

EL.EN.

OUTPERFORM

SECTOR: Industrials

Price (Eu):

37.48

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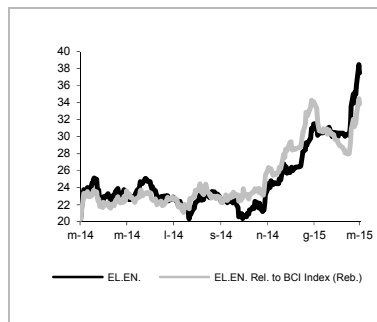
Target Price (Eu):

45.00

## 2014 Results Beat Targets and Our Estimates, 2015 Guidance Upbeat

- Strong quarterly results, above our estimates.** El.En posted sales of Eu55.4mn in 4Q14, up 10.1% YoY despite a tough comparison base (sales grew 17.3% in 4Q13) and 11.5% above our estimate. Both the medical and the industrial business performed particularly well, and the service business grew steadily. In 4Q14, EBIT was almost flat YoY: the net operating margin deteriorated by 80bps YoY due to higher depreciations. The company posted pretax profit of Eu5.7mn (+20.6% YoY and 29.2% above our estimate) as the company booked significant FOREX gains due to the strengthening of the USD. Finally, El.En's net cash position increased from Eu42.7mn as at September 2014 to Eu47.1mn as at the end of December (ahead of our Eu41.0mn forecast), led by strong cash flow from operations and good working capital management.
- Full year results ahead of guidance, DPS of Eu1.0.** El.En's sales increased by 14.4% YoY to Eu180.0mn in FY14. The company was targeting sales growth of 10%. Adjusted EBIT (net of a Eu1.5mn release of reserves held for the Asclepion-Palomar patent dispute) reached Eu13.8mn, up 44.0% YoY; the margin improved by 160bps to 7.7%, mostly driven by operating leverage. Reported net profit (from continued operations and post minorities) came to Eu16.5mn (up from Eu6.1mn in FY13), boosted by a Eu4.5mn capital gain from the sale of Cynosure shares and by Eu5.1mn in FOREX gains. The Board proposed a DPS of Eu1.00, up from Eu0.50 a year before.
- Upbeat 2015 guidance, EPS estimates raised by 35%.** Management stated: *"we expect we could reach Eu200mn in revenue in 2015, and also improve the consolidated EBIT both in absolute terms and as margin on sales: the goal of Eu20mn is an ambitious aspiration, approachable only under the assumption of constantly favorable business environment, with the USD steadily below the 1.1x EUR level"*. In light of this outlook and 4Q14 results that significantly beat our expectations, we have revised our estimates upwards, in line with company guidance. For FY15, we forecast sales growth of 10.4% (from 6.3% previously) to Eu198.7mn, an EBIT margin of 10.0% (from 8.0%), and adjusted net profit of Eu12.0mn (from Eu8.9mn previously). For FY16, we forecast sales growth of 6.0% to Eu210.6mn, an EBIT margin of 10.3% and adjusted net profit of Eu13.1mn. Based on an assumption of no FOREX gains, a small yield from available net cash, and a stable tax rate (on average 36%), our EPS estimates have been raised by 35.1% in 2015 and 35.9% in 2016.
- Downgrade to OUTPERFORM after the climb, target price increased to Eu45.0.** We are downgrading the stock to OUTPERFORM purely on valuation grounds: the stock has soared some 60% since we upgraded it to BUY last November. Our positive view is based on El.En's: 1) exposure to the structurally growing medical and aesthetic treatment sectors, where it enjoys a very competitive product and technology offer; and 2) direct manufacturing presence in China and Brazil, where the industrial laser systems business is expected to benefit from an ongoing industrialisation process. Our valuation yields a target price of Eu45.0 per share (from Eu33.0 previously) mostly as a result of new, higher estimates. The stock remains clearly undervalued; strategic use of cash and/or active management of the residual stake in Cynosure might lead to a further re-rating. El.En is a translational and transactional beneficiary of a weak euro.

