



# HALF YEARLY RESULTS 2014

*STAR CONFERENCE  
October 2<sup>nd</sup>, 3<sup>rd</sup>, 2014*

## Company Presentation



# 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.



# Summary

1. LASERS AND LASER APPLICATIONS
2. THE GLOBAL LASER MARKET
3. EL.EN. GROUP
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# Lasers and Laser Applications



# LASER

Light **A**mplification **S**timulated by **E**mission of **R**adiation

MEDICAL LASER Systems



INDUSTRIAL LASER Systems



# MEDICAL applications



## Laser-Assisted Liposuction

*Courtesy of: G. Addamo, Gynaecologist and A. Gaspar, Gynaecologist - Argentina.*



## Combined treatment of scars with DOT + RF.

*Courtesy of: N. Zerbinati, MD. Varese – Italy.*



## Nd:YAG Laser

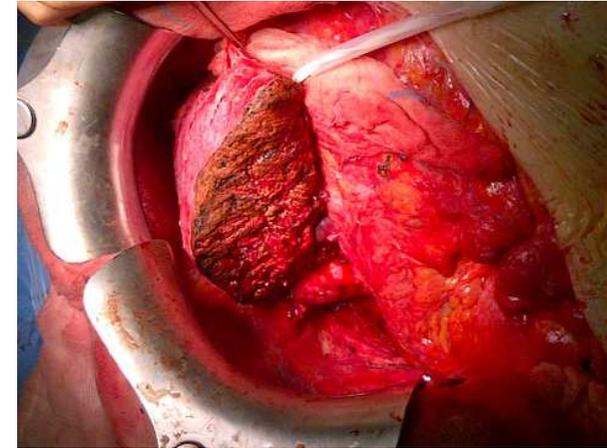
*Courtesy of: P. Campolmi, MD - G. Cannarozzo, MD - P. Bonan, MD. Florence, Italy.*



## DOT Therapy.

*Courtesy of: P. Campolmi, MD - G. Cannarozzo, MD - P. Bonan, MD. Florence – Italy.*

# MEDICAL applications



## FT Pulsed Light Handpiece

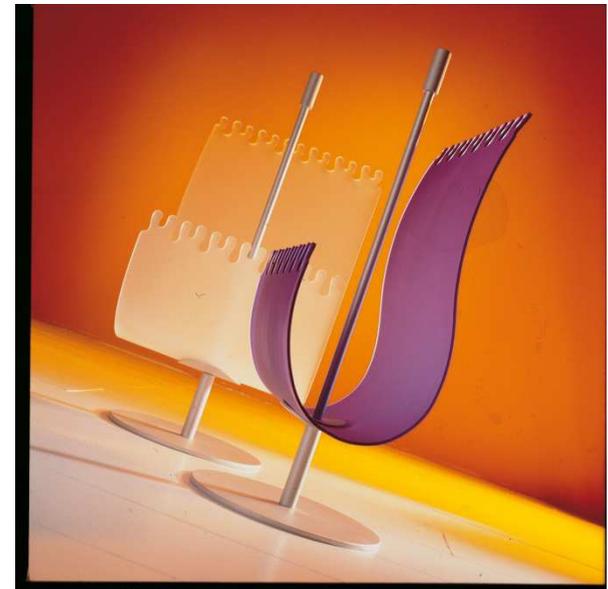
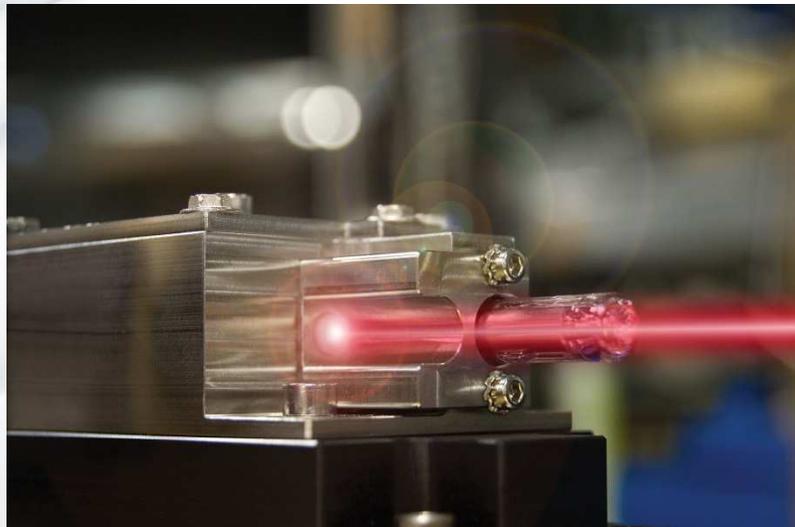
*Courtesy of M. Patarin, MD - Challans, France.*



