

# COMPANY PRESENTATION



**Berenberg Pan-European Discovery  
Conference USA 2020, Oct. 14<sup>th</sup>**

# 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.*

# AGENDA

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

# Overview



# Overview

## A Primary Player Providing Medical, Industrial and Conservation Laser Solutions Worldwide



### Hi-Tech company

Hi-Tech industrial group providing laser solutions with proprietary technologies and know how developed over 35 years

Listed on Milan's Stock Exchange Star segment since year 2000



### Global Group

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



### Among the Worldwide leaders with a global distribution network

Progressively widening its worldwide presence achieving 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



# Our History

**80s**

Production of CO<sub>2</sub> lasers for dermatology, surgery and therapy

**1981**

Incorporation of **El.En. S.n.c**

**1990 - 1993**

Incorporation of:  
**Deka MELA S.r.l.,  
Lasit S.r.l.  
Cutlite Penta S.r.l.**



**2000**

**El.En. S.p.A.** listed on the Italian stock market

**2002**

Acquisition of **Cynosure Inc.**

**2003**

Acquisition of **Asclepion GmbH**

**2004**

Acquisition of **Quanta System**

**2005**

Acquisition of **ASA S.r.l.**

**Cynosure Inc.** listed on the Nasdaq

**2007**

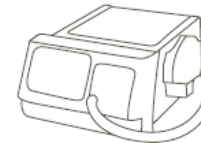
Incorporation of chinese JV  
**Wuhan Penta Chutian Co. Ltd**

