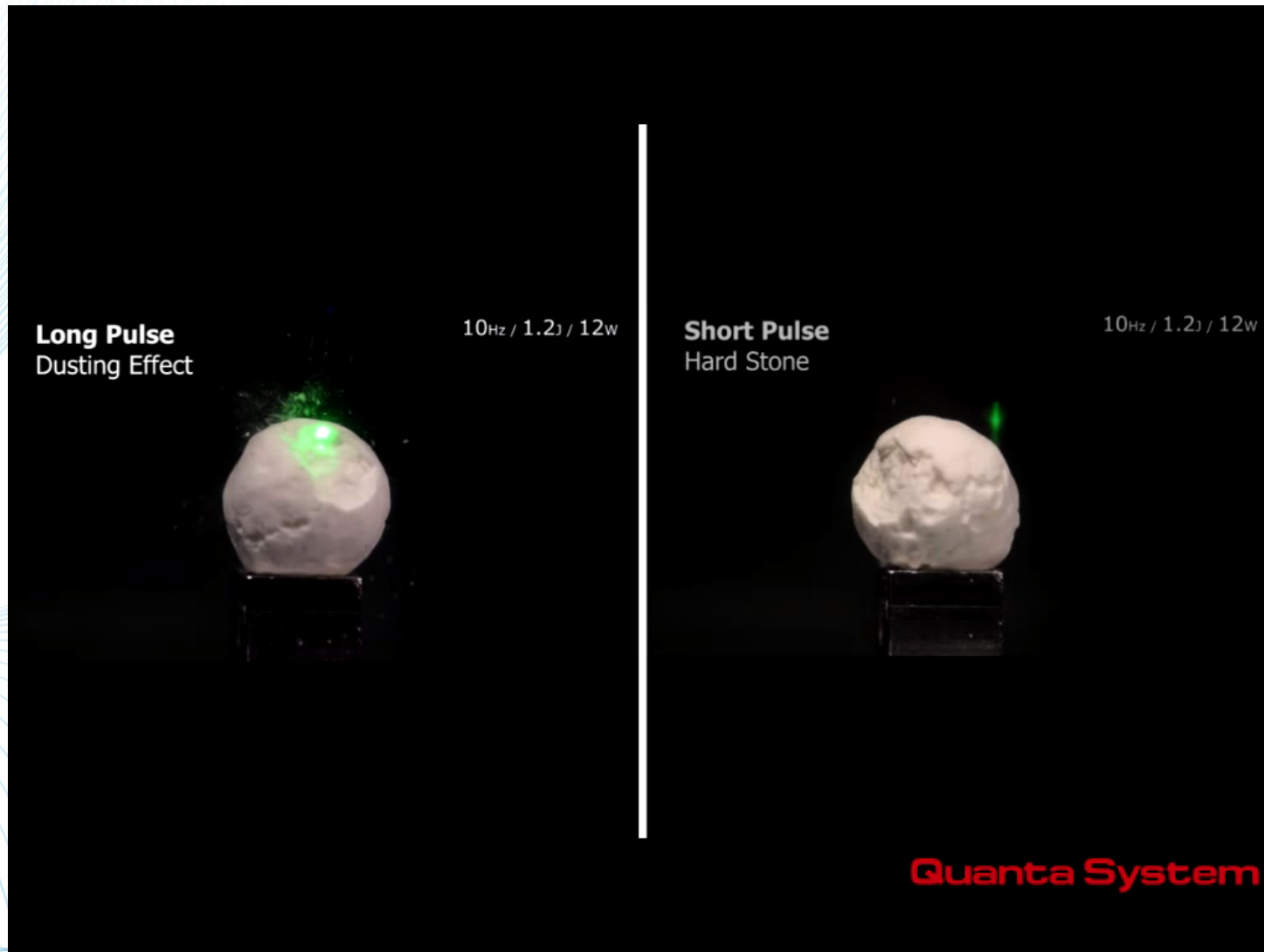


January 14, 2020

Courtesy: Emil Tanghetti, MD

Surgery (urology)

A complete line of Holmium lasers from 25 W to 155 W



Surgery (urology)