## Dermatosis papulosa Nigra.

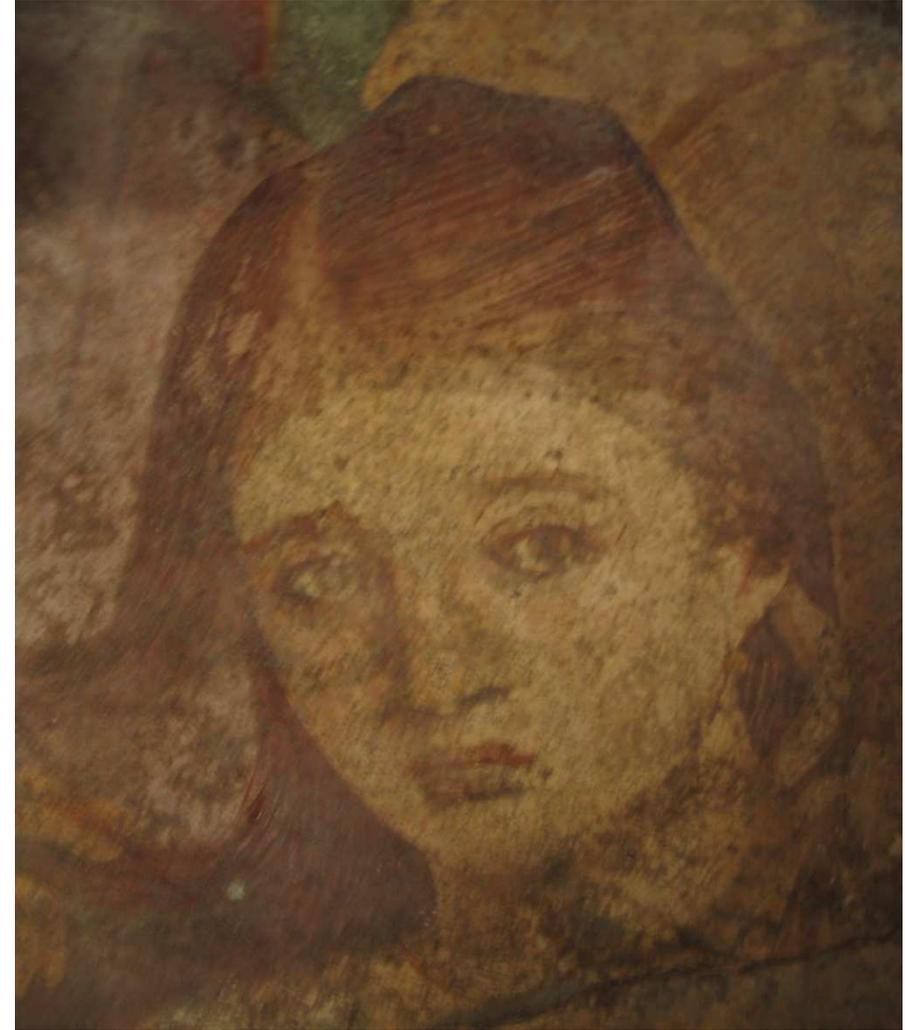
*Courtesy of: P. Campolmi, MD - G. Cannarozzo, MD - P. Bonan, MD.  
Florence - Italy.*

# INDUSTRIAL applications



# CONSERVATION and restoration

## Pompei – Villa dei Misteri



*"Essays cleaning of the frescoes of the Villa dei Misteri in Pompei" June 2013, courtesy of Superintendence for Archaeological Heritage of Naples and Pompei*



# The Global Laser Market



# The MEDICAL Laser Market



## Market CAGR 2013-2018

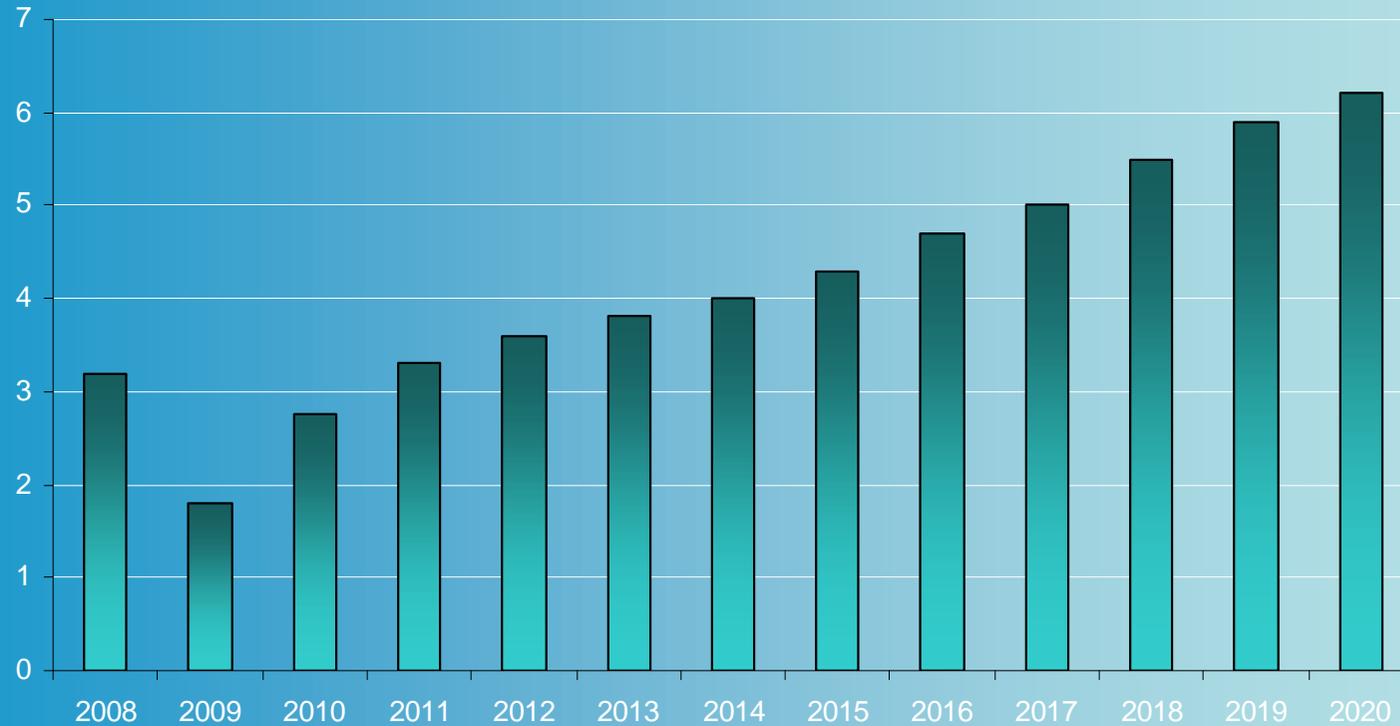
Market segment	North America	Europe	Asia	Latin America	Total
Energy Devices	6,9%	3,2%	15,3%	9,0%	7,8%
Skin Rejuvenation	7,3%	5,8%	13,0%	11,8%	8,2%
Body Contouring	11,3%	6,4%	18,3%	15,7%	12,4%

