COMPANY PRESENTATION

European Midcap Event
Amsterdam
September 20th, 2019
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. El.En.
2. Markets and Growth drivers
3. Our Products
4. Financial Highlights
5. Multiples & Comparables
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

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

**Revenues**

Cagr 11/18: +14%

**EBIT**

Cagr 11/18: +29%

*in Euro million*
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

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

<table>
<thead>
<tr>
<th>US$ million</th>
<th>2014</th>
<th>2016</th>
<th>2021</th>
<th>CAGR 14-16</th>
<th>CAGR 16-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global non-invasive and minimally invasive medical aesthetic treatment systems</td>
<td>6.932</td>
<td>8.437</td>
<td>13.992</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Energy-based treatment systems</td>
<td>2.033</td>
<td>2.670</td>
<td>4.380</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>Body shaping &amp; Skin tightening</td>
<td>724</td>
<td>996</td>
<td>1.965</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td>Skin rejuvenation</td>
<td>523</td>
<td>695</td>
<td>1.089</td>
<td>15%</td>
<td>9%</td>
</tr>
<tr>
<td>Hair removal</td>
<td>353</td>
<td>341</td>
<td>333</td>
<td>-2%</td>
<td>0%</td>
</tr>
<tr>
<td>Leg vein treatments</td>
<td>131</td>
<td>157</td>
<td>187</td>
<td>9%</td>
<td>4%</td>
</tr>
<tr>
<td>Acne reduction</td>
<td>96</td>
<td>110</td>
<td>125</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>Vaginal rejuvenation</td>
<td>na</td>
<td>105</td>
<td>332</td>
<td>na</td>
<td>26%</td>
</tr>
<tr>
<td>Pigmented lesion &amp; tattoo removal</td>
<td>80</td>
<td>99</td>
<td>142</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>126</td>
<td>167</td>
<td>207</td>
<td>15%</td>
<td>4%</td>
</tr>
<tr>
<td>Total</td>
<td>2.033</td>
<td>2.670</td>
<td>4.380</td>
<td>15%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: Medical Insight Report

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
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
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$_2$
- 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.
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%
**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

BEVELING CUT our new laser special preparation for butt-welding metal sheet edges
## Income Statement H1-2019

<table>
<thead>
<tr>
<th></th>
<th>Euro '000 30/06/18</th>
<th>%</th>
<th>Euro '000 30/06/19</th>
<th>%</th>
<th>Var.%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical</strong></td>
<td>93.598</td>
<td>58,3%</td>
<td>112.129</td>
<td>59,5%</td>
<td>19,8%</td>
</tr>
<tr>
<td><strong>Industrial</strong></td>
<td>67.039</td>
<td>41,7%</td>
<td>76.321</td>
<td>40,5%</td>
<td>13,8%</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>160.637</td>
<td>100,0%</td>
<td>188.450</td>
<td>100,0%</td>
<td>17,3%</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>64.701</td>
<td>40,3%</td>
<td>74.385</td>
<td>39,5%</td>
<td>15,0%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>15.349</td>
<td>9,6%</td>
<td>20.604</td>
<td>10,9%</td>
<td>34,2%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>12.731</td>
<td>7,9%</td>
<td>16.713</td>
<td>8,9%</td>
<td>31,3%</td>
</tr>
<tr>
<td><strong>Pretax Income</strong></td>
<td>13.090</td>
<td>8,1%</td>
<td>16.894</td>
<td>9,0%</td>
<td>29,1%</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>7.452</td>
<td>4,6%</td>
<td>10.223</td>
<td>5,4%</td>
<td>37,2%</td>
</tr>
<tr>
<td><strong>Net Income per share</strong></td>
<td>0,39</td>
<td></td>
<td>0,53</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Balance Sheet 2019

<table>
<thead>
<tr>
<th></th>
<th>Euro '000</th>
<th>31/12/18</th>
<th>30/06/19</th>
<th>Var.%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total non current assets</td>
<td>86,879</td>
<td>99,968</td>
<td></td>
<td>15,1%</td>
</tr>
<tr>
<td>Net Working Capital</td>
<td>102,248</td>
<td>108,494</td>
<td></td>
<td>6,1%</td>
</tr>
<tr>
<td>Other receivables/payables ST</td>
<td>(22,341)</td>
<td>(28,224)</td>
<td></td>
<td>26,3%</td>
</tr>
<tr>
<td>Net financial position</td>
<td>62,461</td>
<td>53,770</td>
<td></td>
<td>-13,9%</td>
</tr>
<tr>
<td>Long term liabilities</td>
<td>10,011</td>
<td>10,779</td>
<td></td>
<td>7,7%</td>
</tr>
<tr>
<td>Net Equity</td>
<td>219,236</td>
<td>223,229</td>
<td></td>
<td>1,8%</td>
</tr>
<tr>
<td>Net capital employed</td>
<td>157,051</td>
<td>169,745</td>
<td></td>
<td>8,1%</td>
</tr>
<tr>
<td>Net Working Capital on sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>29,5%</td>
<td>28,8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROCE</td>
<td>19,1%</td>
<td>19,7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(EBIT/Net capital employed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capex</td>
<td>27,058</td>
<td>11,262</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Revenue breakdown by business

**Medical**
- Aesthetic: 51.1 M 2018, 60.6 M 2019 (+19%)
- Surgical: 21.2 M 2018, 23.3 M 2019 (+10%)
- Physiotherapy: 5.3 M 2018, 5.4 M 2019 (+2%)
- Service: 15.7 M 2018, 22.4 M 2019 (+43%)