New FIBER DUST

One of two worldwide players in high power medical fiber lasers

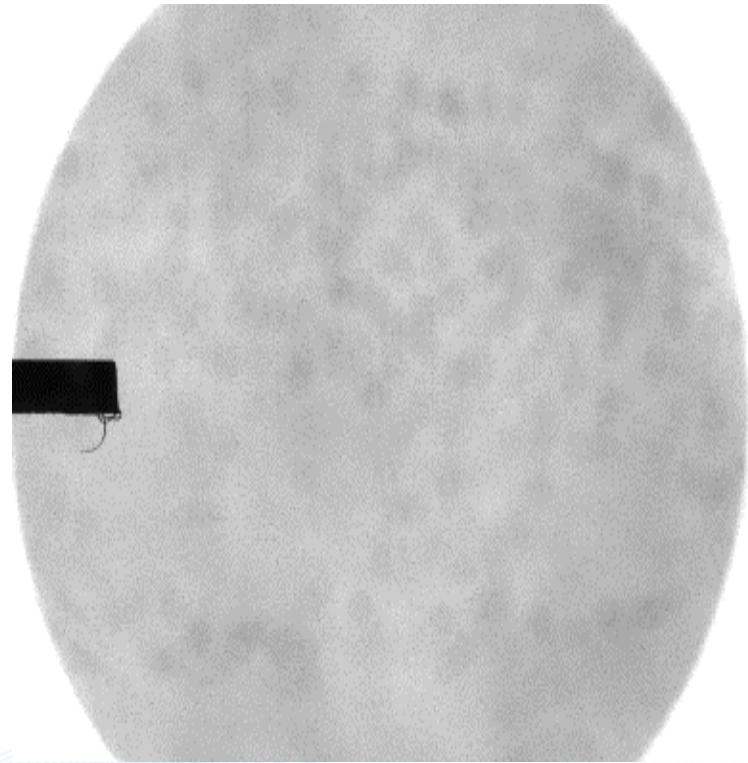
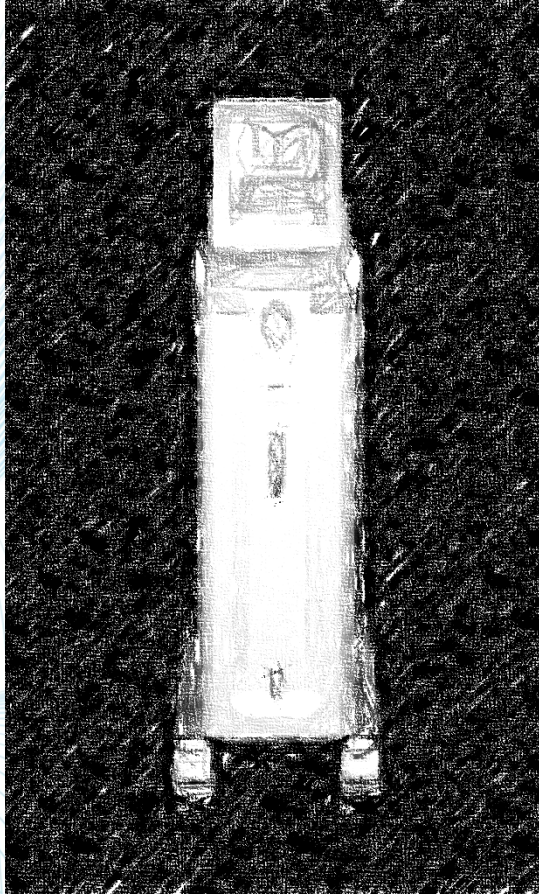
fiber
D U S T



Our novel disruptive technology for the most effective stones micro fragmentation

New UHPTDL

Physics Research



Physiotherapy

MiS (MLS Family)

For degenerative neuropathies

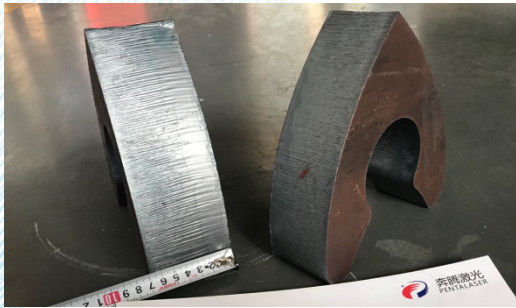


Industrial lasers systems

STEEL CUTTING

10 kW Average power in 2020 sales bookings

30 kW systems to come in 2020



FACE MASKS, PLEXI, PROTECTIVE VISORS CUTTING

Laser cutting of technical tissue, or plastics for protection and social distancing

Up to 1,2 KW CO2 (RF)



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 of the slide, where it forms a large, abstract shape that tapers towards the right. The right side of the slide is a lighter, more uniform blue gradient.