Source: Medical Insight, Inc.



# The INDUSTRIAL Laser Market

Global Market for High Power Laser Systems, Forecast to 2020, by Value



CAGR 2013-2020: 7,8%  
(nominal growth rate)



# The INDUSTRIAL Laser Market

Global market and forecast for high power laser systems by application (by value)

By Value	Global Market (EUR Million)			CAGR (%)	
	2013	2016	2020	2013-2016	2016-2020
Cutting	2.408	3.014	3.965	7,8	7,1
Welding and Brazing	1.249	1.605	2.231	8,7	8,6
Surface treatment oand Other	50	63	86	8,3	8,1
<b>Total</b>	<b>3.707</b>	<b>4.682</b>	<b>6.282</b>	<b>8,1</b>	<b>7,6</b>



Source: Optech Consulting



# El.En. Group



# Group Overview

## High –Tech laser photonics Group

Develops, manufactures and distributes laser sources and laser systems for medical and industrial applications

Know-how based on 30 years stratification of multidisciplinary experience

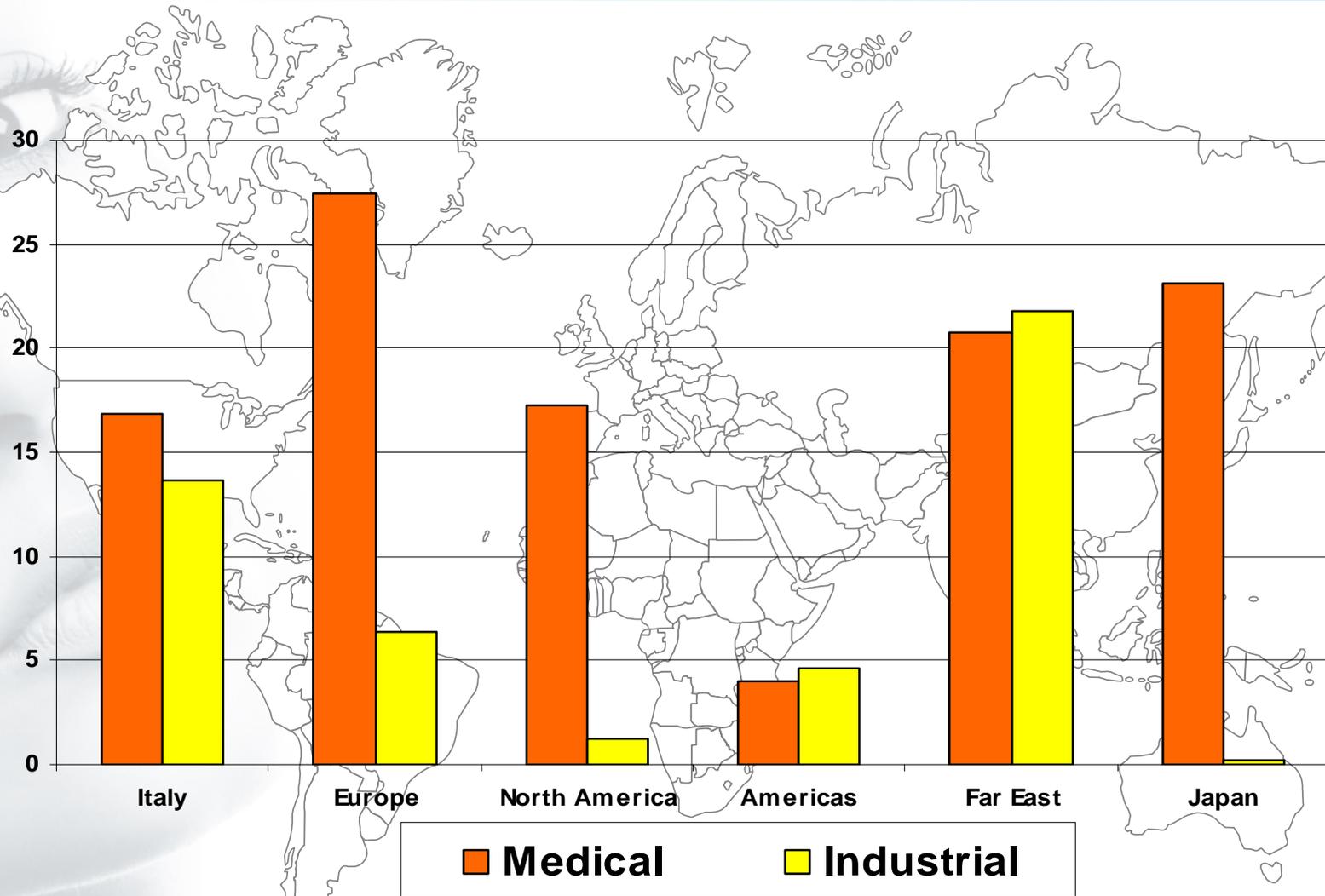
June , 30th 2014: Consolidated Revenues of €80 mln, up 9% YoY, 931 employees