Incorporation of **Cutlite Do Brasil  
Alta Tecnologia Ltda**

Acquisition of **With Us**

**2009**

Incorporation of  
**Esthelogue S.r.l.**

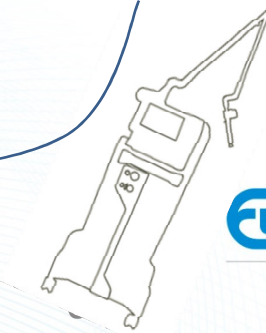


**2013**

Incorporation of second chinese JV  
**Penta Laser Equipment (Wenzhou) Co. Ltd**

**2016**

**Deka M.E.L.A.** and **Quanta System** merge their commercial brand names into **Renaissance®** for the Italian market



**E.E.**  
El.En. Group



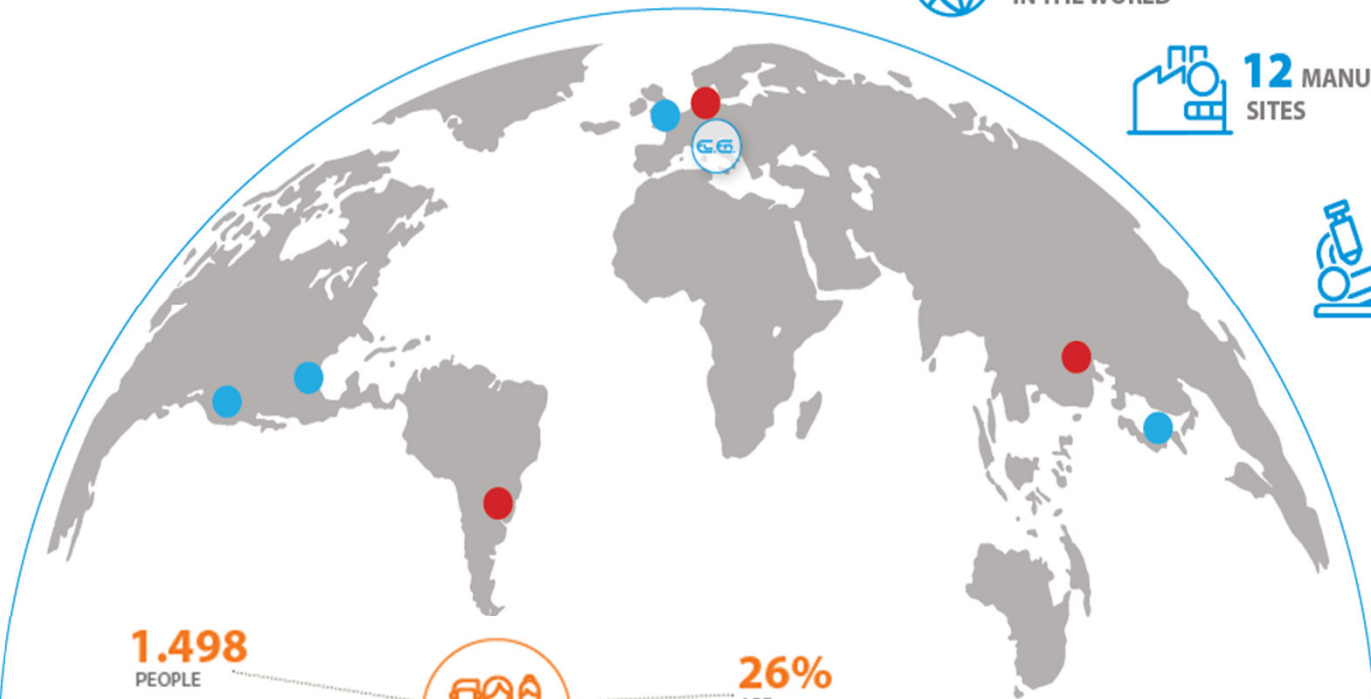
# El.En. Worldwide

 **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

**44%**

**680**  
ITALY

**45%**

**165**  
REST OF  
EUROPE

**11%**

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

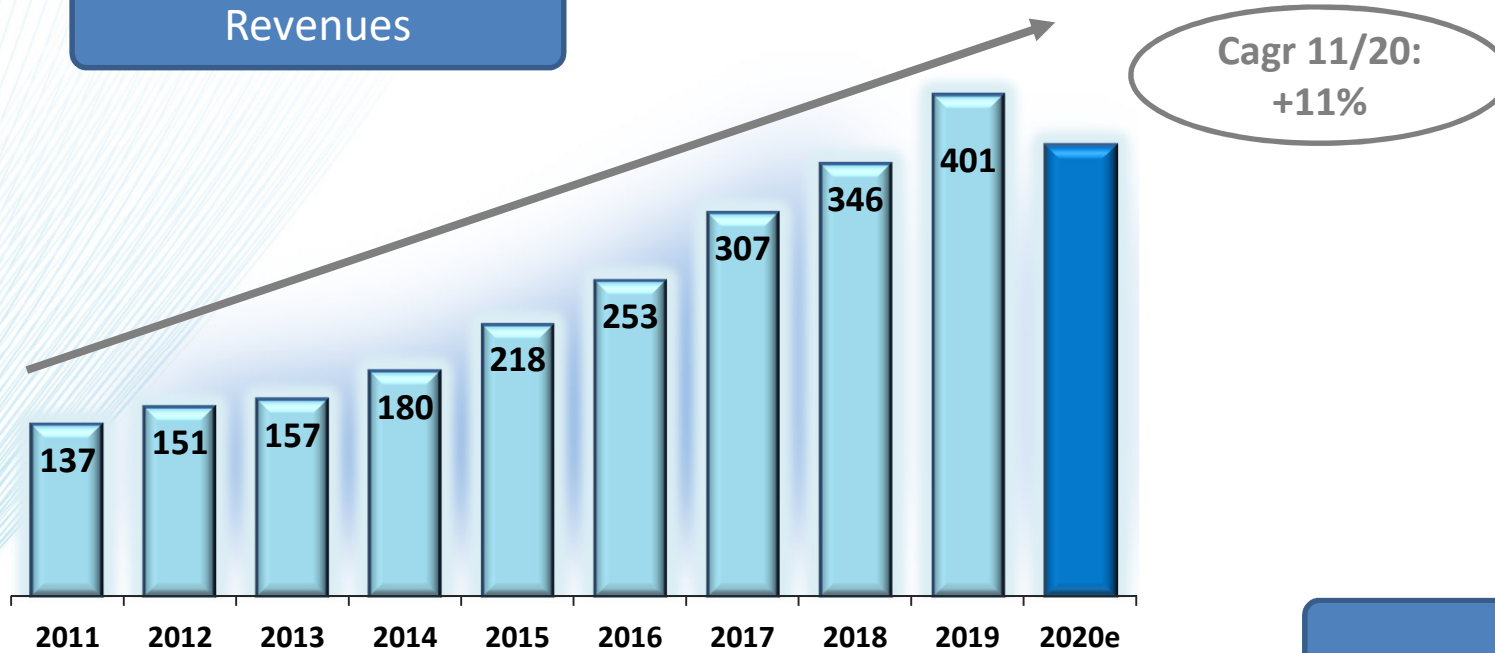
This index was drawn up by ETICNews and Top Legal with the scientific support of numerous associations in the sector and measures **the adoption of ESG** (Environmental, Social, and Governance) **topics in the company strategy.**