Financial Highlights

Income Statement FY-2019

Euro '000	31/12/18	%	31/12/19	%	Var.%
Medical	197.854	57,2%	242.184	60,4%	22,4%
Industrial	148.167	42,8%	158.577	39,6%	7,0%
Total Revenues	346.020	100,0%	400.761	100,0%	15,8%
Gross margin	137.478	39,7%	156.021	38,9%	13,5%
EBITDA	35.618	10,3%	46.312	11,6%	30,0%
EBIT	29.987	8,7%	38.198	9,5%	27,4%
Pretax Income	29.545	8,5%	38.644	9,6%	30,8%
Net income	16.794	4,9%	26.017	6,5%	54,9%
Net Income per share	0,87		1,33		

Balance Sheet FY-2019

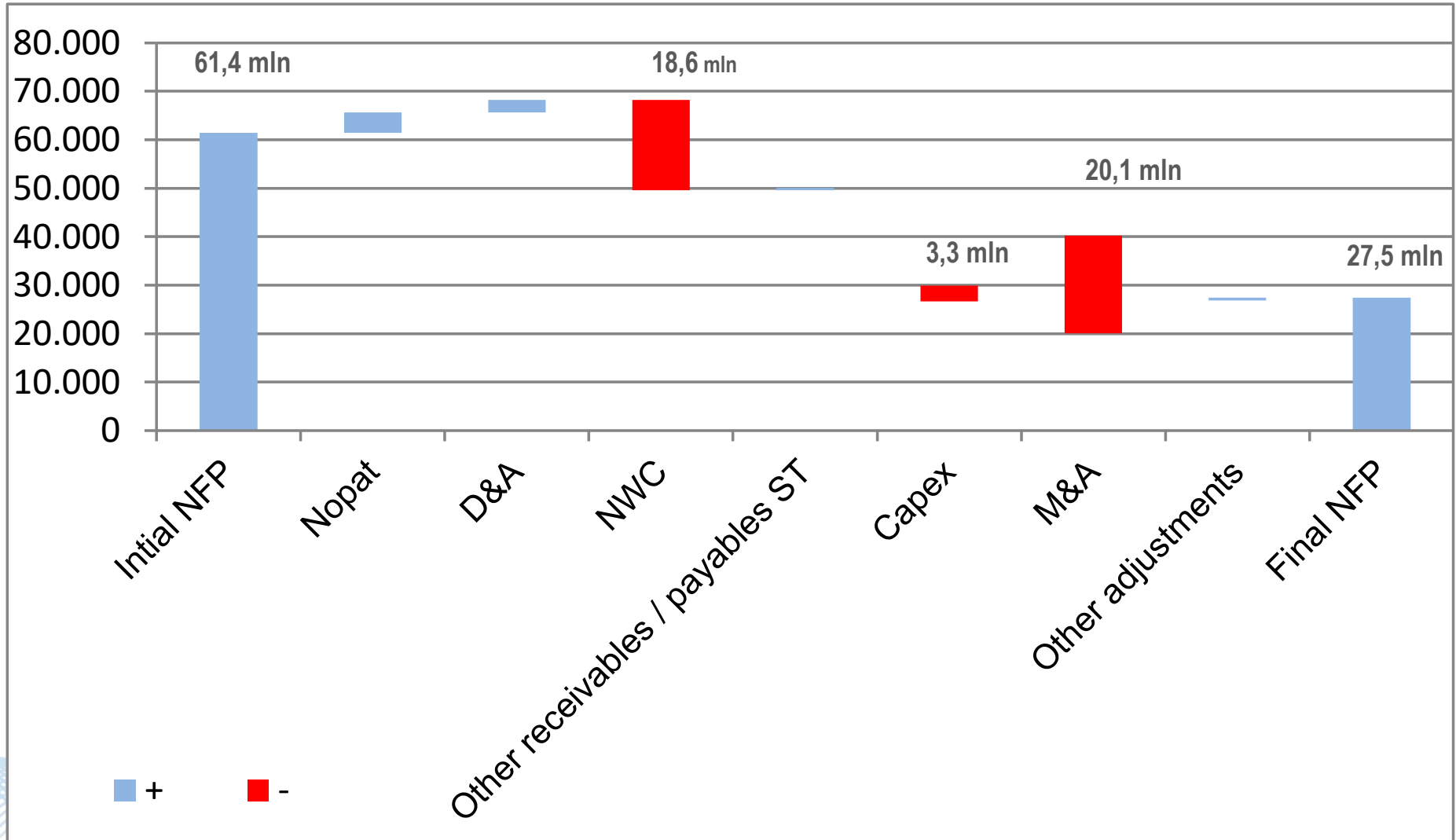
Euro '000	31/12/18	31/12/19	Var.%
Total non current assets	86.879	110.966	27,7%
Net Working Capital	102.248	110.672	8,2%
Other receivables/payables ST	(22.341)	(31.127)	39,3%
Net financial position	62.461	61.419	-1,7%
Long term liabilities	10.011	11.297	12,8%
Net Equity	219.236	240.633	9,8%
Net capital employed	157.051	179.214	14,1%
Net Working Capital on sales	29,5%	27,6%	
ROCE	19,1%	21,3%	
(EBIT/Net capital employed)			
Capex	27.058	23.471	