Global positioning

# El.En. Group



# El.En. group in the world



# Strategic Strengths

Multidisciplinary and multifacility R&D activity:  
sources, systems, applications

Covering Medical and Industrial laser markets

Raising technological entry barriers through R&D

## Industrial

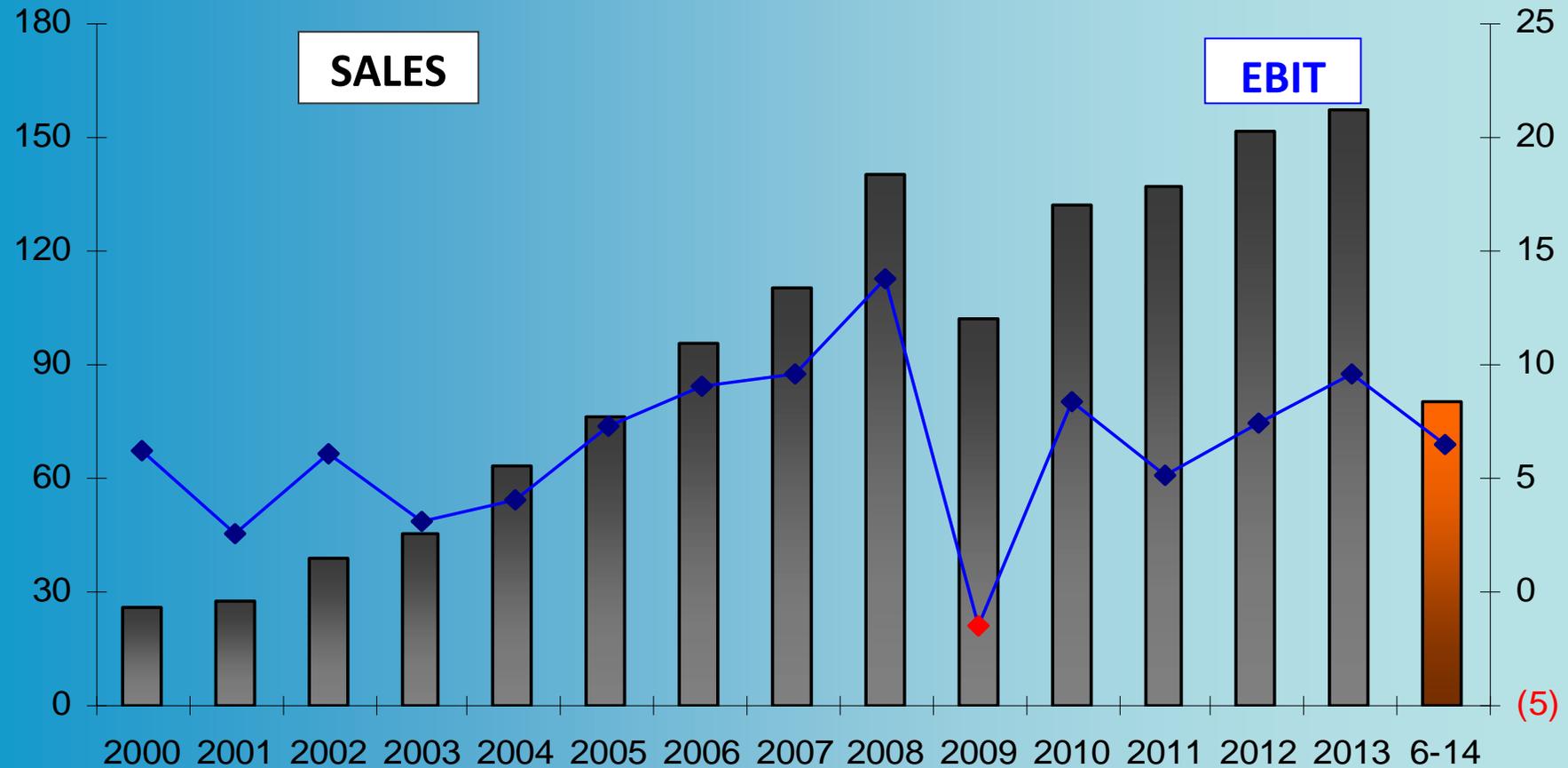
- ✓ Combine High tech laser source development with flexible production facilities in high growth areas