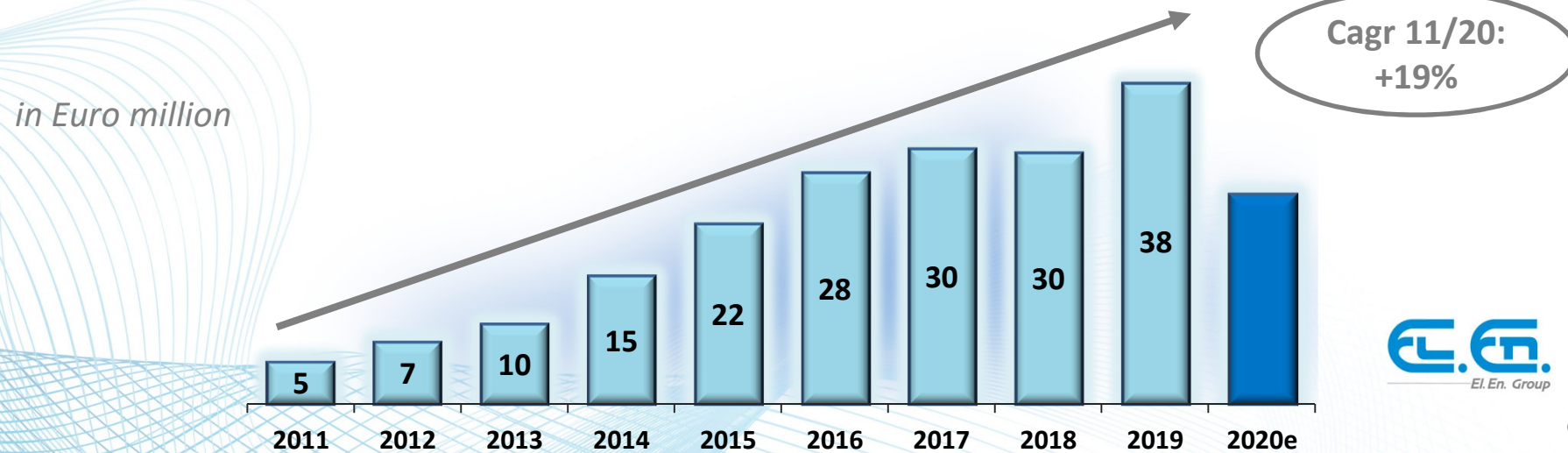


# Growth history

## Revenues



## EBIT





# 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

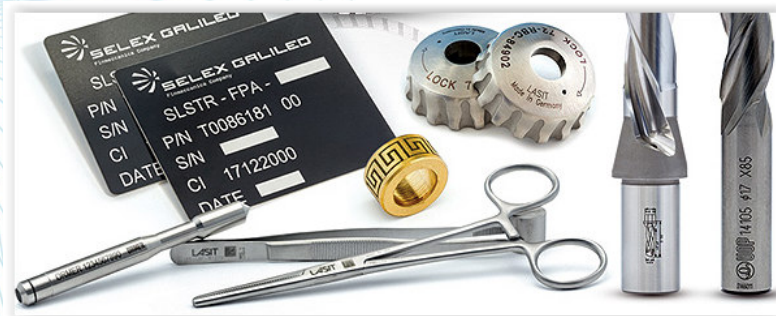




# Long term market trends

## 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

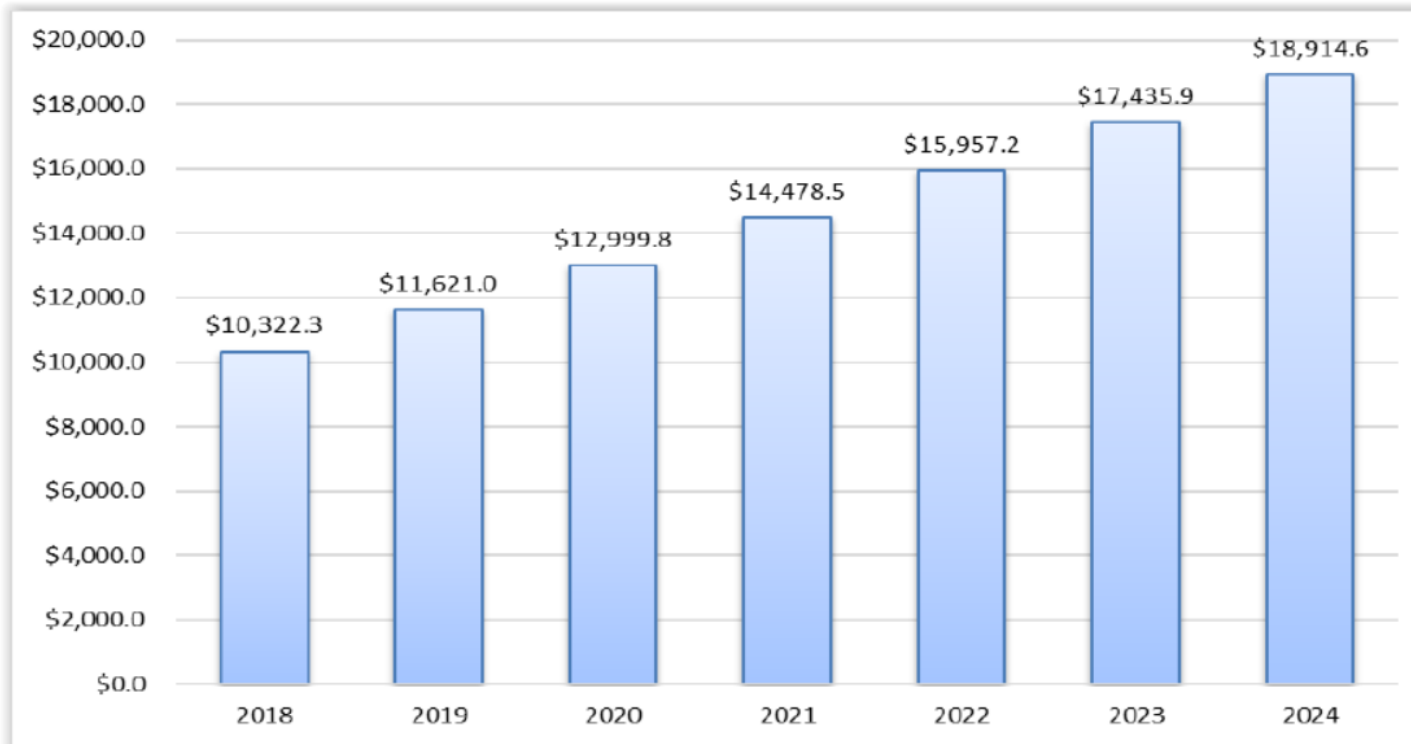


## Laser marking:

- 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%
Phisician-dispenced cosmoceuticals and skin	1.104	1.903	10,2%
Skin Aesthetic Devices	938	1.762	10,2%
Phisician-dispenced 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%
	<b>8.816</b>	<b>16.261</b>	

Source: Daniel Associates



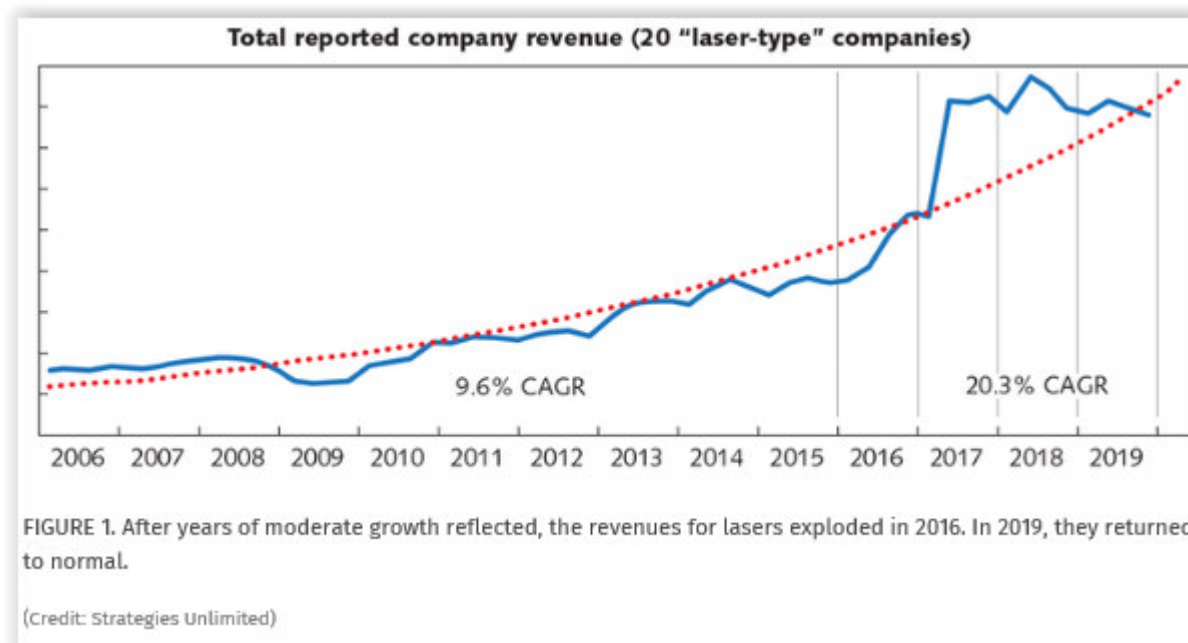
	2018	2024	Cagr
North America	3.147	5.689	9,9%
Europe	1.958	3.480	9,4%
Asia Pacific	2.343	4.635	11,6%
Middle East&Africa	822	1.492	9,8%
Latin America	547	965	9,4%
	<b>8.816</b>	<b>16.261</b>	

