

COMPANY PRESENTATION



STAR Conference Fall edition 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 stylized world map in light blue with white network lines connecting various points across the continents. The map is set against a background of darker blue geometric shapes, including triangles and polygons, some of which are outlined in white. The word "AGENDA" is centered in a bold, dark grey font.

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 CO₂ 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

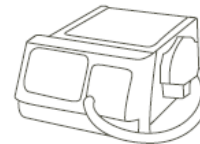
Incorporation of chinese JV
Wuhan Penta Chutian Co. Ltd

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

Acquisition of **With Us**

2009

Incorporation of
Esthelogue S.r.l.



2013

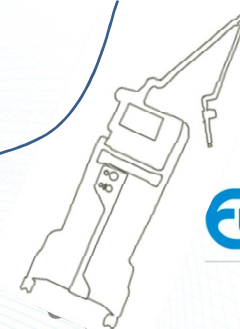
Incorporation of second chinese JV
Penta Laser Equipment (Wenzhou) Co. Ltd

2019

Incorporation of **Penta Laser Technology (Shangdong) Co. Ltd**

2016

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



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%

165
REST OF
EUROPE

11%

680
ITALY

45%

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.

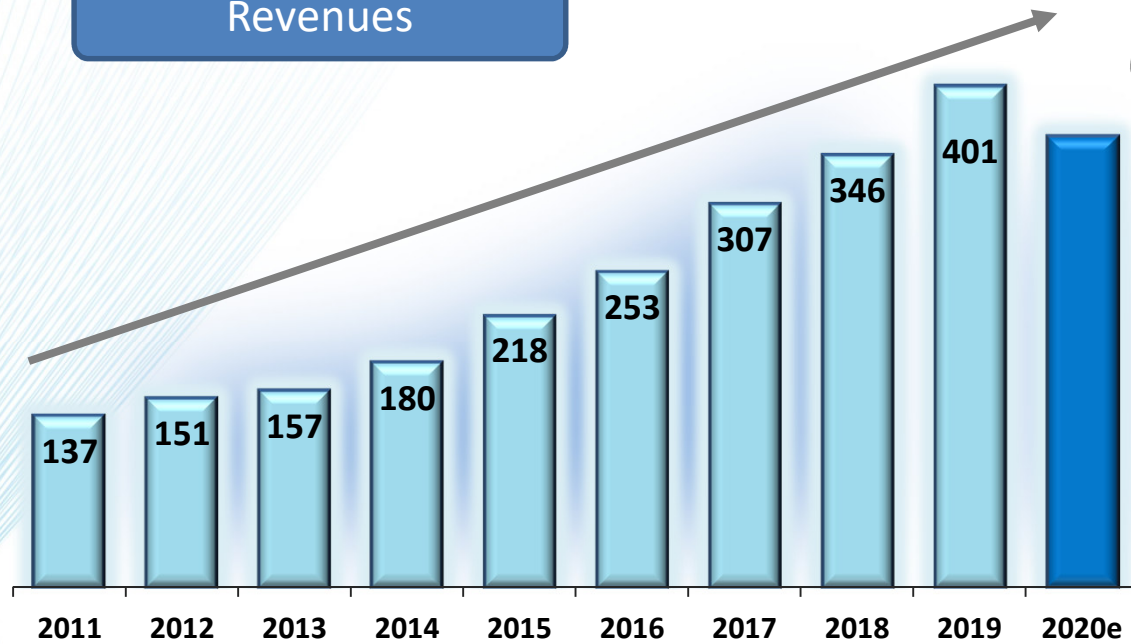
This index was drawn up by ETicaNews and Top Legal with the scientific support of numerous associations in the sector and measures **the adoption of ESG** (Environmental, Social, and Governance) **topics in the company strategy.**