## EL.EN. - 12m Performance



Eu/USD: 1.33 2014; 1.10 2015/16

RATING: from BUY to OUTPERFORM

TARGET PRICE (Eu): from 33.00 to 45.00

Change in EPS est:	2015E	2016E
	35.1%	35.9%

## STOCK DATA

Reuters code:	ELEN.MI
Bloomberg code:	ELN IM

Performance	1m	3m	12m
Absolute	24.7%	43.3%	84.8%
Relative	17.0%	18.9%	74.1%
12 months H/L:	38.45/20.32		

## SHAREHOLDER DATA

No. of Ord. shares (mn):	5
Total No. of shares (mn):	5
Mkt Cap Ord (Eu mn):	181
Total Mkt Cap (Eu mn):	181
Mkt Float - ord (Eu mn):	87
Mkt Float (in %):	48.2%
Main shareholder:	
Cangioli Andrea	13.5%

## BALANCE SHEET DATA

	2015
Book value (Eu mn):	150
BVPS (Eu):	31.13
P/BV:	1.2
Net Financial Position (Eu mn):	48
Enterprise value (Eu mn):	112

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on the last page of this report

Key Figures	2013A	2014A	2015E	2016E	2017E
Sales (Eu mn)	157	180	199	211	221
Ebitda (Eu mn)	14	18	24	26	28
Net profit (Eu mn)	6	17	12	13	14
EPS - New (Eu)	1.260	3.424	2.481	2.724	2.942
EPS - Old (Eu)		3.170	1.836	2.004	
DPS (Eu)	0.500	1.000	0.819	0.899	0.971

Ratios & Multiples	2013A	2014A	2015E	2016E	2017E
P/E	29.7	10.9	15.1	13.8	12.7
Div. Yield	1.3%	2.7%	2.2%	2.4%	2.6%
EV/Ebitda	9.7	6.3	4.6	4.0	3.4
ROCE	8.8%	14.2%	18.6%	19.3%	20.3%