Income Statement Q1-2020

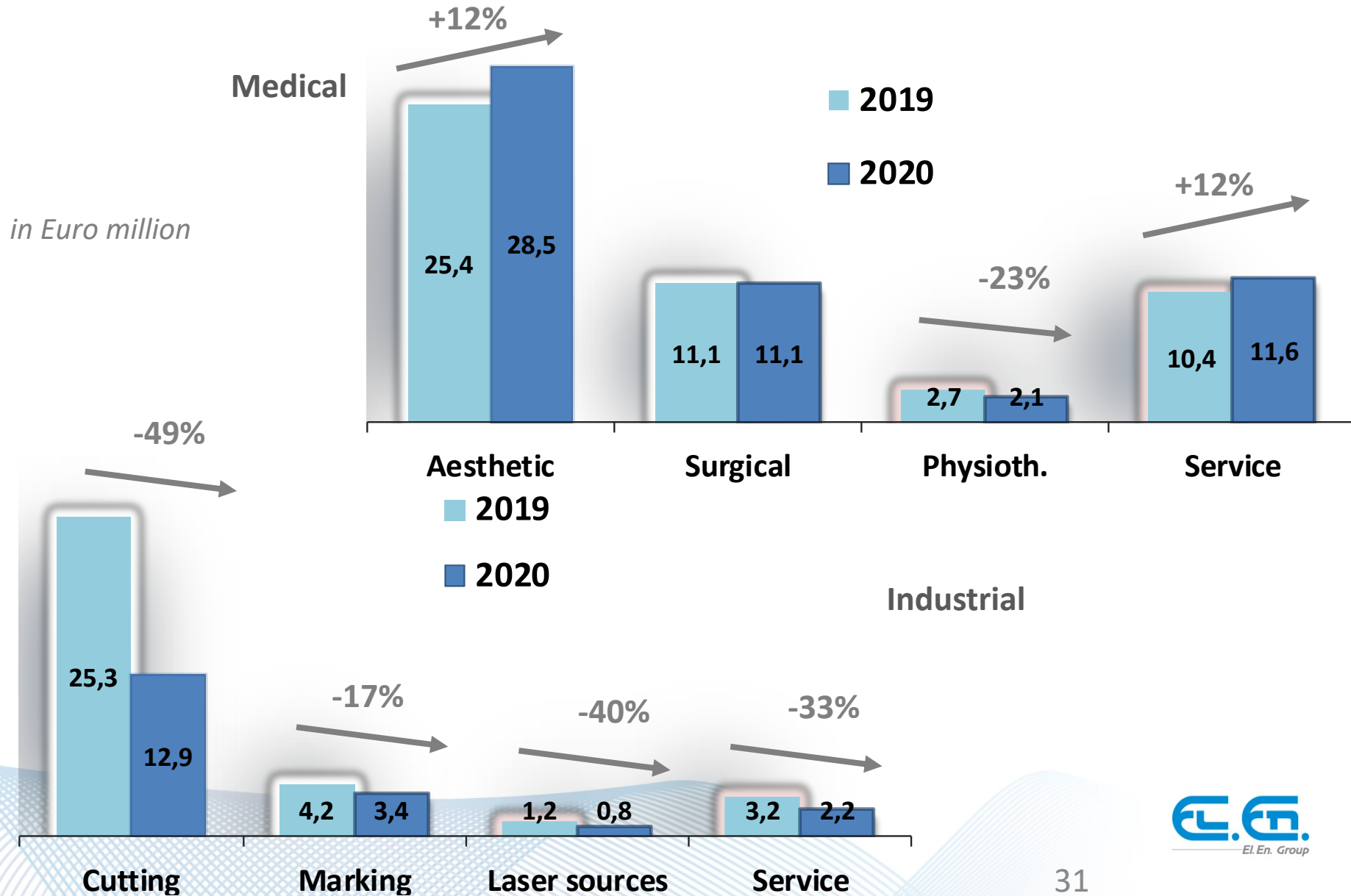
Euro '000	31/03/19 unaudited	%	31/03/20 unaudited	%	Var.%
Medical	49.814	59,4%	53.518	73,4%	7,4%
Industrial	34.051	40,6%	19.426	26,6%	-42,9%
Total Revenues	83.865	100,0%	72.945	100,0%	-13,0%
Gross margin	33.229	39,6%	31.512	43,2%	-5,2%
EBITDA	7.679	9,2%	7.077	9,7%	-7,8%
EBIT	5.726	6,8%	4.498	6,2%	-21,4%
Pretax Income	6.435	7,7%	4.710	6,5%	-26,8%