## Medical

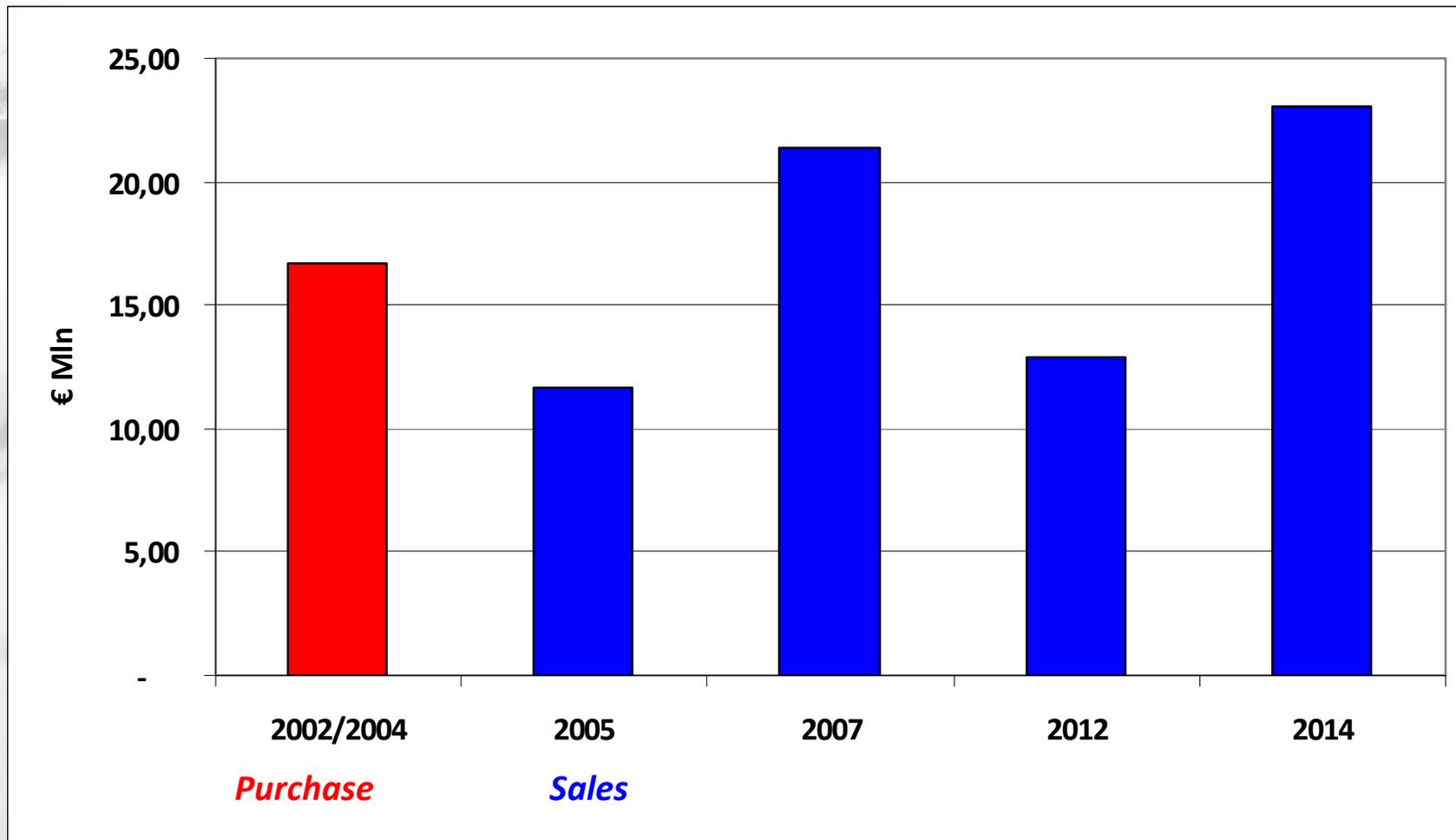
- ✓ Maximize market penetration by multi brand approach
- ✓ Open new market segments by developing innovative applications
- ✓ Leverage worldwide distribution



# Consolidated Revenues and EBIT



# Cynosure: the investment history



Residual shares	1 mln
Current price	\$ 23

# R&D Activity

Clinical trials and validations of new therapeutic laser treatments  
and research on new applications of laser- tissue interaction

Raising Technological / Clinical entry barriers

Central role of PHOTOBIO LAB

Medical Aesthetic new multi-application platforms

Vascular lesions systems: VASQ (Dye) , Yellow Star Pro

Clinical studies on Mona Lisa Touch

Clinical studies on cutaneous ulcers

Laser beam delivery and focusing head for metal cutting

Patents development

# Medical/Aesthetic

## Aesthetic

Hair Removal  
Vascular Lesions  
Skin Rejuvenation  
Pigmented Lesions  
Treatment of Cellulite  
Acne  
Tattoo Removal  
Anti - Aging  
LaserBody Sculpting  
Removal of Unwanted Fat



## Medical

Gynaechology  
Endovascular  
Dermatology  
Psoriasis and Vitiligo  
Dentistry  
Therapy  
General Surgery  
Urology  
ENT



# H1 2014 Financial Results

# Consolidated P&L

Euro/000	30/06/13		30/06/14		Var.%
<b>Revenues</b>	73.837	100,0%	80.398	100,0%	8,9%
<b>Gross margin</b>	36.343	49,2%	38.058	47,3%	4,7%
<b>EBITDA</b>	5.940	8,0%	7.044	8,8%	18,6%
<b>EBIT (*)</b>	3.733	5,1%	6.484	8,1%	73,7%
<b>Income before taxes (**)</b>	3.387	4,6%	11.359	14,1%	235,4%
<b>Net income</b>	1.257	1,7%	8.492	10,6%	575,4%
<b>Net Income per share</b>	0,26		1,77		575,4%