https://elengroup.com/uploads/sost_bilanci/NFS-2019-d.pdf

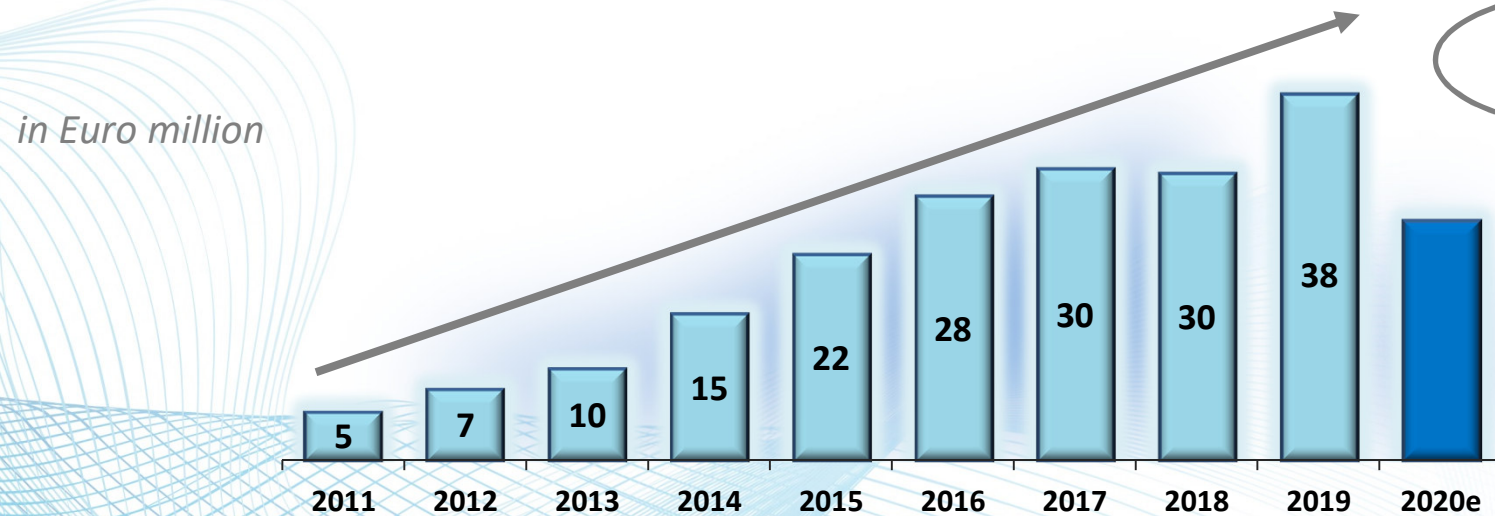
Growth history

Revenues



Cagr 11/20:
+11%

EBIT



Cagr 11/20:
+19%

in Euro million



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:

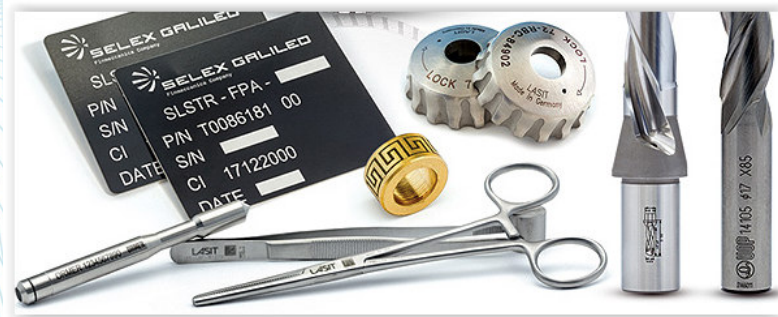
- Painless procedures
- Reduced side effects and risks
- Hospitalization days reduction
- Savings by Private & National Health Systems
- Attractive ROI for surgical services providers



Long term market trends

Laser cutting applications:

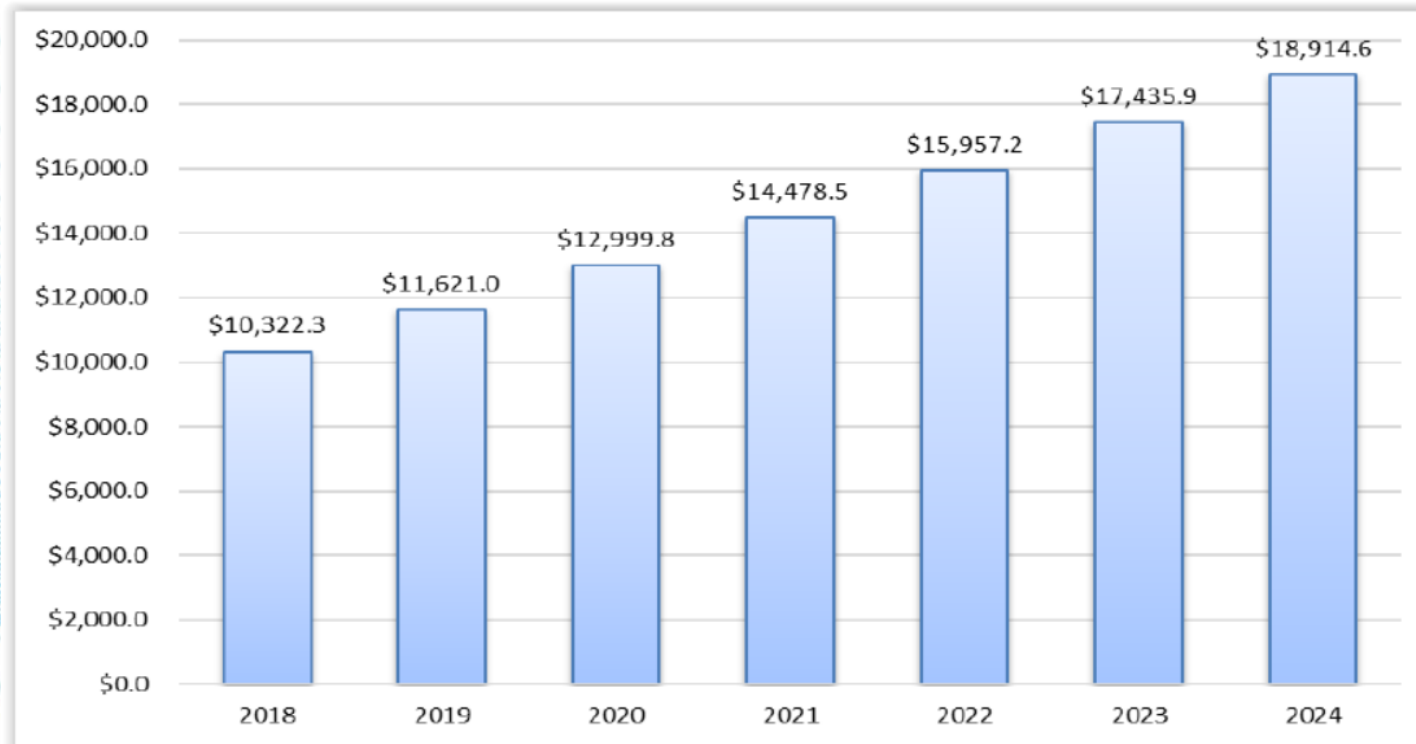
- Laser power increase + Cost reduction: Enhanced flexibility, productivity and quality standards in manufacturing processes
- New application verticals
- Building and construction
- Minimal environmental impact



