

EL.EN.*

OUTPERFORM (unchanged)

Italy: Industrial, Aesthetic and Medical Laser

	Sales	EBITDA	EBIT	Net Profit	EPS adj	DPS	EV/Sales	EV/EBITDA	EV/EBIT	P/E	Yield
	Eur m	Eur m	Eur m	Eur m	Eur	Eur	x	x	x	x	%
2014A*	180	18	14*	11.4*	0.59	0.25	0.4	3.7	4.8	9.2	4.6%
2015A	218	26	22	14.4	0.75	0.30	0.6	4.8	5.7	12.7	3.2%
2016E**	243	30	26	16.6	0.86	0.33	1.5	12.0	14.0	25.7	1.5%
2017E	260	34	29	20.1	1.04	0.36	1.3	10.3	11.8	21.1	1.6%
2018E	274	37	32	22.3	1.15	0.40	1.2	9.0	10.3	19.1	1.8%

Source: Company data and Banca Aletti & C.S.p.A. estimates; Note: historical multiples calculated on average yearly prices; *EBIT and net profit adj.; ** Net profit adj.

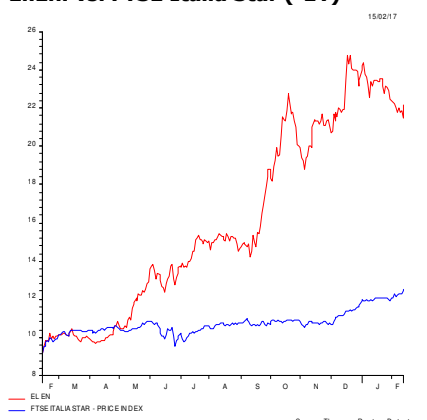
Pr. Close 14/02/17 (€):	22.14
Tot Mkt Cap. (€ m):	427.3
Tot No. of Shares (m):	19,300
Min-Max pr.(52 wks €):	9.2 - 25.2
Bloomberg/	ELN IM/
Reuters:	ELEN.MI
-3M vol. avg.	49,384
Price Target (€)	31 (from 23)
Fair Value (€)	31 (from 23)

Perf.	-3M	-6M	-1Y
Abs.	5.4%	45.0%	142.0%
Rel.	-10.8%	28.7%	105.3%

Major shareholders:

Cangioli Andrea	15.17%
Pecci Alberto	10.43%
Clementi Gabriele	9.92%
Bazzocchi Barbara	9.78%
Immobiliare Del Ciliegio	7.51%
Kempen Capital Mgt	5.01%
Praude AM	2.68%
Invesco	1.58%
Free float	37.92%

Source: Bloomberg

El.En. vs. FTSE Italia Star (-1Y)**Andrea Bonfà (HOR)**

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*Banca Aletti acts as Corporate Broker.




