COMPANY PRESENTATION

Industrial and Medical Laser Solutions

Intermonte – December 2018
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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

International Group

More than 20 companies active worldwide on several markets and application segments. Listed on the Milan Stock Exchange, Star segment since 2000

Among the leaders in the global market

Progressively widening its worldwide presence registering continuous growth over the years

Worldwide distribution network

>1,400 employees worldwide; 38 years average age

More than 40,000 laser sources sold and 5% of revenue invested in R&D

Constant and sustainable growth

14% Revenue CAGR 2011 – 2017

35% EBIT CAGR 2011 – 2017

FY 2017 Consolidated Revenue: €306m, up 21% YoY
A PATH OF GROWTH

Revenues

Cagr: +14%

EBIT

Cagr: +29%

in Euro million
Medical & Aesth energy-based systems market

<table>
<thead>
<tr>
<th></th>
<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>
<td></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>
<td></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>
<td></td>
</tr>
<tr>
<td>Skin rejuvenation</td>
<td>523</td>
<td>695</td>
<td>1.089</td>
<td>15%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Hair removal</td>
<td>353</td>
<td>341</td>
<td>333</td>
<td>-2%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Leg vein treatments</td>
<td>131</td>
<td>157</td>
<td>187</td>
<td>9%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Acne reduction</td>
<td>96</td>
<td>110</td>
<td>125</td>
<td>7%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Vaginal rejuvenation</td>
<td>na</td>
<td>105</td>
<td>332</td>
<td>na</td>
<td>26%</td>
<td></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>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>126</td>
<td>167</td>
<td>207</td>
<td>15%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2.033</td>
<td>2.670</td>
<td>4.380</td>
<td>15%</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Medical Insight Report

Key growth drivers:

- Increasingly aging population
- Desire to achieve or maintain more youthful appearance
- Increase in healthcare spending
- Requirements for fast and minimally invasive surgical procedures
Industrial laser market

Lasers increasingly adopted in high quality manufacturing for uniqueness, flexibility, environment friendliness, productivity

- Sheet metal cutting: technology breakthroughs lead to strong widening of demand
- 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
Growth drivers

- Expected growth in our main markets: Aesthetic, Surgery, Industrial
- Entering the body contouring and cellulite treatment market
- Novel dermatologic treatment device: 2019
- Diabetic foot ulcers: seeking regulatory clearances worldwide
- New manufacturing applications for medium power CO₂ laser sources
- Strong demand for high power laser sheet metal cutting systems in China and Europe
- New laser systems for hair removal
New systems and devices

- ONDA - Body contouring
- Motus AX expands to Motus AY
- BPH: Virtual basket and single use morcellator
- High Power sheet metal cutting systems - 20kW
- OEM systems for urology – 100 W Ho:YAG
- New accessories for CO₂ surgery
- MIS - MLS High Peak Pulse for physiotherapy
New factories

Jena

Wenzhou (2nd)

Vicenza
Financial Highlights
### Income Statement 9M-2018

<table>
<thead>
<tr>
<th></th>
<th>30/09/17</th>
<th>%</th>
<th>30/09/18</th>
<th>%</th>
<th>Var.%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>unaudited</td>
<td></td>
<td>unaudited</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical</td>
<td>124.007</td>
<td>56,8%</td>
<td>138.837</td>
<td>57,0%</td>
<td>12,0%</td>
</tr>
<tr>
<td>Industrial</td>
<td>94.405</td>
<td>43,2%</td>
<td>104.600</td>
<td>43,0%</td>
<td>10,8%</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>218.412</td>
<td>100,0%</td>
<td>243.437</td>
<td>100,0%</td>
<td>11,5%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>90.899</td>
<td>41,6%</td>
<td>96.306</td>
<td>39,6%</td>
<td>5,9%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>26.548</td>
<td>12,2%</td>
<td>24.036</td>
<td>9,9%</td>
<td>-9,5%</td>
</tr>
<tr>
<td>EBIT</td>
<td>22.160</td>
<td>10,1%</td>
<td>20.007</td>
<td>8,2%</td>
<td>-9,7%</td>
</tr>
<tr>
<td>Pretax Income</td>
<td>19.108</td>
<td>8,7%</td>
<td>19.908</td>
<td>8,2%</td>
<td>4,2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>31/12/17</th>
<th>30/09/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net financial position</td>
<td>84.506</td>
<td>54.810</td>
</tr>
</tbody>
</table>
Cash Flow 9M-2018

New buildings €12,5 mln

Dividend paid €8,4 mln
Revenue breakdown by area 9M-2018

in Euro million

**Medical**
- Italy: 18.9 (2017) → 20.7 (2018) +10%
- RoEU: 29.9 (2017) → 38.0 (2018) +27%
- RoW: 75.3 (2017) → 80.1 (2018) +6%