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%
	8.816	16.261	

Source: Daniel Associates



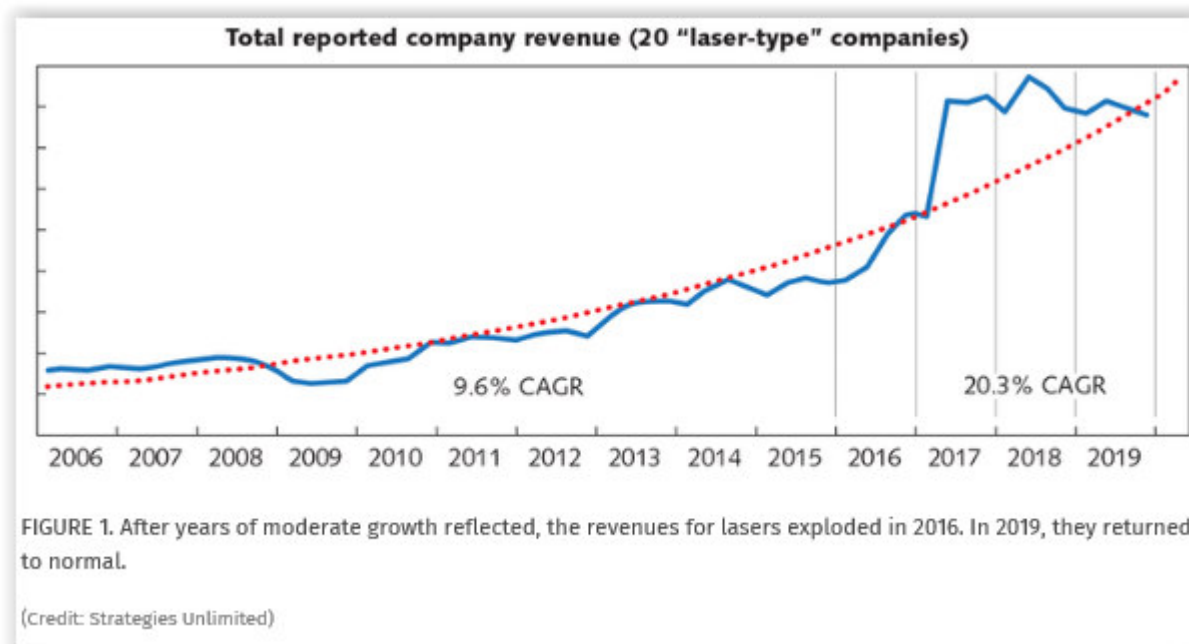
	2018	2024	Cagr
North America	3.147	5.689	9,9%
Europe	1.958	3.480	9,4%
Asia Pacific	2.343	4.635	11,6%
Middle East&Africa	822	1.492	9,8%
Latin America	547	965	9,4%
	8.816	16.261	