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**EL.EN. - KEY FIGURES**

		2013A	2014A	2015E	2016E	2017E
	Fiscal year end	31/12/2013	31/12/2014	31/12/2015	31/12/2016	31/12/2017
<b>PROFIT &amp; LOSS (Eu mn)</b>	Sales	157	180	199	211	221
	EBITDA	14	18	24	26	28
	EBIT	10	15	20	22	23
	Financial income (charges)	(1)	5	0	1	1
	Associates & Others	2	4	0	0	0
	Pre-tax profit (Loss)	11	24	20	22	24
	Taxes	(4)	(6)	(7)	(8)	(9)
	Tax rate (%)	-40.0%	-26.3%	-36.3%	-36.0%	-35.8%
	Minorities & discontinue activities	(0)	(1)	(1)	(1)	(1)
	Net profit	6	17	12	13	14
	Total extraordinary items					
	Ebitda excl. extraordinary items	14	18	24	26	28
Ebit excl. extraordinary items	10	14	20	22	23	
Net profit restated	4	11	12	13	14	
<b>PER SHARE DATA (Eu)</b>	Total shares out (mn) - average fd	5	5	5	5	5
	EPS stated fd	1.260	3.424	2.481	2.724	2.942
	EPS restated fd	1.260	3.424	2.481	2.724	2.942
	BVPS fd	26.588	29.645	31.126	33.031	35.074
	Dividend per share (ord)	0.500	1.000	0.819	0.899	0.971
	Dividend per share (sav)					
Dividend pay out ratio (%)	39.7%	29.2%	33.0%	33.0%	33.0%	
<b>CASH FLOW (Eu mn)</b>	Gross cash flow	9	21	17	19	20
	Change in NWC	4	(1)	(4)	(2)	(3)
	Capital expenditure	(0)	(11)	(10)	(5)	(5)
	Other cash items	0	0	0	0	0
	Free cash flow (FCF)	10	9	4	12	13
	Acquisitions, divestments & others	(21)	19	2	0	0
	Dividend	(4)	(3)	(5)	(4)	(4)
	Equity financing/Buy-back	(4)	0	0	0	0
Change in Net Financial Position	4	25	1	8	8	
<b>BALANCE SHEET (Eu mn)</b>	Total fixed assets	67	56	61	61	61
	Net working capital	48	50	54	56	58
	Long term liabilities	(3)	(2)	(4)	(4)	(4)
	Net capital employed	112	103	111	113	116
	Net financial position	22	47	48	55	64
	Group equity	134	151	159	169	180
	Minorities	6	8	8	10	11
Net equity	128	143	150	159	169	
<b>ENTERPRISE VALUE (Eu mn)</b>	Average mkt cap - current	181	181	181	181	181
	Adjustments (associate & minorities)	26	21	21	21	21
	Net financial position	22	47	48	55	64
	Enterprise value	133	113	112	104	96
<b>RATIOS(%)</b>	EBITDA margin*	8.7%	10.0%	12.3%	12.5%	12.8%
	EBIT margin*	6.1%	7.7%	10.0%	10.3%	10.5%
	Gearing - Debt/equity	-16.2%	-31.3%	-30.1%	-32.8%	-35.4%
	Interest cover on EBIT	8.1	nm	nm	nm	nm
	Debt/Ebitda	nm	nm	nm	nm	nm
	ROCE*	8.8%	14.2%	18.6%	19.3%	20.3%
	ROE*	5.1%	12.2%	8.2%	8.5%	8.6%
	EV/CE	1.2	1.0	1.0	0.9	0.8
	EV/Sales	0.8	0.6	0.6	0.5	0.4
	EV/Ebit	13.8	8.2	5.6	4.8	4.1
Free Cash Flow Yield	6.7%	5.7%	2.4%	7.3%	7.9%	
<b>GROWTH RATES (%)</b>	Sales	4.1%	14.4%	10.4%	6.0%	5.0%
	EBITDA*	9.8%	30.7%	35.8%	8.2%	6.8%
	EBIT*	28.2%	44.0%	44.2%	9.0%	7.4%
	Net profit	-73.8%	171.7%	-27.5%	9.8%	8.0%
	EPS restated	93.6%	171.7%	-27.5%	9.8%	8.0%

\* Excluding extraordinary items

Source: Intermonte SIM estimates

## Results

El.En. Results									
	(€ mn)	4Q13A	4Q14A	4Q14E	A v E	FY13A	FY14A	FY14E	A v E
<b>Sales</b>		<b>50.3</b>	<b>55.4</b>	<b>49.7</b>	<b>11.5%</b>	<b>157.4</b>	<b>180.0</b>	<b>174.3</b>	<b>3.3%</b>
	YoY growth %		10.1%	-1.3%			14.4%	10.7%	
<b>EBITDA</b>		<b>5.5</b>	<b>6.0</b>	<b>5.5</b>	<b>8.4%</b>	<b>13.7</b>	<b>18.0</b>	<b>17.5</b>	<b>2.6%</b>
	Ebitda margin %	11.0%	10.8%	11.1%		8.7%	10.0%	10.0%	
	YoY growth %		8.4%	0.0%			30.7%	27.4%	
Total D&A		(0.8)	(1.2)	(1.0)		(4.2)	(2.7)	(2.4)	
<b>EBIT</b>		<b>4.7</b>	<b>4.8</b>	<b>4.6</b>	<b>4.4%</b>	<b>9.6</b>	<b>15.3</b>	<b>15.1</b>	<b>1.3%</b>
	Ebit margin %	9.4%	8.6%	9.2%		6.1%	8.5%	8.7%	
	YoY growth %		0.5%	-3.8%			59.7%	57.6%	
Net financials & Participations		(0.0)	0.9	(0.2)		1.1	9.1	8.0	
<b>Pretax Profit</b>		<b>4.7</b>	<b>5.7</b>	<b>4.4</b>	<b>29.2%</b>	<b>10.7</b>	<b>24.4</b>	<b>23.1</b>	<b>5.5%</b>
	Pretax margin %	9.3%	10.2%	8.8%		6.8%	13.6%	13.3%	
	YoY growth %		20.6%	-6.6%			128.2%	116.3%	
Taxes						(4.3)	(6.4)	-6.6	
tax rate						-40.0%	-26.3%	-0.3	
Minorities and disc. Operations						(0.3)	(1.5)	-1.2	
<b>Group net profit</b>						<b>6.1</b>	<b>16.5</b>	<b>15.3</b>	<b>8.0%</b>
	YoY growth %						171.7%	151.5%	