	31/12/19	31/03/20 unaudited
Net financial position	61.419	27.477

Cash Flow Q1-2020



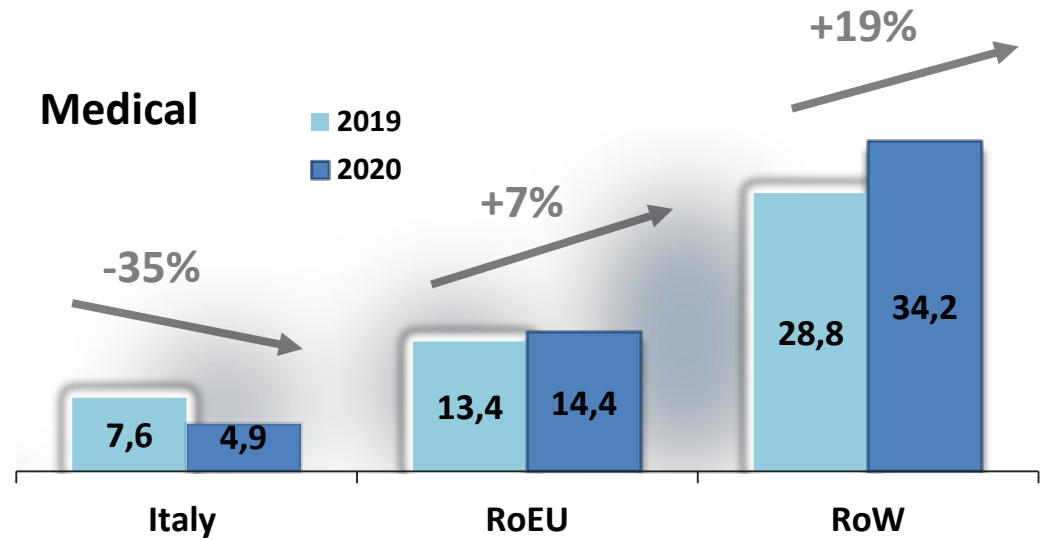
Revenue breakdown by business Q1-20



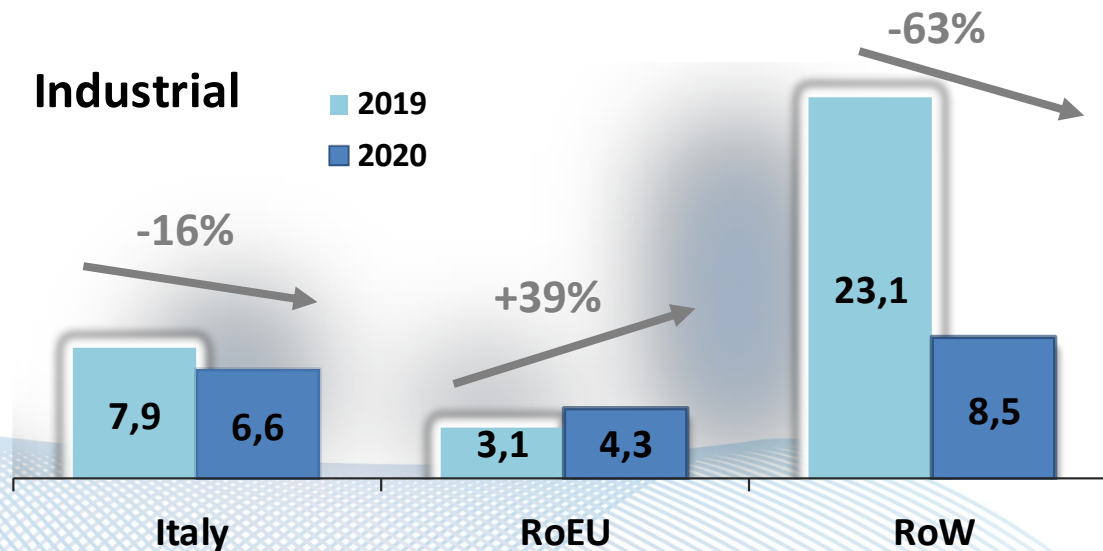
Revenue breakdown by area Q1-20

in Euro million

Medical



Industrial

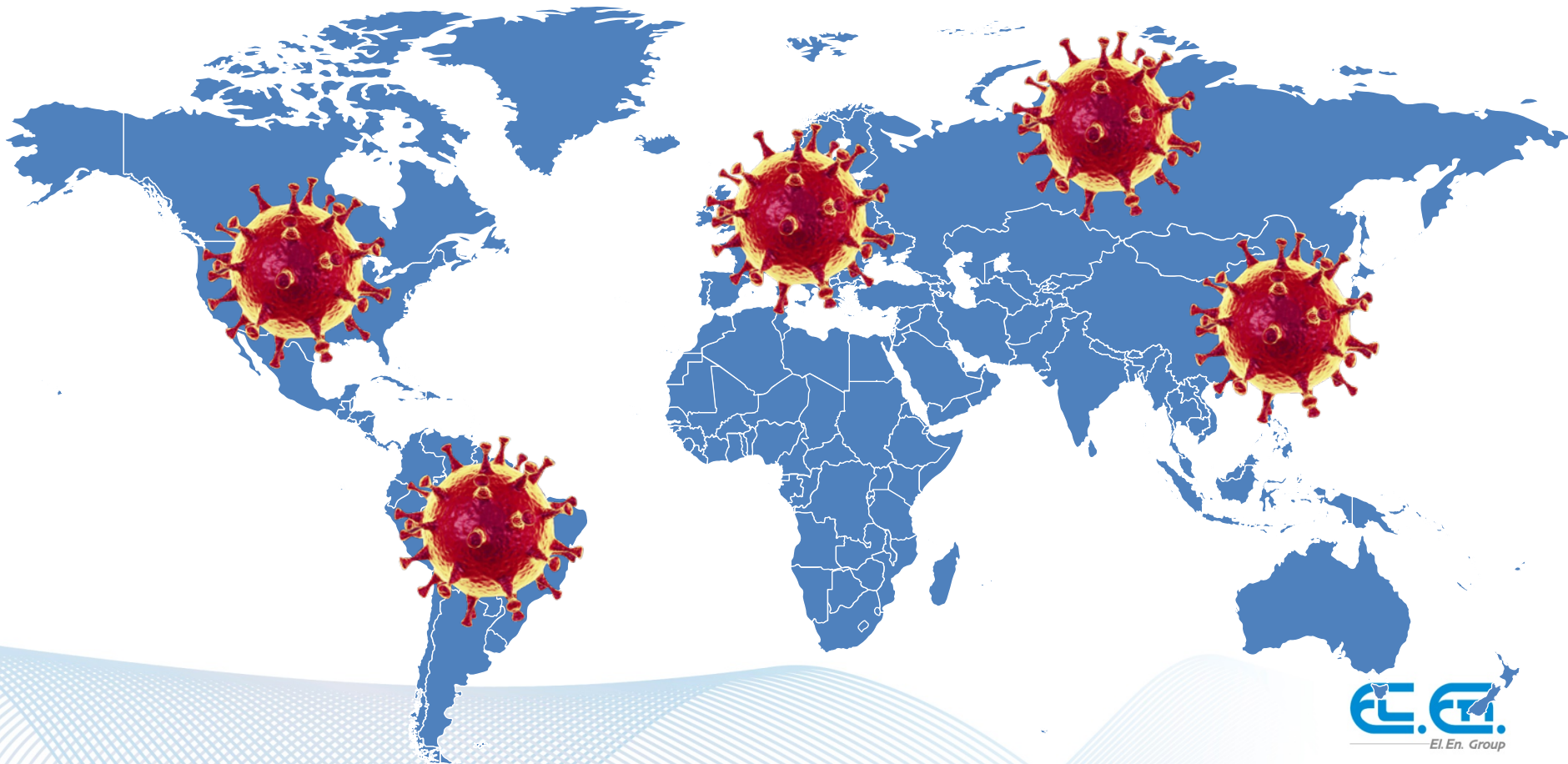


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Current Outlook

Q2 Vs Q1:

- *Medical slowdown*
- *Industrial recovery*



Cost reduction

Q2 Vs Q1:

- *Employees cost: “Cassa integrazione”*
- *S&M activities: travel ban and suspended congresses and fairs*



The background features a complex geometric design. On the left side, there are several overlapping triangles and polygons in various shades of blue (from light to dark) and white. These shapes are separated by thick white lines, creating a fragmented, crystalline appearance. The right side of the image is a smooth, light blue gradient that fades into the background.