# 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:

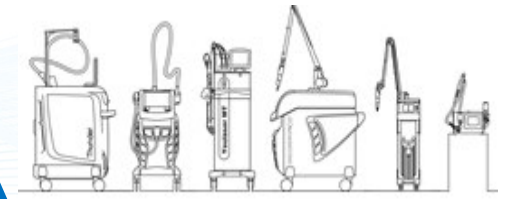
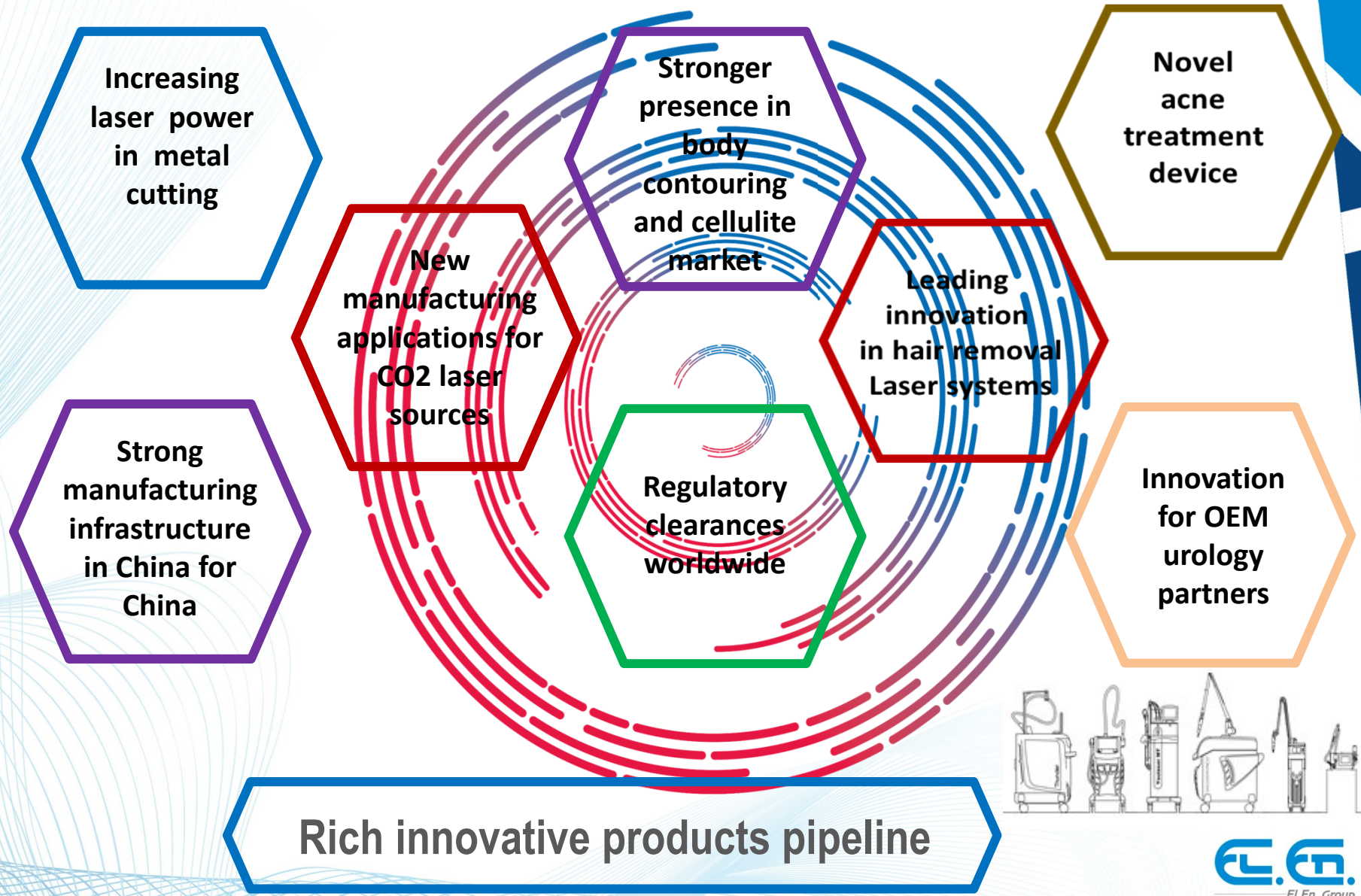


### ResearchAndMarkets's analysts forecast :

“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



 <p><b>DEKA</b> Innate Ability</p>	 <p><b>Asclepion</b> Laser Technologies</p>	 <p><b>ASL</b> LASER Research and Therapeutic Solutions</p>
 <p><b>esthelogue</b> HIGH TECH BEAUTY</p>	 <p><b>Quanta System</b> LASER IN OUR DNA</p>	
 <p><b>PENTA CHUTIAN</b></p>	 <p><b>LASIT</b> LASER MARKING INNOVATION</p>	
 <p><b>CUTLITE</b> LASER SOLUTIONS</p>	 <p><b>CUTLITE PENTA</b></p>	 <p><b>OT-LAS</b></p>

# 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



## Schwarzy , B-Strong

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



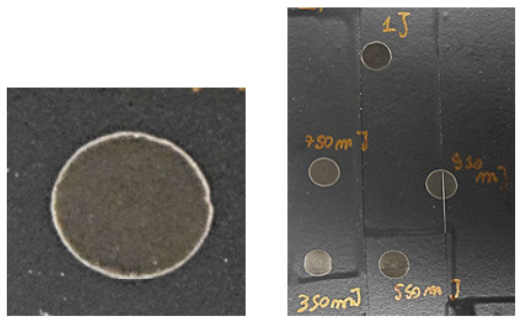
**Chrome Station**  
Three wavelengths  
multi platform



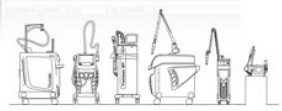
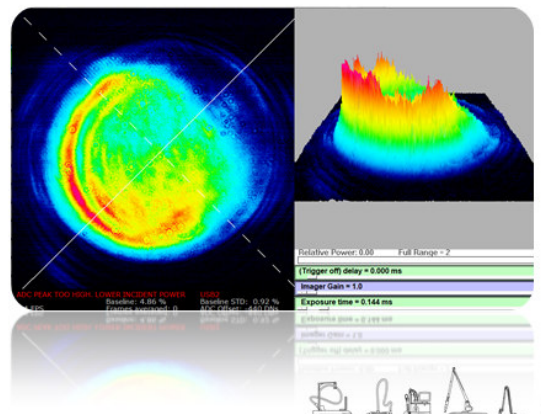
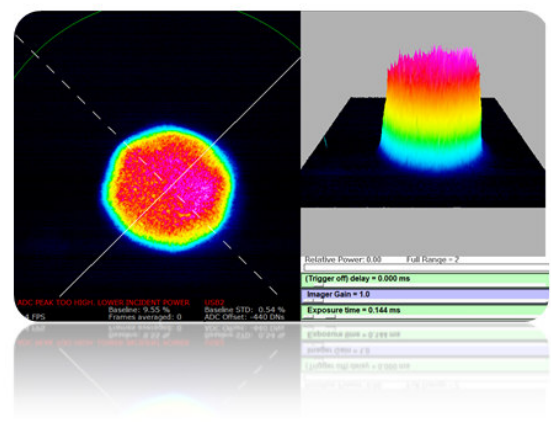
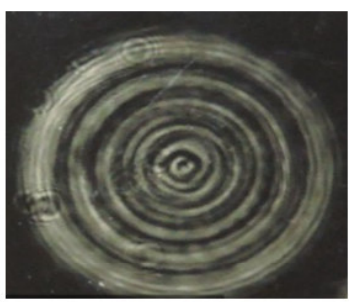
# Tattoo and Toning