Source: Company data and Intermonte Sim

## Estimates

According to our forecasts, El.En's sales are expected to reach Eu221.1mn in 2017, posting a 2014-17 CAGR of 7.1%.

The Medical Division might benefit from structurally growing demand for medical and aesthetic treatments by a population which is on average growing older and increasingly keen to reduce the effects of aging. El.En has built a very competitive product and technology offer.

The Industrial Division might benefit from the industrialisation of fast-growing emerging countries where there is a need for manufacturers to equip themselves with flexible and innovative technologies like laser technologies for manufacturing. El.En has already established a stable manufacturing presence in Brazil and China.

Finally, the after-sales services business is expected to grow steadily, broadly in line with the growth of consolidated sales.

As far as profitability is concerned, El.En's EBIT is expected to come to Eu23.3mn in 2017, or 10.5% of sales, from 8.5% (or 7.7% adjusted) in 2013. Our estimates are based on a USD/EUR exchange rate of 1.10, which should have a positive impact on El.En's competitive positioning given that several competitors are based in the US and therefore have a cost base denominated in USD dollars. We have also factored into our model slightly increasing depreciation.

Finally, we expect Adjusted group net profit to post a 2014-2017 CAGR of 8.7%, reaching Eu14.2mn in 2017, based on:

- A stable tax rate of around 36%;
- Slightly positive net financial income given El.En's net cash position;
- No gains/losses from FOREX;
- Minority interests stable at around 7.5% of net profit before minorities.

Looking at the balance sheet, we expect:

- net working capital as a percentage of sales to decrease from 27.5% in 2014 to 26.4% in 2017;
- net fixed assets to increase to Eu61.5mn in 2017: we have incorporated the investment in a building in Milan and in new plant in China;
- group net equity to reach Eu179.9mn in 2017 following Eu26.3mn of retained earnings, net of Eu13.0mn paid as dividends (e.g. we estimate a stable 33% dividend pay-out rate);
- net cash to stand at Eu63.7mn at the end of 2017 from Eu47.1mn at the end of 2014.

Changes to our old 2015-16 EPS estimates come from:

- higher sales in 2014 (4Q14 results surprised on the upside);
- an upbeat management guidance for 2015 (with revenue growth and EBIT margin targets well above our estimates);
- a USD/EUR exchange rate of 1.10 (from 1.25 previously);
- improved assumptions on margins, as on average we have increased our EBITDA and EBIT margin forecasts by 200bps;
- slightly higher depreciation.

<b>El.En. Change in estimates</b>					
<b>(€ mn)</b>	<b>2013 A</b>	<b>2014 A/E</b>	<b>2015E</b>	<b>2016E</b>	<b>2017E</b>
<b>Sales new</b>	<b>157.4</b>	<b>180.0</b>	<b>198.7</b>	<b>210.6</b>	<b>221.1</b>
Sales old		174.3	185.3	195.7	
<b>% change</b>		<b>3.3%</b>	<b>7.2%</b>	<b>7.6%</b>	
<b>EBITDA new</b>	<b>13.7</b>	<b>18.0</b>	<b>24.4</b>	<b>26.4</b>	<b>28.2</b>
EBITDA old		17.5	19.0	20.5	
<b>% change</b>		<b>2.6%</b>	<b>28.4%</b>	<b>28.8%</b>	
<b>Adjusted EBIT new</b>	<b>9.6</b>	<b>13.8</b>	<b>19.9</b>	<b>21.7</b>	<b>23.3</b>
Adjusted EBIT old		13.6	14.8	16.1	
<b>% change</b>		<b>1.5%</b>	<b>34.5%</b>	<b>34.8%</b>	
<b>Pretax Profit new</b>	<b>10.7</b>	<b>24.4</b>	<b>20.3</b>	<b>22.2</b>	<b>23.9</b>
Pretax Profit old		23.1	15.2	16.6	
<b>% change</b>		<b>5.5%</b>	<b>33.6%</b>	<b>33.7%</b>	
<b>Adjusted Group Net profit new</b>	<b>3.6</b>	<b>11.1</b>	<b>12.0</b>	<b>13.1</b>	<b>14.2</b>
Adjusted Group Net Profit old		9.9	8.9	9.7	
<b>% change</b>		<b>12.0%</b>	<b>35.1%</b>	<b>35.9%</b>	