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

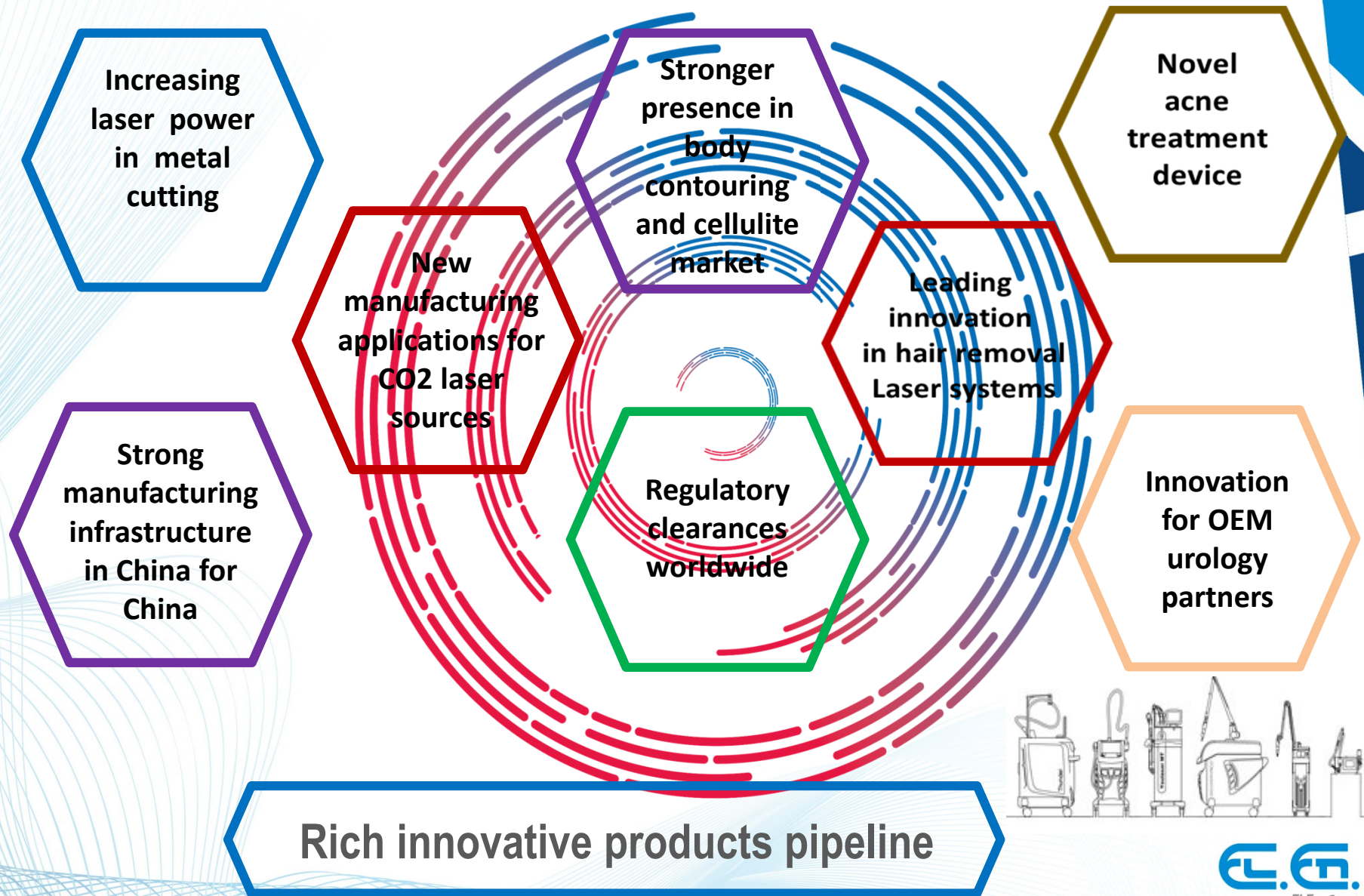
MARKET STUDIES:



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



DEKA
Innate Ability

Asclepion
Laser Technologies

ASL
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 TECHNOLOGIES

 **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

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



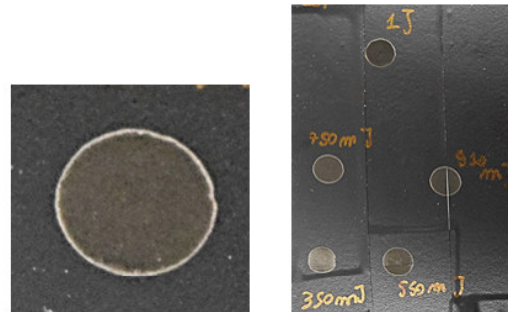
Chrome Station
Three wavelengths
multi platform



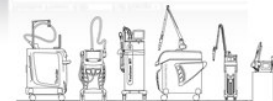
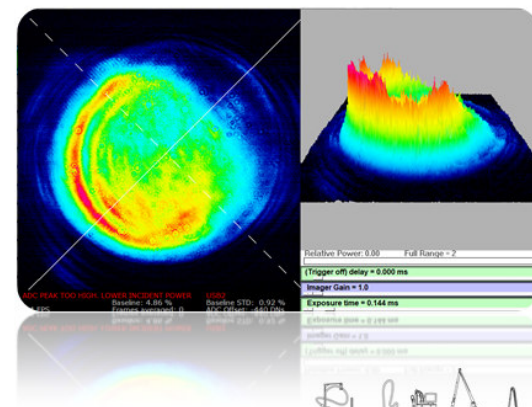
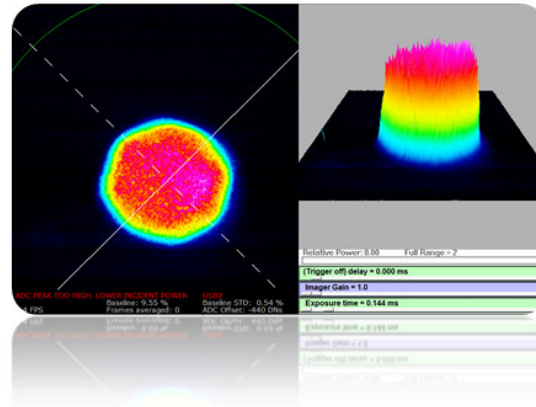
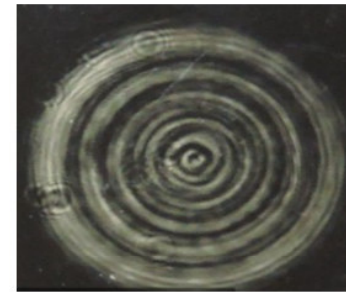
Tattoo and Toning