*(\*) 2014 Non recurring: + 1,5 mln of euro*

*(\*\*) 2014 Total one time and non recurring: + 6,0 mln of euro*

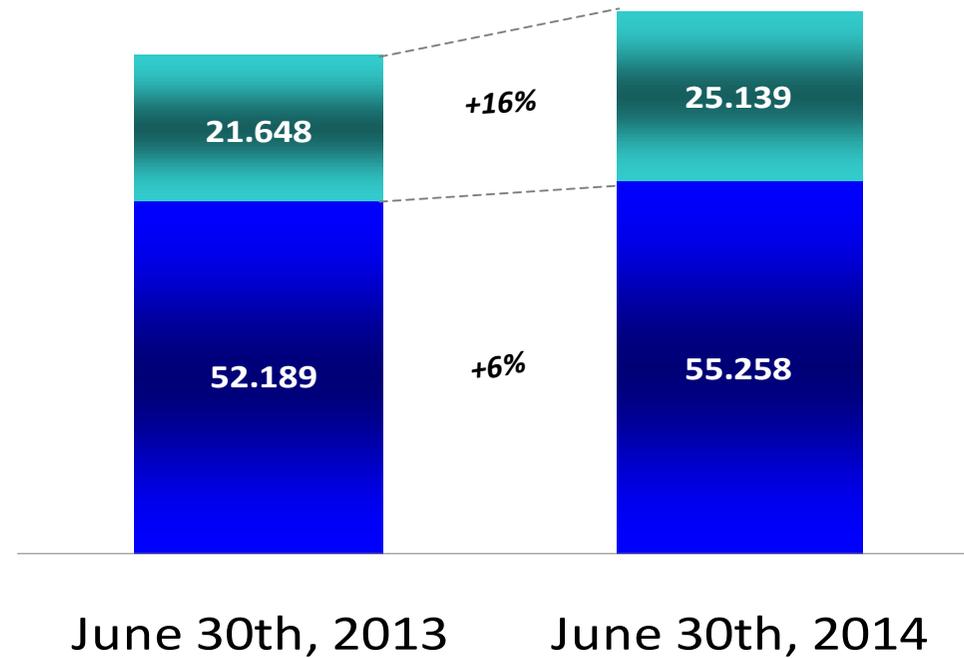
# Consolidated BS

Euro/000	31/12/13	30/06/14	Var.%
<b>Total non current assets</b>	72.976	48.436	-34%
<b>Net working capital</b>	48.414	52.609	9%
<b>Net financial position</b>	21.820	40.087	84%
<b>Long term liabilities</b>	8.904	6.807	-24%
<b>Net Equity</b>	134.306	134.325	0%
<b>Net capital employed</b>	112.486	94.238	-16%