M&A support higher valuation multiples

- Cynosure bought by Hologic at 2017e 35x/42x adjusted/GAAP PE net of cash. On top of valuation, deal seems to support a larger potential to Elen's products.** Hologic Inc yesterday announced an all cash transaction to purchase Cynosure for USD 66 per share or USD1.65bn or a 28% premium on previous day close. The implied PE paid net of cash is of 35x 2017e adjusted earnings or 42x GAAP earnings both on BBG consensus. We remind investors that one of the many adjustments between the adjusted and the GAAP earnings on top of non-recurring costs, intangibles and forex are the stock options implied costs. Hologic according to BBG description market's a variety of women's health products focused on breast, surgical and skeletal health and diagnostic. The rationale behind the deal is to integrate laser aesthetic technology into their portfolio entering into complementary sector/markets offering double digit growth rates (see slide next page). We were not able to listen to all of Hologic presentation but an interesting comment was that the "Monalisa Touch is an interesting piece of the model but not critical". This we would say is a reasonable statement given that you cannot pay such multiples for a company which distributes third party technology. Moreover on the Hologic presentation on page 7 on the product list (see next page) three products are made by Elen: the Monalisa Touch, the Smart Lipo where Elen manufactures the basic configuration but Cynosures adds some important components and the Smart Skin. While we believe that the Smart Lipo and the Smart Skin are not important in term of sales overall it speaks laud on Elen technological prowess. Moreover, on top of valuation fallout, we would expect a larger market for Elen's products.
- Q4'16e preview seems conservative. Coherent acquisition of Rofin - Sinar might trigger some higher sales in industrial. Longer terms prospects in terms of new products and R&D remains interesting.** We have published in next page our Q4'16e results preview which assume some 3%/8% sales/EBIT growth respectively. This takes into account a more difficult comparison but overall we would consider them conservative. Looking ahead in 2017e, we have not included some potential fall-out effects of the acquisition of Rofin-Sinar by Coherent which might spur the search from Rofin's clients of new laser source suppliers with potential higher sales in industrial. Longer term, in our opinion the most interesting R&D evolution is the incontinence application for the Mona Lisa Touch which is being co-studied and co-financed with Cynosure as well as new products on the fat reduction segment.
- OUTPERFORM CONFIRMED. M&A transactions support higher valuation multiples. PT EUR 31 from EUR 23 (40% upside).** Being ELEN a close comparable to Cynosure and above all the supplier of one of its most recent innovative products, the Monalisa Touch, we believe the fall out of the implied above valuation transaction should be applied also to ELEN. Worth mentioning that with Zeltiq bought by Allergan two days ago and rumours of Apax interest on Cyneron medica, the M&A on laser aesthetic is clearly very strong. Currently we were basing our PT on 17.5x 2017e net of cash but the above transaction should support higher multiples. As such, we consider fairer a 30% discount to reflect the lower liquidity or an arbitrary TP of 25x 2017e earnings plus cash. Worth highlighting that aesthetic average peers trade at 2017e PE of 35x, while the few available on industrial laser at 16x. Given that the industrial business is currently operating around break-even levels, we would suggest the former multiples to be more coherent. **OUTPERFORM CONFIRMED PT EUR 31 FROM EUR 23. Main risks/opportunities: Weaker/stronger USD; fall/increase in consumer demand; lower/higher credit availability; superior/lower peers' technology; failure/withdrawal of watchdogs clearances; product liability suits**

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CYNOSURE Portfolio

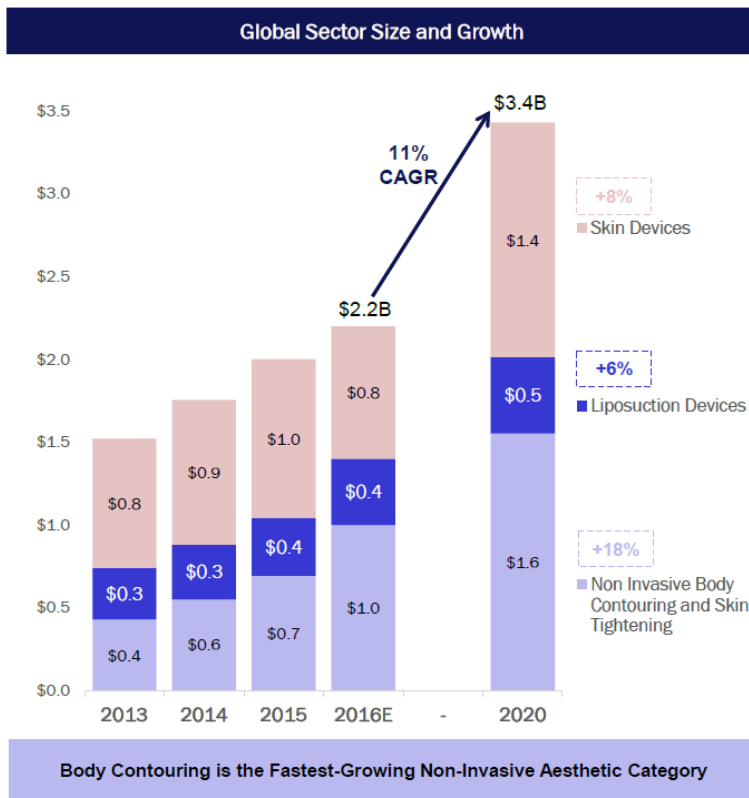
~82% Products, ~18% Services / Consumables / Other