*Source: Company data and Intermonte Sim estimates*

El.En. Income statement estimates								
(€ mn)		2012A	2013A	2014A	2015E	2016E	2017E	CAGR14-17E
Sales		151.2	157.4	180.0	198.7	210.6	221.1	7.1%
	YoY growth %	10.1%	4.1%	14.4%	10.4%	6.0%	5.0%	
Gross profit		72.1	74.6	81.8	92.6	99.0	104.7	16.2%
		47.6%	47.4%	45.5%	46.6%	47.0%	47.3%	
EBITDA		12.5	13.7	18.0	24.4	26.4	28.2	16.2%
	Ebitda margin %	8.3%	8.7%	10.0%	12.3%	12.5%	12.8%	
	YoY growth %	15.7%	9.8%	30.7%	35.8%	8.2%	6.8%	
Total D&A		(5.0)	(4.2)	(2.7)	(4.5)	(4.7)	(4.9)	
	<i>of which non-recurrent</i>			1.5				
EBIT Reported		7.5	9.6	15.3	19.9	21.7	23.3	19.1%
	Ebit margin %	4.9%	6.1%	8.5%	10.0%	10.3%	10.5%	
EBIT Adjusted		7.5	9.6	13.8	19.9	21.7	23.3	19.1%
	Ebit margin %	4.9%	6.1%	7.7%	10.0%	10.3%	10.5%	
	YoY growth %	46.7%	28.2%	44.0%	44.2%	9.0%	7.4%	
Net financial charges		(1.4)	(1.7)	4.6	0.4	0.5	0.6	
Other income			2.8	4.5				
	<i>of which non-recurrent</i>		2.5	4.5				
Pretax Profit		6.1	10.7	24.4	20.3	22.2	23.9	-0.7%
Taxes		(3.0)	(4.3)	(6.4)	(7.4)	(8.0)	(8.6)	
	tax rate	-48.5%	-40.0%	-26.3%	-36.3%	-36.0%	-35.8%	
	<i>Income from continued op.</i>	3.1	6.4					
	<i>Income from discontinued op.</i>	26.7	0.0					
Net Profit before minority interest		29.8	6.4	18.0	12.9	14.2	15.3	-5.2%
	<i>Minority interest from continued op.</i>	(1.0)	(0.3)	(1.5)	(1.0)	(1.1)	(1.2)	
	<i>Minority interest from discontinued op.</i>	(5.6)	0.0					
Reported Group Net Profit		23.2	6.1	16.5	12.0	13.1	14.2	
		n.m.	-73.8%	171.7%	-27.5%	9.8%	8.0%	
Adjusted Group Net Profit*		2.1	3.6	11.1	12.0	13.1	14.2	8.7%
	Net margin %	1.4%	2.3%	6.1%	6.0%	6.2%	6.4%	
	YoY growth %	n.m.	68.1%	208.7%	8.3%	9.8%	8.0%	

Source: Company data and Intermonte SIM estimates

In 2012, Adjusted Group Net Profit includes the income from continued operations only.

In 2013, Adjusted Group Net Profit includes the income from continued operations only, and was also restated for revaluation of Cynosure's investment.