# El.En. – Revenues breakdown by business

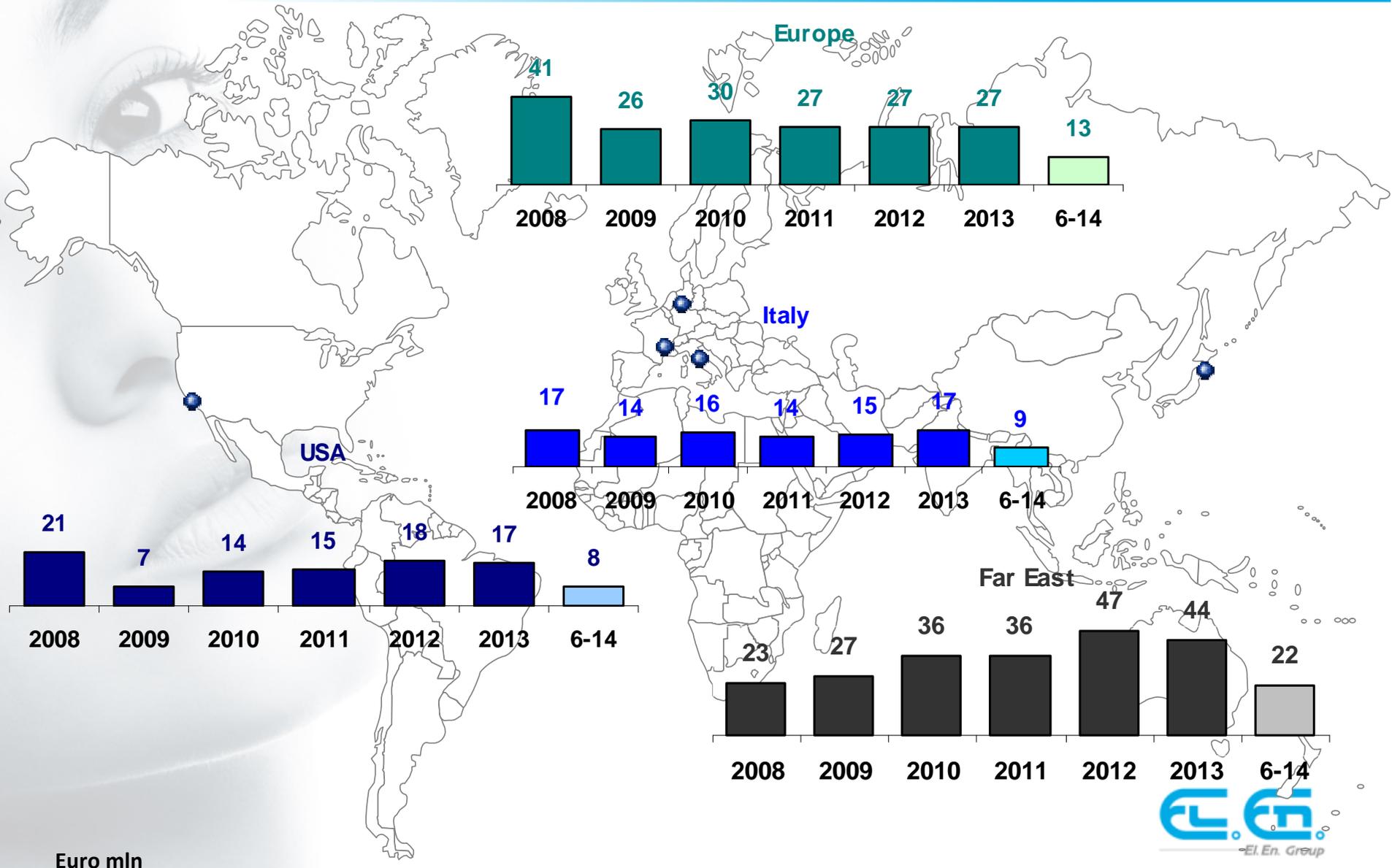
Euro /000

- Industrial
  - Cutting
  - Marking
  - Laser sources
  - Service
- Medical
  - Aesthetic
  - Surgical
  - Physiotherapy
  - Dental
  - Service

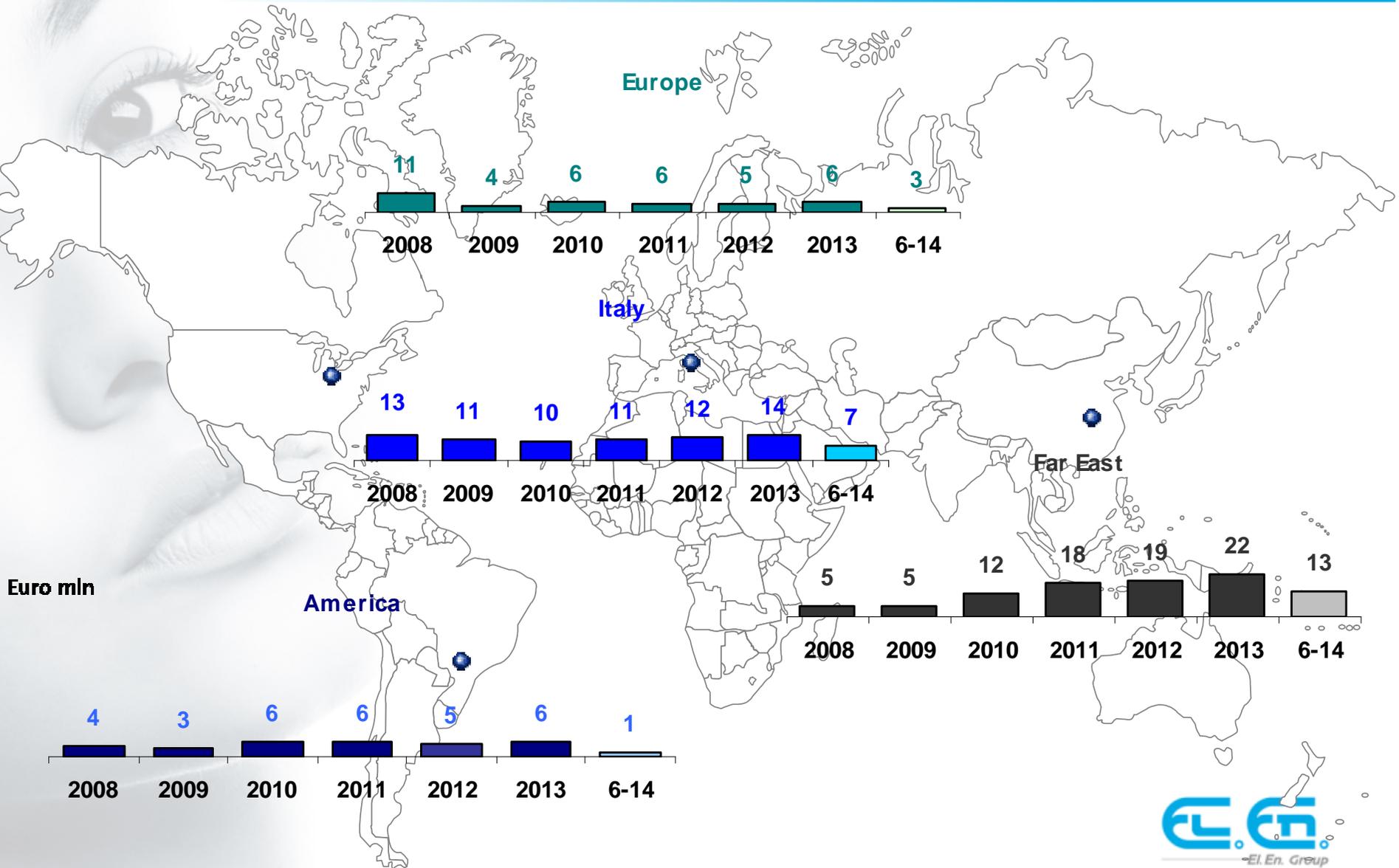


**2014: +9%**

# Medical Laser: Breakdown by Area



# Industrial Laser: Breakdown by Area





# 2014 Guidance



# 2014 forecast

Sales: + 5%

EBIT improvement on 2013

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Palomar settlement (EBIT + 1,5 mln)