**Chrome**  
LASE-STATION



**Competition**





# Acne

Italian market: launch in  
September 2020



ACCURE

A DURABLE SOLUTION FOR THE TREATMENT OF ACNE



# Acne

## The Accure Advantage



Before Treatment

After Treatment 12 weeks post-Treatment 4

TREATMENT AREA

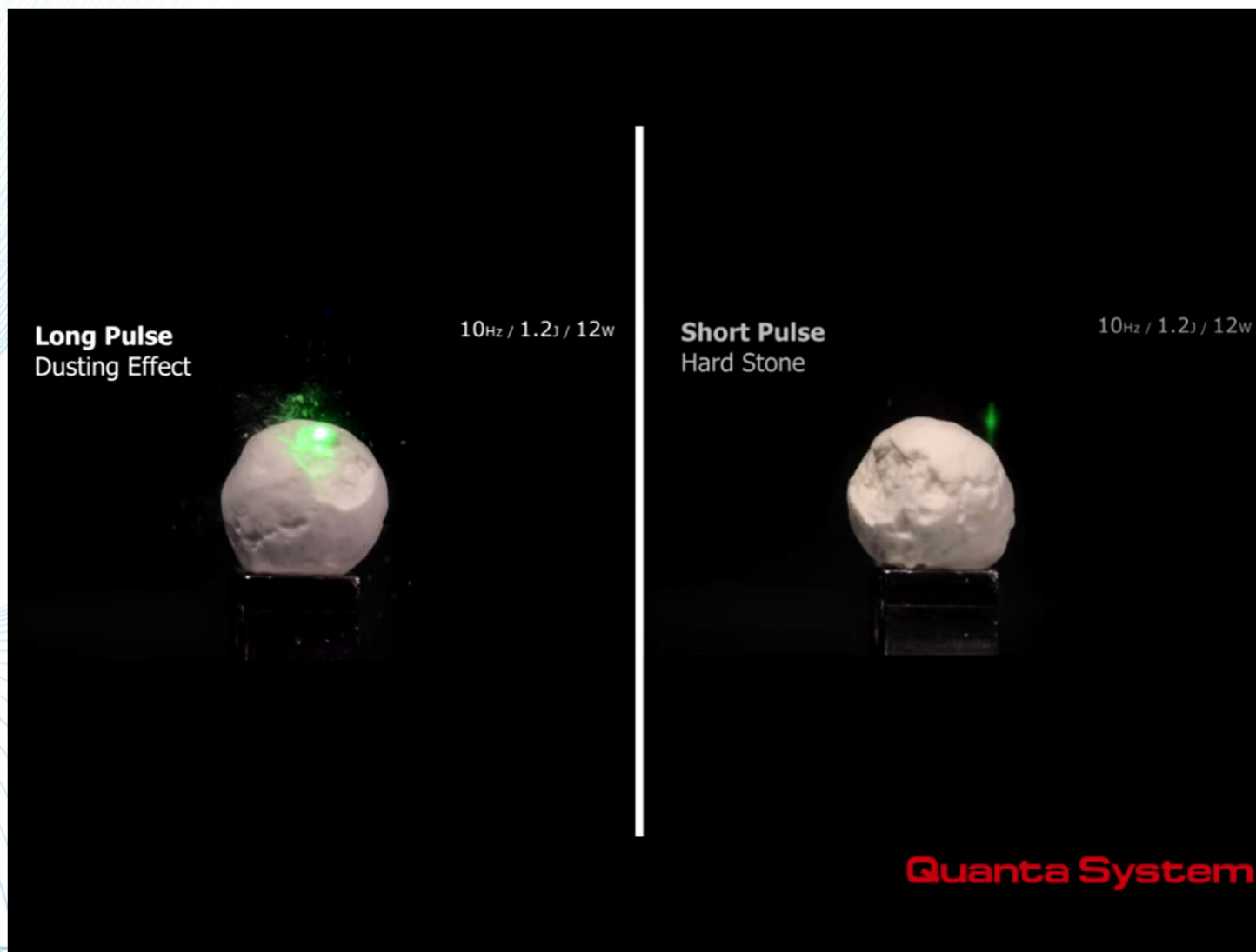
Courtesy: Emil Tanghetti, MD

June 29, 2019

January 14, 2020

# 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



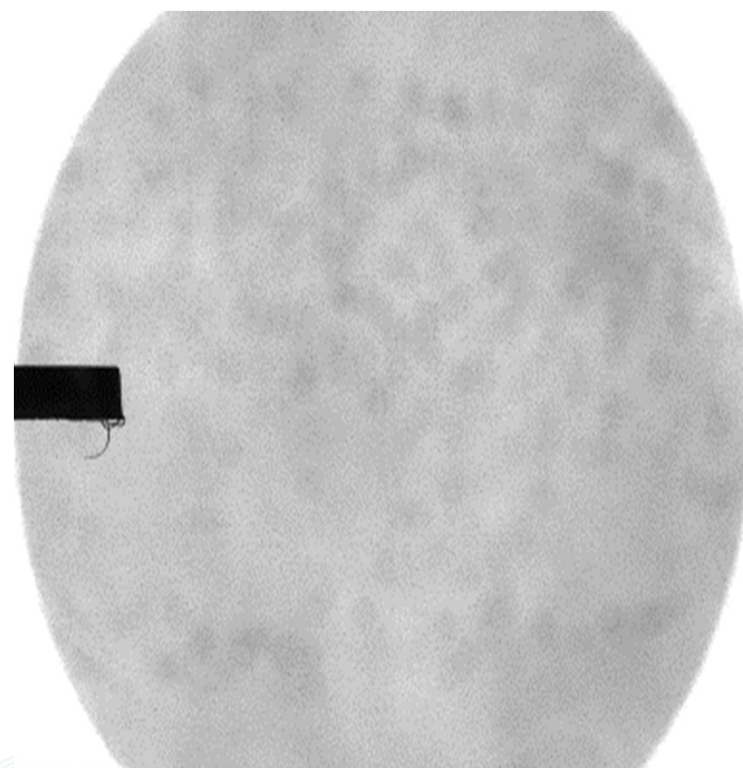
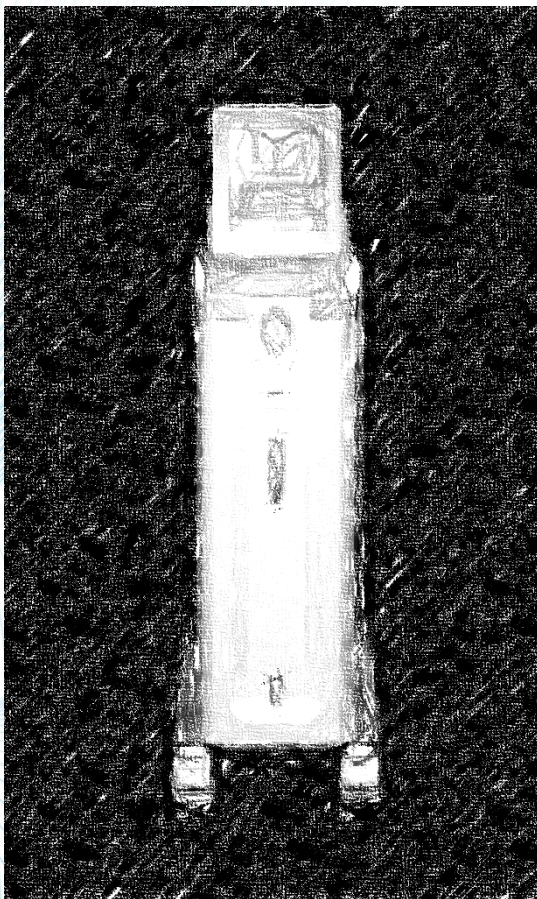
Our novel disruptive technology for the most effective stones micro fragmentation