**Industrial**
- Italy: 21.5 (2017) → 22.6 (2018) +5%
- RoW: 66.8 (2017) → 72.6 (2018) +9%
Revenue breakdown 9M-2018

- **Aesthetic**
  - 2017: 70,2 million
  - 2018: 76,7 million
  - Change: +9%

- **Surgical**
  - 2017: 24,0 million
  - 2018: 29,6 million
  - Change: +23%

- **Physioth.**
  - 2017: 6,9 million
  - 2018: 7,8 million
  - Change: +12%

- **Service**
  - 2017: 22,4 million
  - 2018: 24,2 million
  - Change: +8%

- **Industrial**
  - **Cutting**
    - 2017: 73,4 million
    - 2018: 82,5 million
    - Change: +41%
  - **Marking**
    - 2017: 12,0 million
    - 2018: 12,0 million
    - Change: +0%
  - **Laser sources**
    - 2017: 2,4 million
    - 2018: 3,3 million
    - Change: +41%
  - **Service**
    - 2017: 6,5 million
    - 2018: 6,5 million
    - Change: +0%

*All figures in Euro million.*
Guidance

2018 vs 2017:

Revenue: \( \geq +10\% \)

EBIT 18 \( \geq \) EBIT 17
Multiples & Comparables
## Multiples

<table>
<thead>
<tr>
<th>Multiple</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stockholder's Equity per share</td>
<td>9,9</td>
</tr>
<tr>
<td>Price / Book Value Adj.</td>
<td>1,5</td>
</tr>
<tr>
<td>EV /EBIT (80% EBIT)</td>
<td>10,0</td>
</tr>
<tr>
<td>EV / Sales (80% Sales)</td>
<td>0,8</td>
</tr>
<tr>
<td>El.En. Market Cap.</td>
<td>279,8 @ €14,50</td>
</tr>
<tr>
<td>Net financial position</td>
<td>54,8 @ 30/09/18</td>
</tr>
<tr>
<td>Financial investments m/l term</td>
<td>12,2 @ 30/09/18</td>
</tr>
<tr>
<td>Enterprise Value</td>
<td>212,8</td>
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</table>
## Comparables

<table>
<thead>
<tr>
<th></th>
<th>Price</th>
<th>Revenue</th>
<th>Var.%</th>
<th>EBIT</th>
<th>EBIT %</th>
<th>MK.Cap.</th>
<th>EV</th>
<th>EV/Sales (*)</th>
<th>EV/EBIT (*)</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>
</tr>
<tr>
<td>Cutera</td>
<td>$20,77</td>
<td>$117</td>
<td>13%</td>
<td>$(8)</td>
<td>-7%</td>
<td>$289</td>
<td>$262</td>
<td>1,7</td>
<td>n.a.</td>
<td>4,1</td>
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<tr>
<td>Sisram Medical (2)</td>
<td>$0,62</td>
<td>$78</td>
<td>18%</td>
<td>$14</td>
<td>18%</td>
<td>$277</td>
<td>$183</td>
<td>1,2</td>
<td>6,5</td>
<td>0,9</td>
</tr>
<tr>
<td>Lutronic</td>
<td>€ 7,22</td>
<td>€ 49</td>
<td>-3%</td>
<td>€ 8</td>
<td>-16%</td>
<td>€ 179</td>
<td>€ 165</td>
<td>2,6</td>
<td>n.a.</td>
<td>1,7</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>
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</tr>
<tr>
<td>IPG Photonics Co.</td>
<td>$141,83</td>
<td>$1,130</td>
<td>8%</td>
<td>$427</td>
<td>38%</td>
<td>$7,520</td>
<td>$6,402</td>
<td>4,2</td>
<td>11,2</td>
<td>3,4</td>
</tr>
<tr>
<td>Prima Industrie</td>
<td>€ 20,65</td>
<td>€ 318</td>
<td>6%</td>
<td>€ 17</td>
<td>5%</td>
<td>€ 216</td>
<td>€ 315</td>
<td>0,7</td>
<td>13,6</td>
<td>1,4</td>
</tr>
<tr>
<td>Han's Laser</td>
<td>¥32,14</td>
<td>¥8,656</td>
<td>-3%</td>
<td>¥1,590</td>
<td>18%</td>
<td>¥34,300</td>
<td>¥34,339</td>
<td>3,0</td>
<td>16,2</td>
<td>3,8</td>
</tr>
<tr>
<td>El.En. (1)</td>
<td>€ 14,50</td>
<td>€ 243</td>
<td>11%</td>
<td>€ 20</td>
<td>8%</td>
<td>€ 280</td>
<td>€ 213</td>
<td>0,8</td>
<td>10,0</td>
<td>1,5</td>
</tr>
</tbody>
</table>

(1) EV and multiplies as for previous slide
(2) Data on June 30th, 2018
(*) Revenue, Ebit and earnings annualized
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