Body Contouring		Additional Technologies	
Non-Invasive Fat Body Contouring		SculpSure Diode Laser	Women's Health
Cellulite Reduction		Cellulaze Pellefirm RF Body	Tattoo & Pigmented Lesions
Skin Tightening		Precision TX MIS face and neck	Hair Removal and Other Skin Devices
Assisted Liposuction		SmartLipo MIS Laser	Skin Resurfacing
			PicoSure Picosecond laser RevLite, Medlite, Apogee Q-switched laser Vectus Elite Apogee Emerge Cynergy Pellefirm RF Wrinkles PinPointe Foot Laser SmartSkin

Note: MIS refers to Minimally Invasive Surgery

HOLOGIC 7

Aesthetics Sector Overview



Source: Company quarterly earnings estimates and investor presentations, "MarketsandMarkets" Report Medical Aesthetics Markets Global Forecast to 2020; Internal estimates

- ### Key Segment Drivers
- Preference for non-invasive procedures that avoid anesthesia, surgery and downtime
 - Aging population
 - Rising obesity rates
 - Cadence of improved innovation and demonstrated clinical results driving demand
 - Availability of disposable income for cosmetic procedures
 - Changing dynamic for doctors, leading to a focus on patient self / cash-pay procedures to diversify from reimbursement risk

HOLOGIC 8

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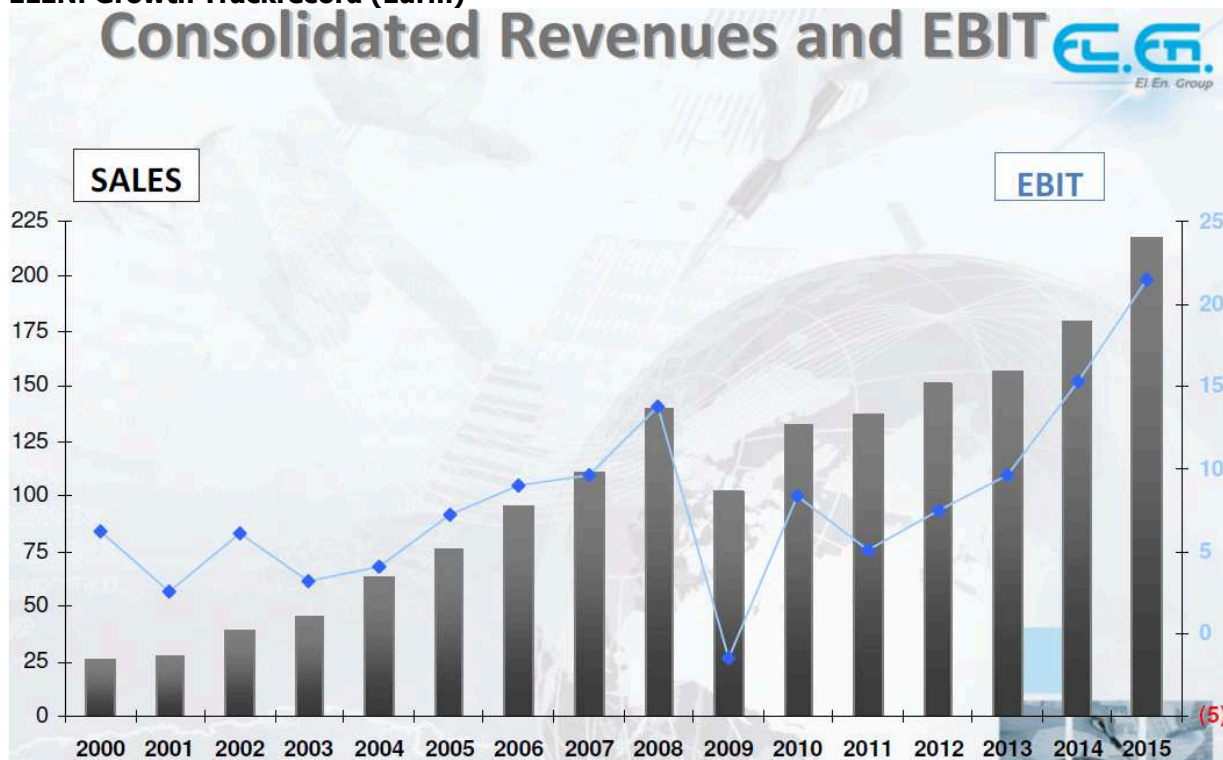
ELEN: Q4'16e Results Preview