In 2014, Adjusted Group Net Profit was restated for the release of reserves held for the Asclepion-Palomar patent dispute (Eu1.5mn, or Eu1.0mn after tax), and for the capital gain from the sale of Cynosure shares (Eu4.4mn). It includes FOREX gains (Eu5.1mn).

## Valuation

Our valuation, based on an SoP that adds the value of El.En net of minorities to the market value of El.En's 4.5% stake in Cynosure, yields a fair value of Eu45.0 per share (from Eu33.0 previously), mostly as a result of new, higher estimates.

The stock remains clearly undervalued; strategic use of cash (such as with the recent acquisition of a 19.5% stake in the American distributor Quanta Aesthetic Lasers) and/or active management of the residual stake in Cynosure (as has been the case this year) might lead to a further re-rating.

El.En is a translational and transactional beneficiary of a weak euro.

### El.En. - Valuation summary

	<i>Method</i>	<i>€ mn</i>	<i>€ per share</i>	<i>previous (18/11/14)</i>	<i>change</i>
El.En	DCF, net of minorities	189.9	39.4	28.5	38.1%
Stake in Cynosure	market value	27.2	5.6	4.5	25.3%
<b>Total Equity Value</b>		<b>217.1</b>	<b>45.0</b>	33.0	36.4%
El.En Share Price			38.3	24.0	59.4%
<b>potential upside</b>			<b>17.6%</b>	37.5%	

Source: Intermonte Sim

**EL.EN. Peer Group - Absolute Performances INDUSTRIAL**

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
<b>EL.EN.</b>	<b>37.5</b>	<b>EUR</b>	<b>180.8</b>	<b>24.7%</b>	<b>43.3%</b>	<b>66.9%</b>	<b>41.3%</b>	<b>84.8%</b>	<b>137.5%</b>
AMADA CO.	1,157.0	JPY	431,840.6	11.1%	13.0%	18.7%	11.6%	55.5%	75.6%
COHERENT INC.	65.0	USD	1,607.6	0.7%	6.7%	-2.4%	7.0%	-3.6%	12.0%
CYMER	---	USD	---	---	---	---	---	---	---
FIDIA	6.3	EUR	32.2	93.7%	121.2%	107.8%	117.5%	89.6%	142.7%
GSI GROUP	13.0	USD	445.8	-5.2%	-8.8%	4.2%	-11.5%	3.3%	49.5%
PRIMA INDUSTRIE	18.3	EUR	191.8	11.6%	42.0%	18.0%	35.7%	41.0%	86.7%
ROFIN-SINAR TECH	23.6	USD	664.1	-1.9%	-17.3%	-0.2%	-17.8%	1.8%	-14.3%
<b>Mean performance</b>				<b>19.2%</b>	<b>28.6%</b>	<b>30.4%</b>	<b>26.2%</b>	<b>38.9%</b>	<b>70.0%</b>
<b>Italy Fixed</b>	22,723.1	EUR	305,311	6.9%	22.4%	7.6%	19.5%	8.9%	41.5%

Source: FactSet

**EL.EN. Peer Group - Multiple Comparison INDUSTRIAL**

Stock	Price	Ccy	Mkt cap	EV/Sales	EV/Sales	EV/Ebitda	EV/Ebitda	EV/Ebit	EV/Ebit	P/E	P/E	Div Yield	Div Yield
				2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
<b>EL.EN.</b>	<b>37.5</b>	<b>EUR</b>	<b>180.8</b>	<b>0.6</b>	<b>0.5</b>	<b>4.6</b>	<b>4.0</b>	<b>5.6</b>	<b>4.8</b>	<b>15.1</b>	<b>13.8</b>	<b>2.2%</b>	<b>2.4%</b>
AMADA CO.	1,157.0	JPY	431,840.6	1.3	1.4	9.9	10.9	12.3	12.1	20.3	18.9	2.5%	2.5%
COHERENT INC.	65.0	USD	1,607.6	1.5	1.5	8.0	7.1	10.2	9.0	16.7	14.2		
CYMER		USD											
FIDIA	6.3	EUR	32.2										
GSI GROUP	13.0	USD	445.8							15.8	14.1		
PRIMA INDUSTRIE	18.3	EUR	191.8	0.7	0.6	6.8	5.6	9.5	7.5	13.5	10.1	0.0%	0.0%
ROFIN-SINAR TECH	23.6	USD	664.1	0.9	0.8	7.0	5.5	9.7	7.0	17.9	14.3	0.0%	0.0%
<b>Median</b>				<b>0.9</b>	<b>0.8</b>	<b>7.0</b>	<b>5.6</b>	<b>9.7</b>	<b>7.5</b>	<b>16.3</b>	<b>14.1</b>	<b>1.1%</b>	<b>1.2%</b>