Multiples & Comparables

Multiples

Stockholder's Equity per share **11,4**

Price / Book Value Adj. **1,7**

EV / EBIT (90% EBIT) **20,4**

EV / Sales (90% Sales) **1,3**

El.En. Market Cap. **372,2 @ € 19,00**

Net financial position **27,5 @ 31/03/20**

Financial investments m/l term **15,0 @ 31/03/20**

Enterprise Value **329,8**

Comparables

Amounts in mln

March 31st, 2020

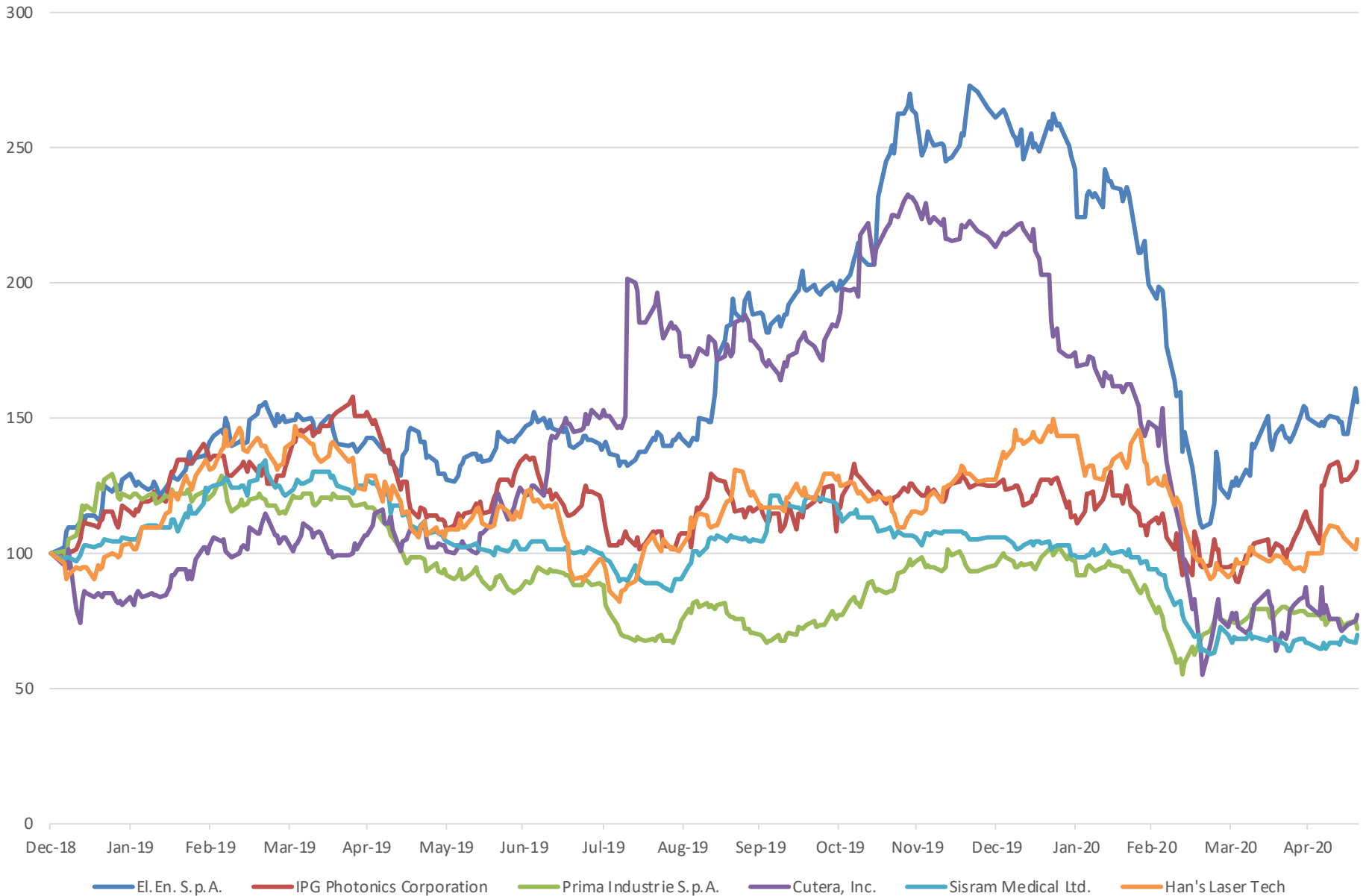
	Price	Revenue	Var.% Rev.	EBIT	EBIT %	MK.Cap.	EV	EV/Sales (*)	EV/EBIT (*)	P/Book Value
Medical/Aesthetic										
Cutera	\$12,90	\$32	-11%	\$(12)	-38%	\$225	\$213	1,7	n.a.	6,7
InMode	\$26,55	\$40	32%	\$7	16%	\$887	\$685	4,2	25,8	4,6
Venus	\$3,03	\$15	-41%	\$(44)	-300%	\$98	\$148	2,6	n.a.	2,1
Sisram Medical (2)	\$0,33	\$174	13%	\$24	14%	\$145	\$40	0,2	1,7	0,5
Lutronic	€ 4,44	€ 19	3%	€ 0	-2%	€ 123	€ 108	1,4	n.a.	1,4
Industrial										
IPG Photonics Co.	\$155,00	\$249	-21%	\$45	18%	\$8.220	\$7.029	7,1	39,2	3,5
Prima Industrie	€ 12,88	€ 75	-24%	-€ 3	-3%	€ 135	€ 268	0,9	n.a.	0,8
Han's Laser	¥29,67	¥1.500	-29%	-¥20	-1%	¥31.200	¥32.681	5,4	n.a.	3,5
El.En. (1)	€ 19,00	€ 73	-13%	€ 4	6%	€ 372	€ 330	1,3	20,4	1,7

(1) EV and multiplies as for previous slide

(2) Data on December 31st, 2019

(*) Revenue, Ebit and earnings annualized

Comparables



Contacts

El.En. S.P.A.

Enrico ROMAGNOLI

Investor Relations Manager

tel. +39 055-8826807

E-mail: finance@elen.it

POLYTEMS HIR

Financial Communication, IR and Press Office

Bianca FERSINI MASTELLONI - b.fersini@polytemshir.it

Silvia MARONGIU - s.marongiu@polytemshir.it

Tel. +39 06-69923324