DIVISIONS (Eur m)	Q4 '15a	Q4 '16e	% Ch.	2015a	2016e	% Ch.
Industrial Systems	20.5	21.3	4%	70.6	83.3	18%
% total	33%	33%		32%	34%	
Medical Laser	41.2	42.4	3%	147.1	160.0	9%
% total	67%	67%		68%	66%	
Total	61.7	63.7	3.3%	217.7	243.3	11.8%

Eur m	4Q 15a	4Q 16e	% Ch.	2015A	2016E	% Ch.
Sales	61.7	63.7	3%	217.7	243.3	12%
Gross margin	26.1	26.8	3%	96.3	105.5	9%
% sales	42.3%	42.1%		44.3%	43.4%	
Other op. costs	(7.7)	(7.7)	0%	(28.5)	(30.6)	7%
Added value	18.4	19.1	4%	67.8	74.9	10%
% sales	29.8%	30.0%		31.2%	30.8%	
Labour costs	(12.0)	(12.3)	3%	(42.1)	(45.1)	7%
EBITDA	6.4	6.8	7%	25.7	29.8	16%
EBITDA Margin	10.3%	10.7%		11.8%	12.2%	
D&A	(1.1)	(1.1)	1%	(4.2)	(4.3)	2%
EBIT	5.3	5.8	8%	21.5	25.5	19%
EBIT margin	8.6%	9.0%		9.9%	10.5%	
Forex	0.7	0.5		1.6	0.0	
Associates	0.16	0.4		0.28	0.3	
Oth. Non Op. Items	(0.0)	0.0		(0.0)	0.0	
Net Fin. Inc./(costs)	(0.3)	0.7		(0.3)	0.5	
Extraordinary items	0.0	(0.0)		0.0	23.0	
Pre-tax profit	5.9	7.3	24%	23.1	49.4	114%
Taxes					(8.4)	
Tax Rate					17%	
Minorities					(1.9)	
Net Profit					39.1	
Net Debt/(Cash)	(29.8)	(79.6)		(29.8)	(79.6)	

Source: Company Data, Banca Aletti & C. forecasts;

ELEN: Growth Trackrecord (Eur m)



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ELEN Stub Value (EURm)

	17e			17e			EV/			Implied PE		Mkt Cap.	Comments
	17e Sales	Recur. EBITDA	EBITDA margin	17e EBIT	EBIT margin	Net Pr. Adj.	EV/ Sales	EBITDA	EV/ EBIT	net of cash assets			
Group	260	33.8	13.0%	29.4	11.3%	20.1	1.64x	12.6x	14.6x	16.2x	427		
Net Cash/(Debt)											-90	2017e	
Peripheral assets											-10	Off balance sheet	
Group's equity value											327		

Source: Company Data, Banca Aletti & C. forecasts;

ELEN SOP (EURm)