Chrome
LASER-STATION



Competition



Acne

Italian market: launch in
September 2020



The Accure Advantage



Before Treatment



After Treatment 12 weeks post-Treatment 4



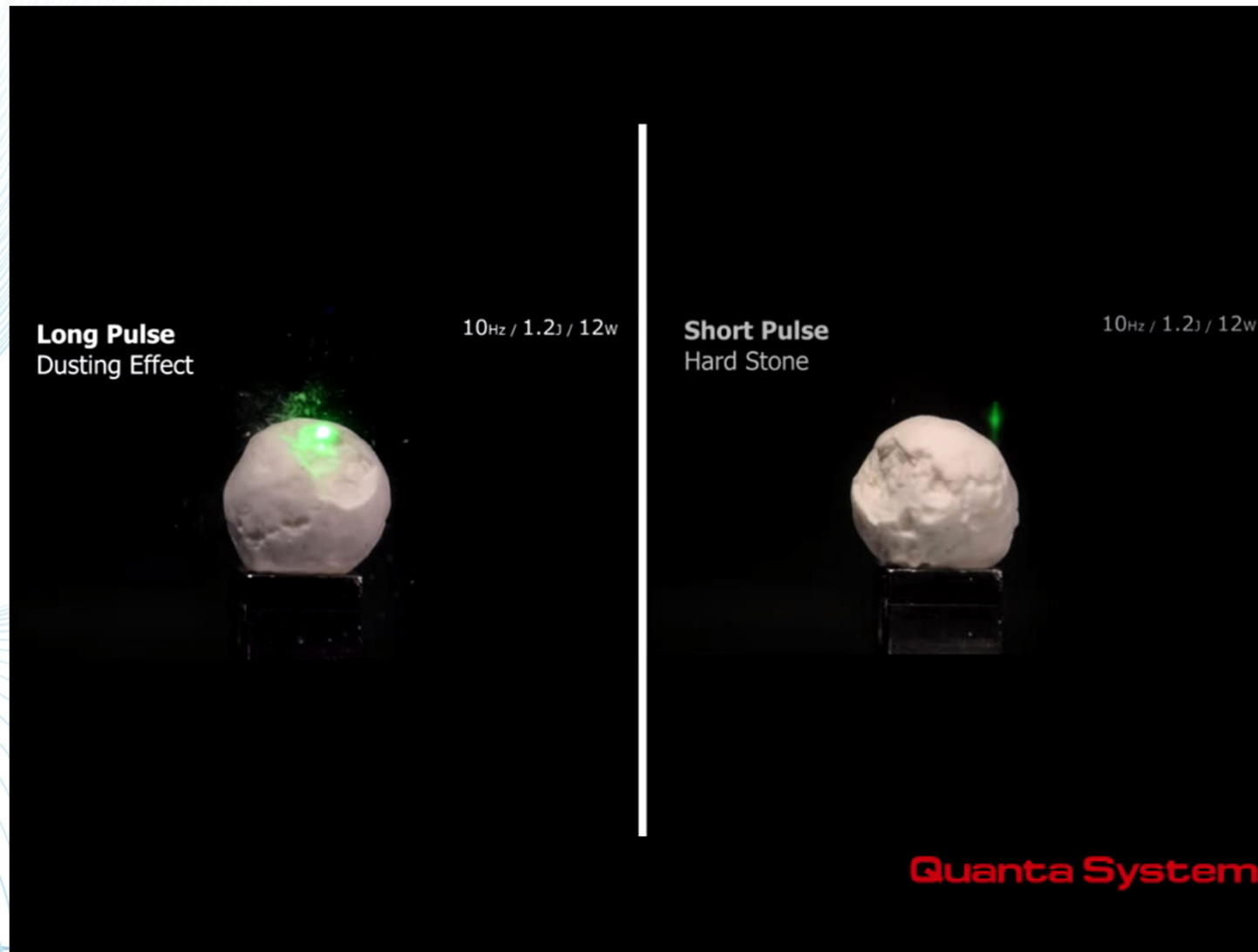
Courtesy: Emil Tanghetti, MD

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