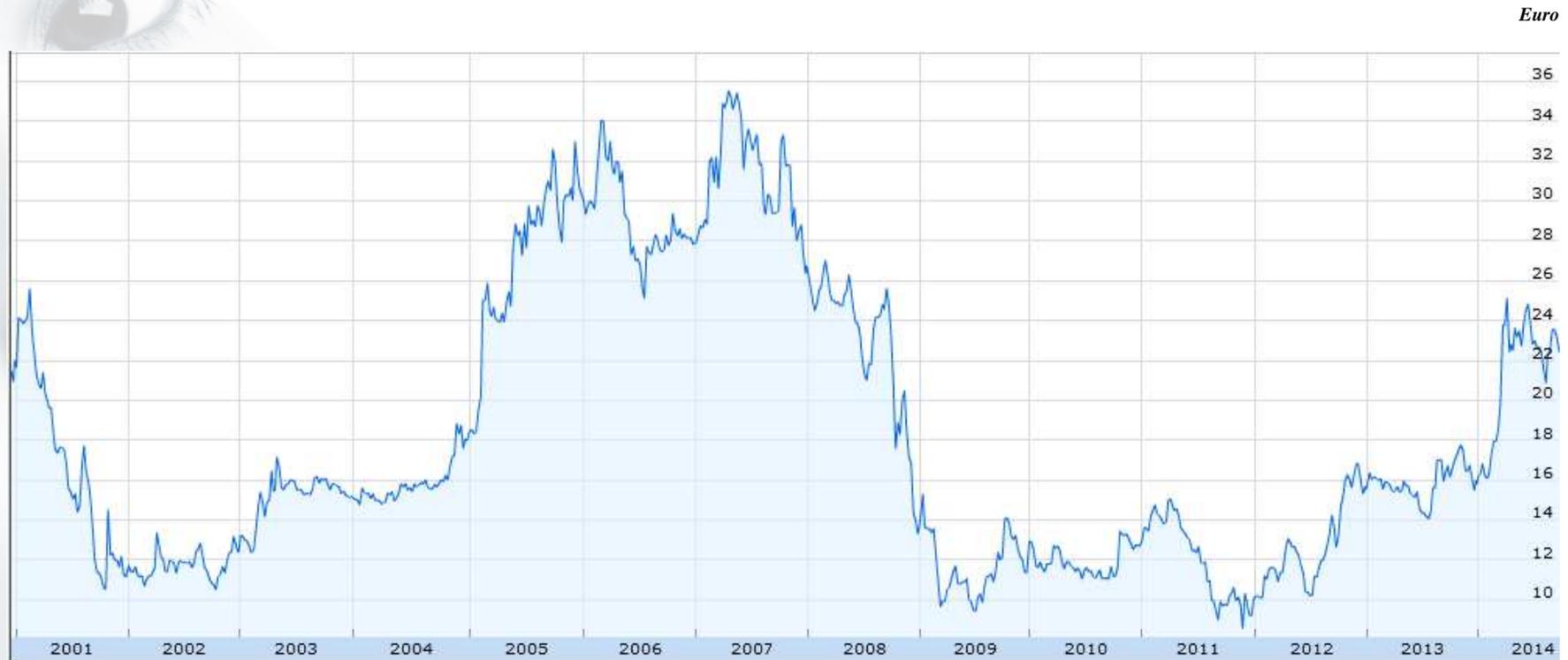
Gain on sale of Cynosure shares  
(Net Income +4,5 mln )



# El.En. Stock, Multiples & Comparables



# El.En. stock



# El.En. multiples

Stockholder's Equity per share *	27
Price / Book Value Adj.	0,83
EV /EBIT (85% EBIT)	4,58
EV / Sales (85% Sales)	0,37

El.En. Market Cap.	108,5 @ €22,5
Net financial position	40,1 @ 30/06/14
Market value of 1,0 mm Cynosure shares	18,0 @ \$23,19 (Euro/Usd=1,2851)
Enterprise Value	50
Stockholder's Equity net of minorities, * (with Cynosure shares at market value)	130,6

# El.En. Comparables

	Price	Revenue	Var.% Revenue	EBIT	EBIT %	MK.Cap.	EV	EV/Sales (*)	EV/EBIT (*)	P/Book Value
<b>Medical/Aesthetic</b>										
Syneron	\$10,83	\$121.431	-7%	\$(951)	-1%	\$397.130	\$311.385	1,28	n.a.	1,70
Zeltiq	\$25,00	\$78.036	68%	\$(4.446)	-6%	\$938.140	\$877.091	5,62	n.a.	24,16
Lumenis	\$8,98	\$138.295	9%	\$6.698	5%	\$319.770	\$276.239	1,00	20,62	3,69
Cutera	\$10,44	\$33.913	-5%	\$(6.488)	-19%	\$149.430	\$67.832	1,00	n.a.	1,41
Biolase	\$2,69	\$21.704	-25%	\$(10.827)	-50%	\$118.050	\$119.271	2,75	n.a.	40,66
Cynosure	\$23,19	\$134.577	48%	\$7.744	6%	\$501.910	\$415.072	1,54	26,80	1,48
<b>Industrial</b>										
IPG Photonics Co.	\$69,10	\$362.779	17%	\$126.538	35%	\$3.600.000	\$3.119.292	4,30	12,33	3,52
Rofin-Sinar	\$23,64	\$262.878	-15%	\$15.109	6%	\$662.130	\$517.477	0,98	17,12	1,19
Prima Industrie	€15,70	€154.210	-5%	€9.291	6%	€156.052	€258.261	0,84	13,90	1,41
<b>El.En. (1)</b>	<b>€22,50</b>	<b>€80.398</b>	<b>9%</b>	<b>€6.484</b>	<b>8%</b>	<b>€108.548</b>	<b>€50.441</b>	<b>0,37</b>	<b>4,58</b>	<b>0,83</b>



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