## New UHPTDL



# New UHPTDL - Q4 2020

## Physics Research



# Physiotherapy

## MiS (MLS Family)

For degenerative neuropathies



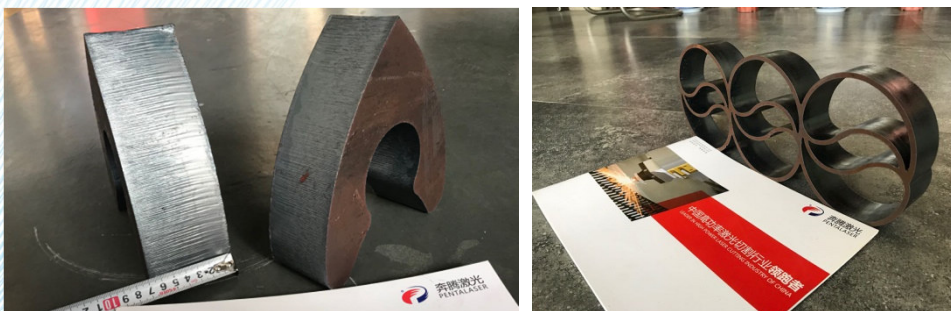


# Industrial lasers systems

## 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)







# Financial Highlights

# Income Statement H1-2020

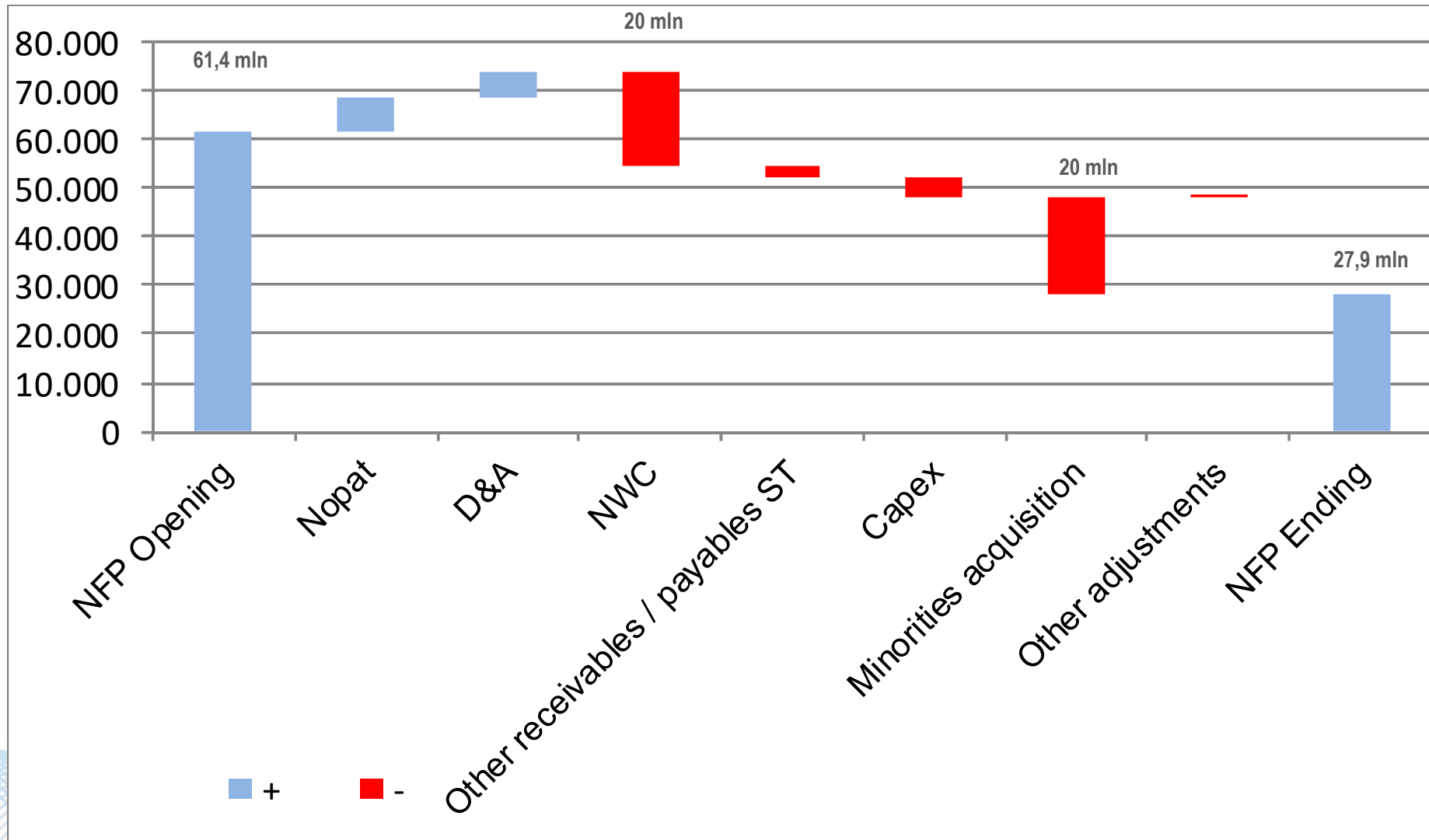
Euro '000	30/06/19	%	30/06/20	%	Var.%
Medical	112.129	59,5%	100.309	61,7%	-10,5%
Industrial	76.321	40,5%	62.212	38,3%	-18,5%
Total Revenues	188.450	100,0%	162.521	100,0%	-13,8%
Gross margin	74.385	39,5%	59.877	36,8%	-19,5%
EBITDA	20.604	10,9%	14.485	8,9%	-29,7%
EBIT	16.713	8,9%	9.288	5,7%	-44,4%
Pretax Income	16.894	9,0%	8.943	5,5%	-47,1%
Net income	10.223	5,4%	6.401	3,9%	-37,4%
Net Income per share	0,53		0,33		

# Balance Sheet H1-2020

Euro '000	31/12/19	30/06/20	Var.%
Total non current assets	110.966	112.593	1,5%
Net Working Capital	110.672	128.936	16,5%
Other receivables/payables ST	(31.127)	(29.837)	-4,1%
Net financial position	61.419	27.928	-54,5%
Long term liabilities	11.297	16.412	45,3%
Net Equity	240.633	223.208	-7,2%
Net capital employed	179.214	195.279	9,0%
Net Working Capital on sales	27,6%	39,7%	
ROCE (EBIT/Net capital employed)	21,3%	9,5%	
Capex	23.471	5.089	