Source: Intermonte SIM estimates for covered companies, FactSet consensus estimates for peer group

**El.En. Peer Group - Absolute Performances MEDICAL**

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
<b>Cynosure</b>	<b>35.7</b>	<b>USD</b>	<b>775.3</b>	<b>-0.6%</b>	<b>16.0%</b>	<b>55.5%</b>	<b>21.1%</b>	<b>29.0%</b>	<b>26.0%</b>
<b>El.En</b>	<b>37.5</b>	<b>Euro</b>	<b>180.8</b>	<b>24.7%</b>	<b>43.3%</b>	<b>66.9%</b>	<b>41.3%</b>	<b>84.8%</b>	<b>137.5%</b>
Syneron Medical Ltd	11.1	USD	408.4	22.4%	43.8%	32.7%	44.4%	32.5%	41.7%
Cutera, Inc.	13.3	USD	195.5	27.7%	70.3%	71.9%	50.9%	72.2%	42.4%
BIOLASE, Inc.	1.9	USD	108.6	-3.7%	-12.7%	-10.0%	-14.1%	-11.3%	-37.6%
ZELTIQ Aesthetics, Inc.	31.4	USD	1,207.1	4.3%	30.7%	63.7%	36.1%	150.4%	938.4%
Lumenis Ltd. Class B	10.9	USD	389.2	6.9%	43.3%	57.2%	41.6%	27.5%	
<b>Medical avg</b>				<b>11.5%</b>	<b>35.1%</b>	<b>43.1%</b>	<b>31.8%</b>	<b>54.3%</b>	<b>246.2%</b>
<b>Italy FTSE Mib</b>				<b>6.8%</b>	<b>19.8%</b>	<b>7.9%</b>	<b>21.1%</b>	<b>6.5%</b>	<b>38.2%</b>

Source: Factset

**El.En. Peer Group - Multiple Comparison MEDICAL**

Stock	Price	Ccy	Mkt cap	EV/Sales	EV/Sales	P/E	P/E
				2015	2016	2015	2016
<b>El.En</b>	<b>37.5</b>	<b>EUR - Euro</b>	<b>180.8</b>	<b>0.59</b>	<b>0.53</b>	<b>13.1</b>	<b>11.9</b>
Syneron Medical Ltd	11.1	USD	408.4	1.1	1.0	32.8	19.4
Cynosure	35.7	USD	775.3	1.6	1.4	27.0	16.2
Cutera, Inc.	13.3	USD	195.5	1.3	1.3		
BIOLASE, Inc.	1.9	USD	108.6	1.6	1.4		
ZELTIQ Aesthetics, Inc.	31.4	USD	1,207.1	5.2	4.2		
Lumenis Ltd. Class B	10.9	USD	389.2	1.2	1.1	18.2	14.0
<b>Medical avg</b>				<b>1.5</b>	<b>1.3</b>	<b>29.9</b>	<b>17.8</b>

Source: Factset consensus estimates for peer group, Intermonte estimates for El.En



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**DETAILS ON STOCKS RECOMMENDATION**

Stock NAME	ELEN.		
Current Recomm:	OUTPERFORM	Previous Recomm:	BUY
Current Target (Eu):	45.00	Previous Target (Eu):	33.00
Current Price (Eu):	37.48	Previous Price (Eu):	24.50
Date of report:	18/03/2015	Date of last report:	18/11/2014

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