fiber
DUST

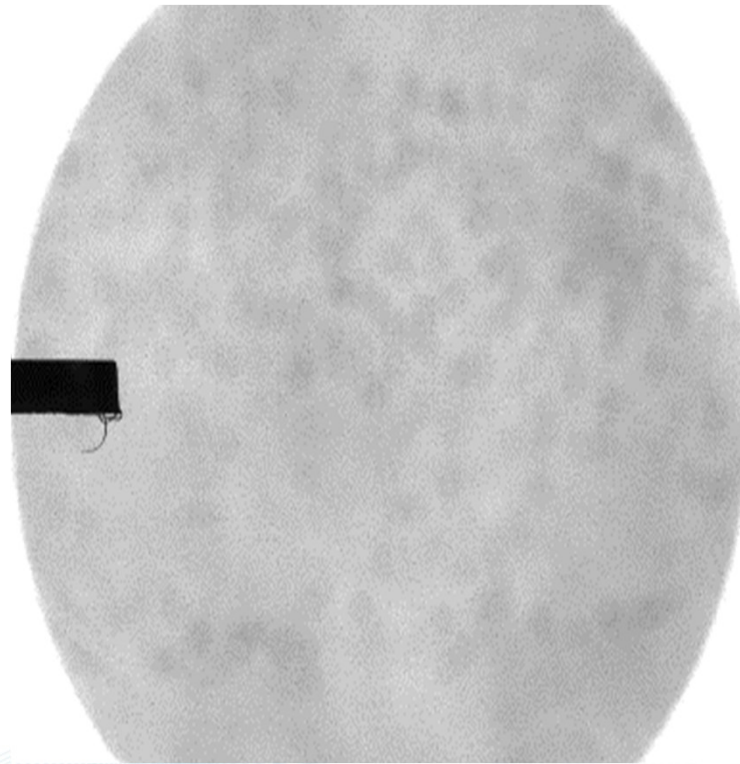
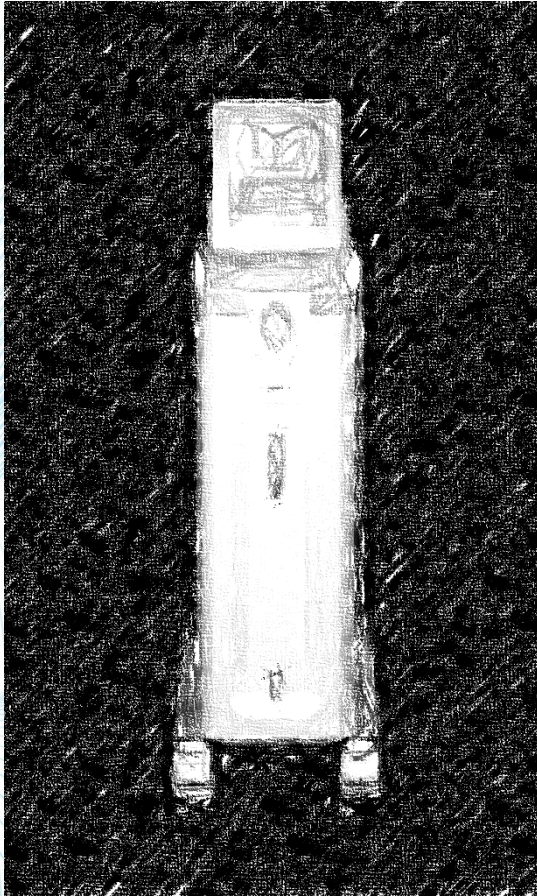


Our novel disruptive technology for the most effective stones micro fragmentation

New UHPTDL

New UHPTDL - Q4 2020

Physics Research



Physiotherapy

MiS (MLS Family)