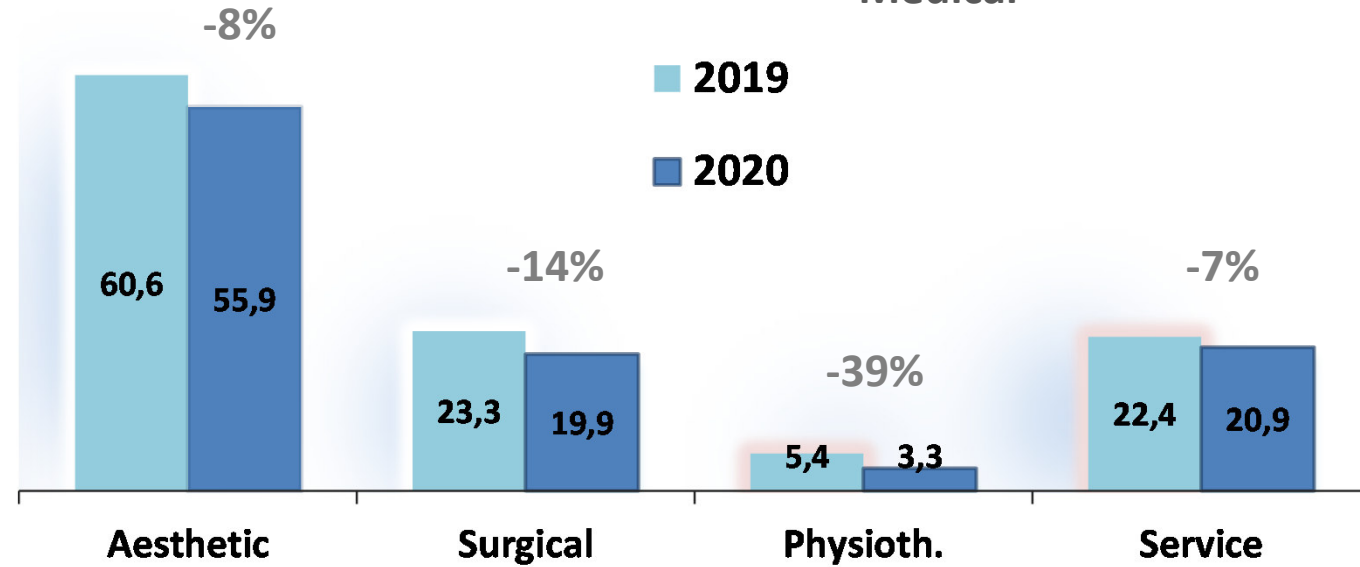
# Cash Flow H1 2020



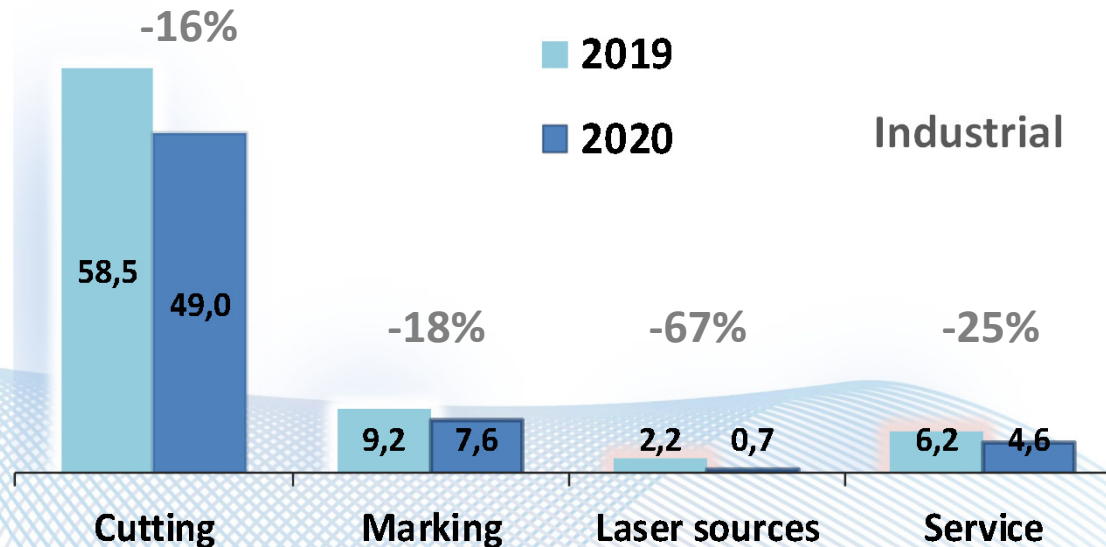
# Revenue breakdown by business

## Medical

in Euro million



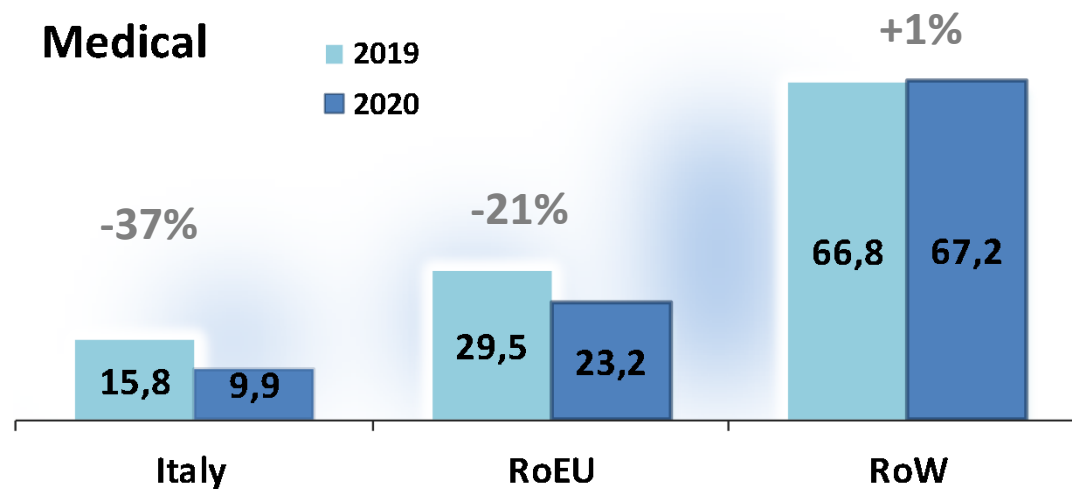
## Industrial



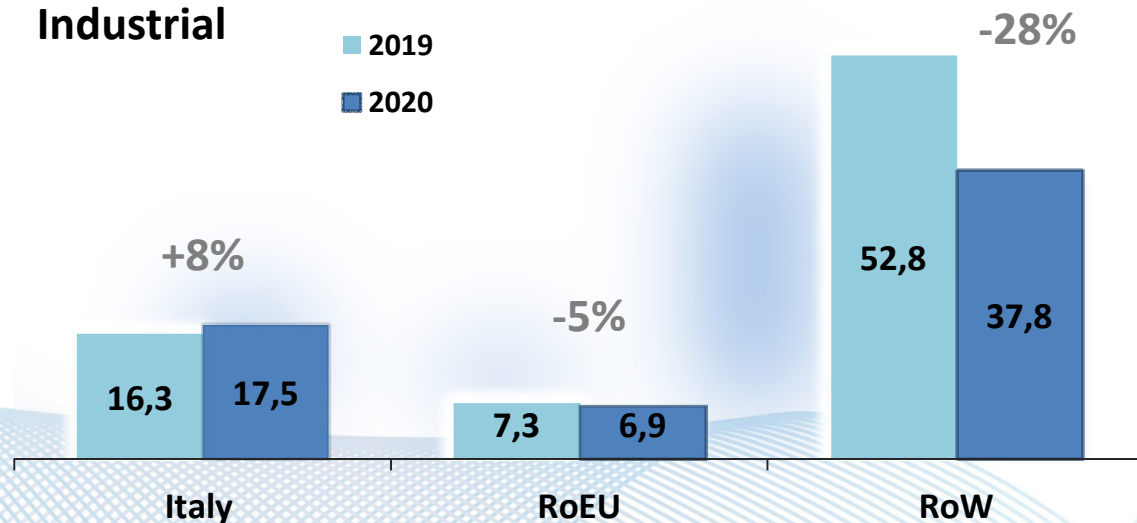
# Revenue breakdown by area

in Euro million

## Medical



## Industrial





# Current Outlook

# 2020 Guidance

**Revenue decrease <10%**

**EBIT% FY20 > EBIT% H1 20**

# Multiples & Comparables



# Multiples

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

**Price / Book Value Adj.** **2,0**

**EV / EBIT (90% EBIT)** **24,0**

**EV / Sales (90% Sales)** **1,4**

**El.En. Market Cap.** **444,9 @ € 22,70**

**Net financial position** **27,9 @ 30/06/20**

**Financial investments m/l term** **15,0 @ 30/06/20**

**Enterprise Value** **401,9**

# Comparables

Amounts in mln

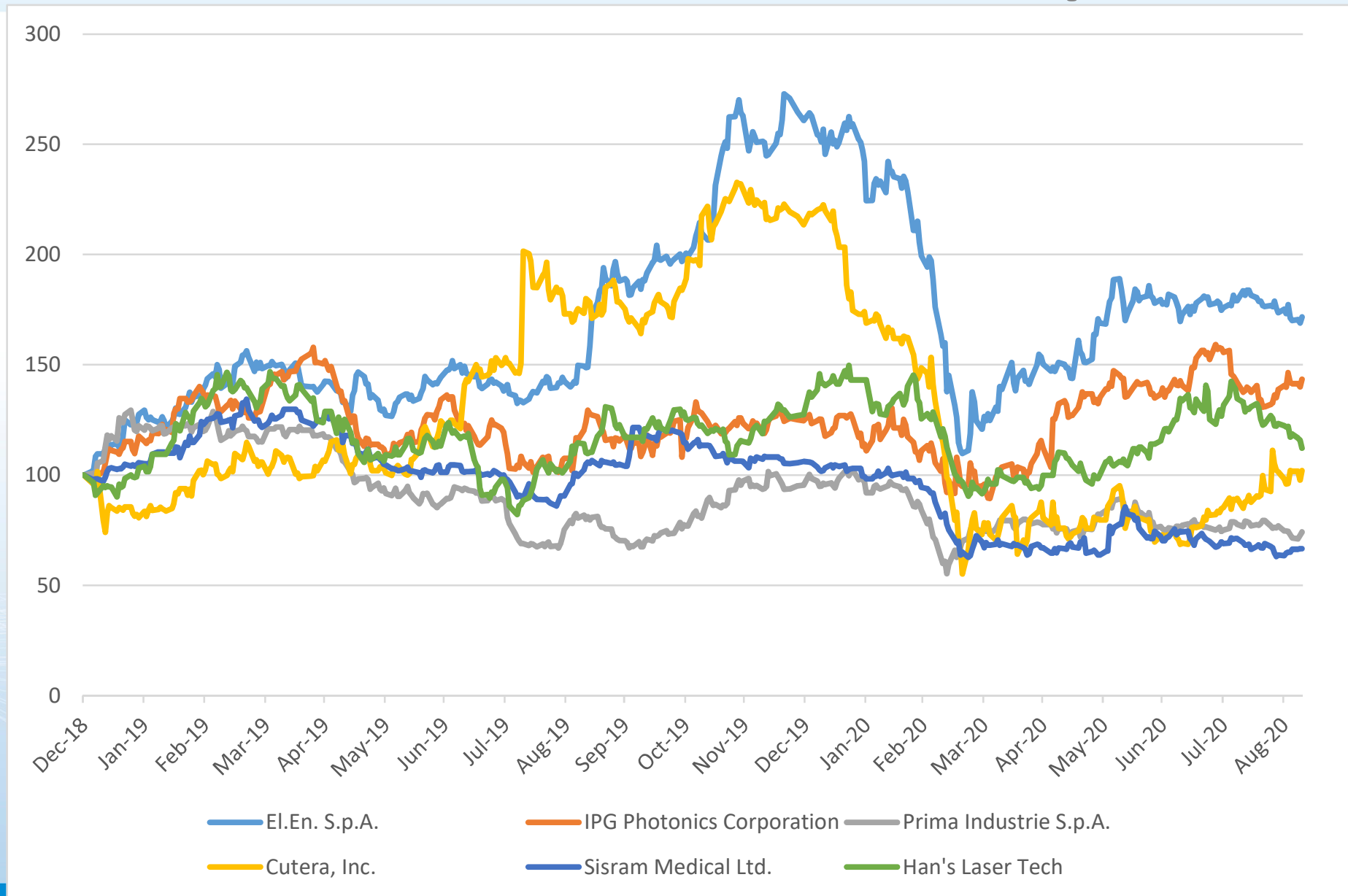
Sept. 30th, 2020