**Industrial**
- Cutting: 51.9 M 2018, 58.5 M 2019 (+13%)
- Marking: 8.3 M 2018, 9.2 M 2019 (+11%)
- Laser sources: 2.1 M 2018, 2.2 M 2019 (+7%)
- Service: 4.6 M 2018, 6.2 M 2019 (+34%)

*in Euro million*
Revenue breakdown by area

_in Euro million_

**Medical**
- Italy: 15.0 (2018) → 15.8 (2019), +5%

**Industrial**
- Italy: 15.8 (2018) → 16.3 (2019), +3%
- RoEU: 6.3 (2018) → 7.3 (2019), +16%
- RoW: 45.0 (2018) → 52.8 (2019), +17%
New factories

Jena - Asclepion

Wenzhou (2nd) – Penta Laser

Vicenza – ASA Laser

<table>
<thead>
<tr>
<th>Capex plan</th>
<th>2018</th>
<th>2019 td</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total capex</td>
<td>27</td>
<td>12</td>
<td>39</td>
</tr>
<tr>
<td>of which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New plants</td>
<td>22</td>
<td>8</td>
<td>30</td>
</tr>
</tbody>
</table>

Euro million
Guidance

2019 vs 2018:

Revenue: > +10%

EBIT% 2019 > EBIT% 2018
### Multiples

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stockholder's Equity per share</td>
<td>11,6</td>
</tr>
<tr>
<td>Price / Book Value Adj.</td>
<td>2,0</td>
</tr>
<tr>
<td>EV /EBIT (85% EBIT)</td>
<td>13,5</td>
</tr>
<tr>
<td>EV / Sales (85% Sales)</td>
<td>1,2</td>
</tr>
<tr>
<td>El.En. Market Cap.</td>
<td>449,6 @ € 23,30</td>
</tr>
<tr>
<td>Net financial position</td>
<td>53,8 @ 30/06/19</td>
</tr>
<tr>
<td>Financial investments m/l term</td>
<td>12,3 @ 30/06/19</td>
</tr>
<tr>
<td>Enterprise Value</td>
<td>383,6</td>
</tr>
</tbody>
</table>
### Comparables

#### Sept. 30th, 2019

<table>
<thead>
<tr>
<th>Company</th>
<th>Price</th>
<th>Revenue</th>
<th>Var.% Rev.</th>
<th>EBIT</th>
<th>EBIT %</th>
<th>MK.Cap.</th>
<th>EV</th>
<th>EV/Sales (*)</th>
<th>EV/EBIT (*)</th>
<th>P/E</th>
<th>P/Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical/Aesthetic</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cutera</td>
<td>$28,84</td>
<td>$84</td>
<td>9%</td>
<td>$(8)</td>
<td>-9%</td>
<td>$409</td>
<td>$386</td>
<td>2,3</td>
<td>n.a.</td>
<td>n.a.</td>
<td>9,5</td>
</tr>
<tr>
<td>InMode</td>
<td>$27,53</td>
<td>$69</td>
<td>51%</td>
<td>$26</td>
<td>37%</td>
<td>$880</td>
<td>$798</td>
<td>5,8</td>
<td>15,5</td>
<td>15,4</td>
<td>12,3</td>
</tr>
<tr>
<td>Sisram Medical</td>
<td>$0,52</td>
<td>$85</td>
<td>9%</td>
<td>$16</td>
<td>18%</td>
<td>$231</td>
<td>$129</td>
<td>0,8</td>
<td>4,1</td>
<td>4,6</td>
<td>0,7</td>
</tr>
<tr>
<td>Lutronic</td>
<td>€ 6,82</td>
<td>€ 41</td>
<td>20%</td>
<td>-€ 5</td>
<td>-13%</td>
<td>€ 182</td>
<td>€ 166</td>
<td>2,0</td>
<td>n.a.</td>
<td>n.a.</td>
<td>2,0</td>
</tr>
<tr>
<td><strong>Industrial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IPG Photonics Co.</td>
<td>$145,46</td>
<td>$679</td>
<td>-12%</td>
<td>$159</td>
<td>23%</td>
<td>$7.740</td>
<td>$6.701</td>
<td>4,9</td>
<td>21,0</td>
<td>26,3</td>
<td>3,3</td>
</tr>
<tr>
<td>Prima Industrie</td>
<td>€ 13,72</td>
<td>€ 215</td>
<td>-1%</td>
<td>€ 6</td>
<td>3%</td>
<td>€ 143</td>
<td>€ 275</td>
<td>0,6</td>
<td>21,2</td>
<td>75,9</td>
<td>0,9</td>
</tr>
<tr>
<td>Han's Laser</td>
<td>¥36,10</td>
<td>¥4,684</td>
<td>-8%</td>
<td>¥296</td>
<td>6%</td>
<td>¥38,520</td>
<td>¥40,185</td>
<td>4,3</td>
<td>67,9</td>
<td>53,0</td>
<td>4,5</td>
</tr>
<tr>
<td>El.En. (1)</td>
<td>€ 23,30</td>
<td>€ 188</td>
<td>17%</td>
<td>€ 17</td>
<td>9%</td>
<td>€ 450</td>
<td>€ 384</td>
<td>1,2</td>
<td>13,5</td>
<td>18,8</td>
<td>2,0</td>
</tr>
</tbody>
</table>

(1) EV and multiplies as for previous slide

(*) Revenue, Ebit and earnings annualized
“...and the best is yet to come....”

Nobel Prize for Physics
Prof. Géreard Mourou
El.En. SPA

Enrico ROMAGNOLI
Investor Relations Manager
tel. +39 055-8826807
E-mail: finance@elen.it

POLYTEMS HIR

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