For degenerative neuropathies

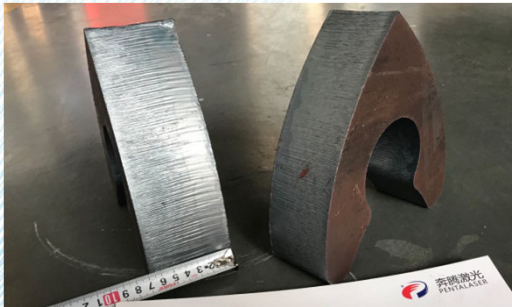


Industrial lasers systems

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

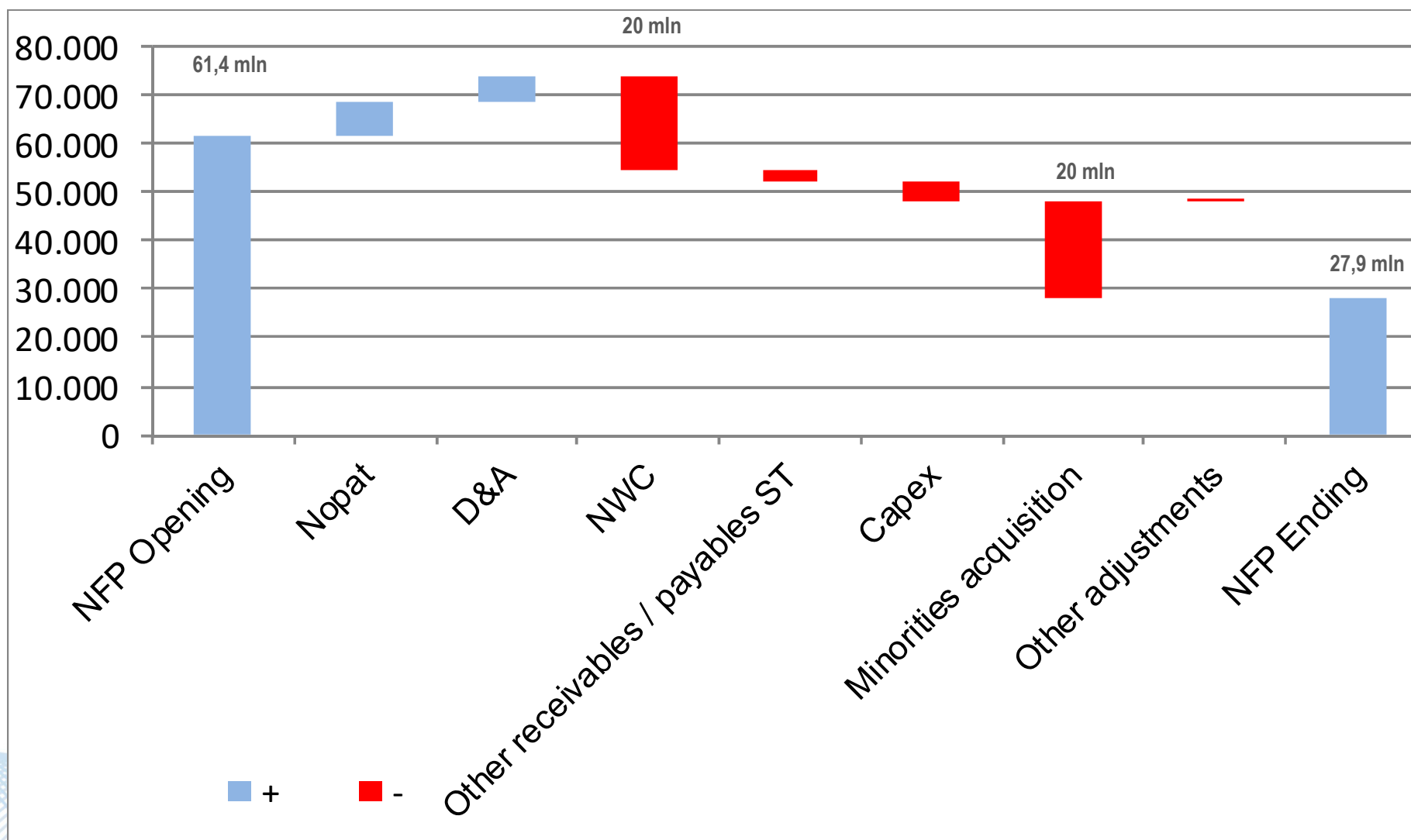
Income Statement H1-2020

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

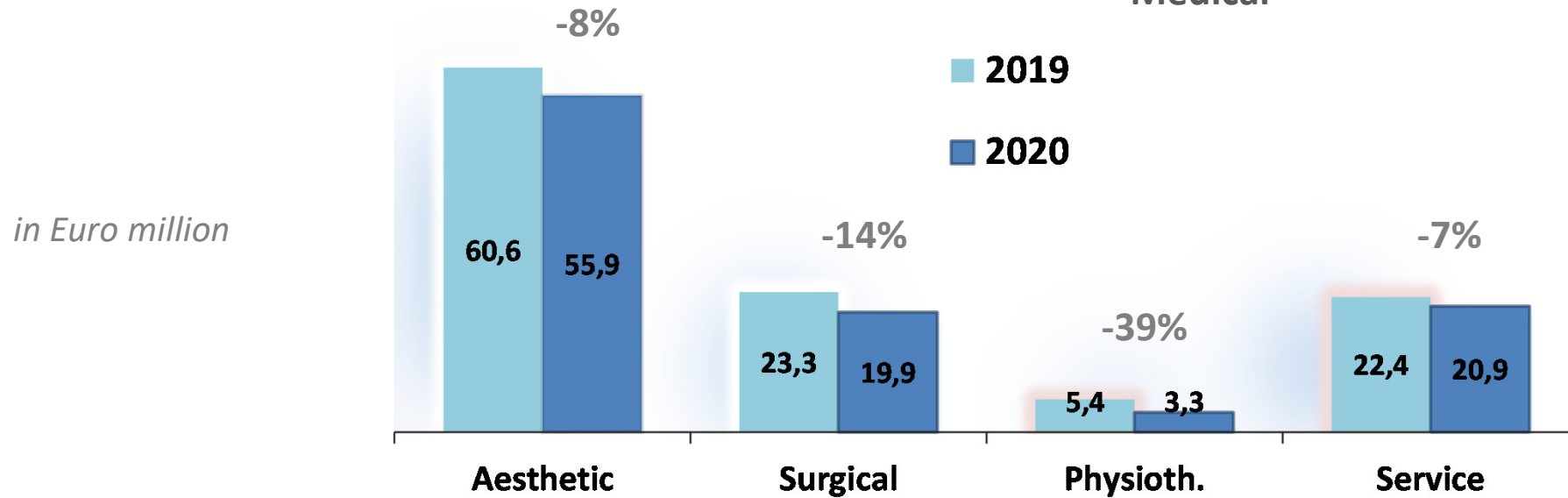
Euro '000	31/12/19	30/06/20	Var.%
Total non current assets	110.966	112.593	1,5%
Net Working Capital	110.672	128.936	16,5%
Other receivables/payables ST	(31.127)	(29.837)	-4,1%
Net financial position	61.419	27.928	-54,5%
Long term liabilities	11.297	16.412	45,3%
Net Equity	240.633	223.208	-7,2%
Net capital employed	179.214	195.279	9,0%
Net Working Capital on sales	32,0%	39,7%	
ROCE (EBIT/Net capital employed)	16,7%	9,5%	
Capex	23.471	5.089	