	Price	Revenue	Var.% Rev.	EBIT	EBIT %	MK.Cap.	EV	EV/Sales (*)	EV/EBIT (*)	P/Book Value
<b>Medical/Aesthetic</b>										
Cutera	\$16,29	\$59	-30%	\$(23)	-39%	\$326	\$295	2,5	n.a.	6,2
InMode	\$32,07	\$71	3%	\$14	20%	\$1.120	\$917	6,4	32,5	5,5
Venus	\$2,23	\$32	-40%	\$(53)	-168%	\$98	\$153	2,4	n.a.	2,4
Sisram Medical	\$0,34	\$72	-16%	\$6	9%	\$148	\$58	0,4	4,5	0,5
Lutronic	€ 4,16	€ 33	-18%	-€ 4	-12%	€ 108	€ 93	1,4	n.a.	1,3
<b>Industrial</b>										
IPG Photonics Co.	\$161,00	\$546	-20%	\$92	17%	\$8.570	\$7.325	6,7	39,8	3,5
Prima Industrie	€ 12,70	€ 158	-27%	-€ 1	-1%	€ 133	€ 256	0,8	n.a.	0,8
Han's Laser	¥34,05	¥5.130	8%	¥487	9%	¥38.440	¥39.905	3,9	41,0	4,0
El.En. (1)	€ 22,70	€ 163	-14%	€ 9	6%	€ 445	€ 402	1,4	24,0	2,0

(1) EV and multiples as for previous slide

(\*) Revenue, Ebit and earnings annualized

# Comparables





# Contacts

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