Cash Flow H1 2020

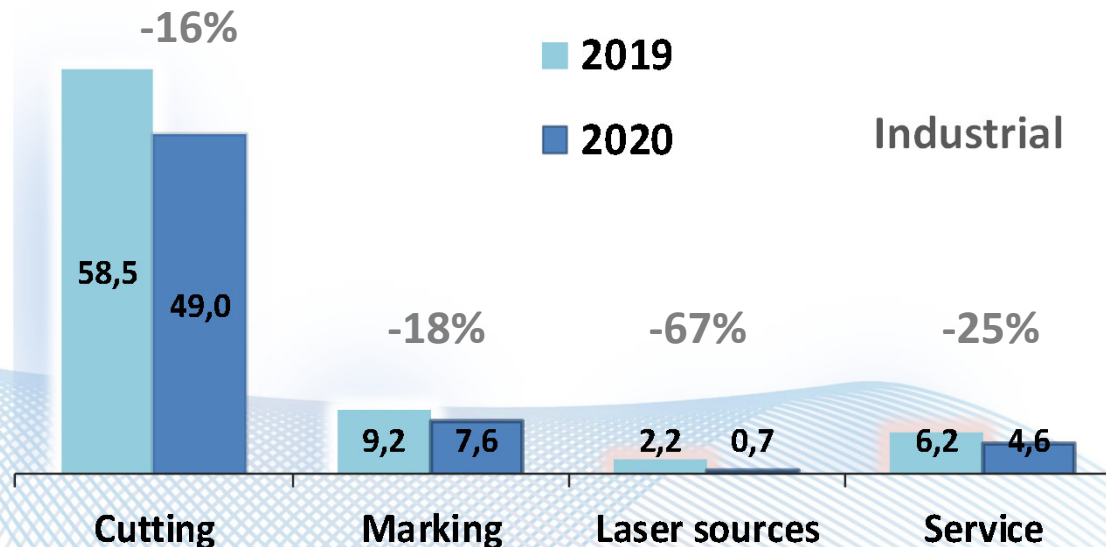


Revenue breakdown by business

Medical



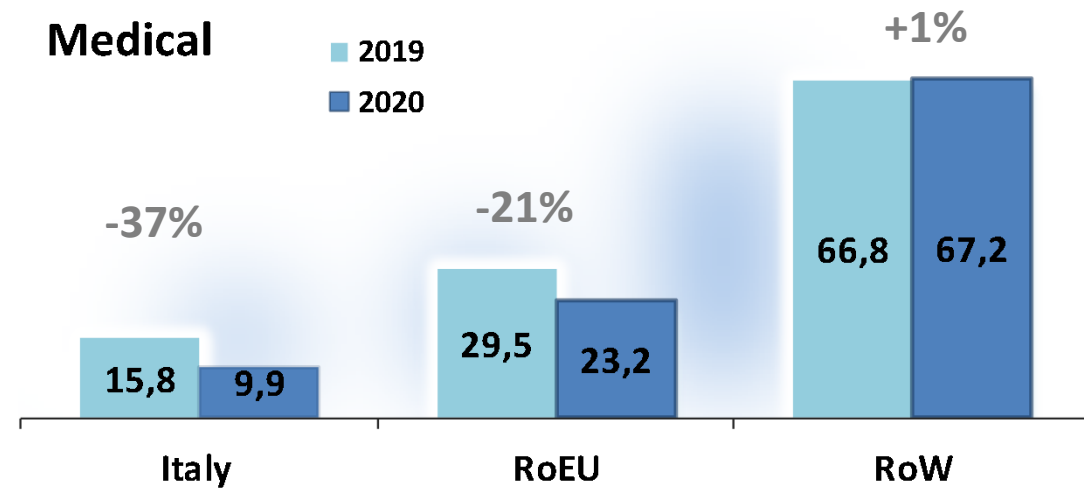
Industrial



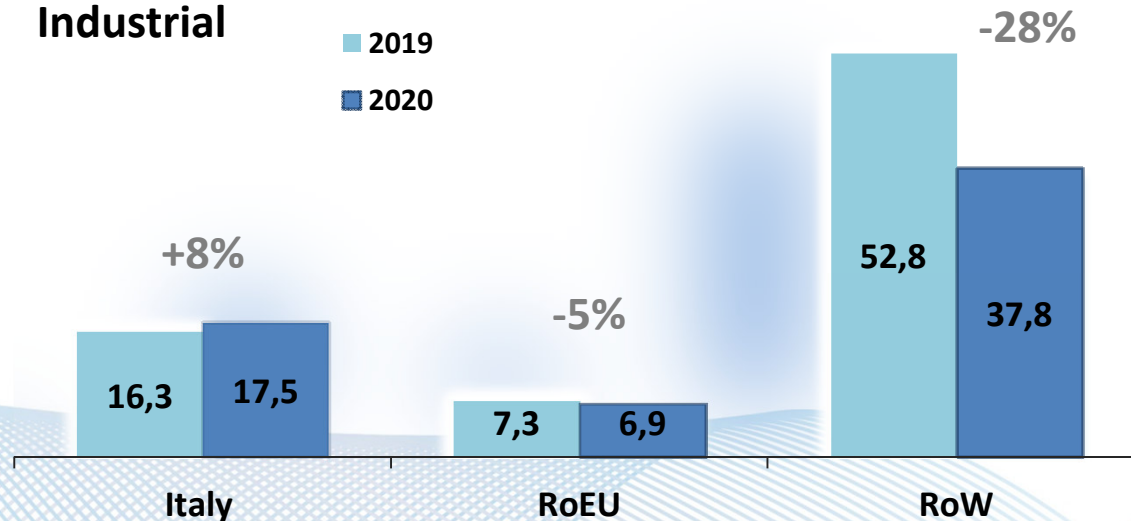
Revenue breakdown by area

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

Medical/Aesthetic

	Price	Revenue	Var.% Rev.	EBIT	EBIT %	MK.Cap.	EV	EV/Sales (*)	EV/EBIT (*)	P/Book Value
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

Industrial

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 multiplies as for previous slide

(*) 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