	17e			17e			Implied			Target PE		Mkt Cap Target	Comments
	17e Sales	Recur. EBITDA	EBITDA margin	17e EBIT	EBIT margin	Net Pr. Adj.	EV/ Sales	EBITDA	EV/ EBIT	Exc. Cash			
Group	260	33.8	13.0%	29.4	11.3%	20.1	2.0x	15.4x	17.8x	25.0x	504		
Net Cash/(Debt)											90	2017e	
Peripheral assets											10	Off balance sheet	
Target Mkt Cap Inc. Cash Assets											604		
Ord. Share PT											31.4		
Price											22.14		
Upside/(Downside)											42%		
Net Cash/(Debt)											-90	2017e	
Peripheral Debt											-10	Off balance sheet	
Group's retirement provisions											2	2015	
Minorities											17	10x PE or 2x BV	
Implied EV											523		

Source: Company Data, Banca Aletti & C. forecasts;

ELEN: Comps Table

	Market Cap	EV/SALES*			EV/EBITDA*			EV/EBIT*			P/E (adj.)		
		2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
BIOLASE INC	100	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CUTERA INC	274	2.0 x	1.8 x	1.6 x	32.3x	23.9x	21.8x	n.a.	n.a.	n.a.	127.1x	28.1x	n.a.
CYNOSURE INC-A	1489	3.1 x	2.8 x	2.5 x	22.4x	17.2x	14.4x	30.6x	27.1x	19.4x	52.5x	41.3x	32.7x
SYNERON MEDICAL LTD	328	0.9 x	0.8 x	0.8 x	11.3x	7.5x	n.a.	n.a.	n.a.	n.a.	32.9x	22.8x	16.8x
ZELTIQ AESTHETICS INC	2118	6.2 x	5.2 x	4.4 x	76.5x	43.2x	27.8x	245.7x	108.2x	40.8x	n.a.	156.8x	66.1x

* ratio calculated on current EV

Average		3.0 x	2.7 x	2.3 x	36x	23x	21x	138x	68x	30x	71x	62x	39x
Median Total		2.6 x	2.3 x	2.1 x	27x	21x	22x	138x	68x	30x	52x	35x	33x
Average Exc. Peaks (1)		2.6 x	2.3 x	2.1 x	27.3x	20.6x	21.8x	n.a.	n.a.	n.a.	52.5x	34.7x	32.7x
Samples' Size		4	4	4	4	4	3	2	2	2	3	4	3
Max		6.2 x	5.2 x	4.4 x	76x	43x	28x	246x	108x	41x	127x	157x	66x
Min		0.9 x	0.8 x	0.8 x	11x	8x	14x	31x	27x	19x	33x	23x	17x

El.En. (Aletti Estimates)	427	1.5 x	1.3 x	1.2 x	120 x	10.3 x	9.0 x	14.0 x	11.8 x	10.3 x	25.7 x	21.1 x	19.1 x
Premium/(Discount) from (1)		-43%	-42%	-41%	-56%	-50%	-59%	n.a.	n.a.	n.a.	-51%	-39%	-42%

	Market Cap	EV/SALES			EV/EBITDA			EV/EBIT			P/E (adj.)		
		2016	2017	2018	2016	2017	2018	2016	2017	2018	2016	2017	2018
IPG PHOTONICS CORP	5809	5.4 x	4.7 x	3.9 x	13.0x	11.3 x	9.4 x	14.9 x	12.5 x	10.5 x	23.8 x	20.9 x	17.6 x
PRIMA INDUSTRIE SPA	178	0.7 x	0.6 x	0.6 x	7.6 x	6.2x	5.0 x	12.7 x	9.3 x	7.1 x	16.9 x	12.4 x	9.3 x
Average		3.1 x	2.7 x	2.3 x	10.3x	8.7 x	7.2 x	13.8 x	10.9 x	8.8 x	20.3 x	16.6 x	13.5 x
Median Total		3.1 x	2.7 x	2.3 x	10.3x	8.7 x	7.2 x	13.8 x	10.9 x	8.8 x	20.3 x	16.6 x	13.5 x
Average (2)		3.1 x	2.7 x	2.3 x	10.3 x	8.7 x	7.2 x	13.8 x	10.9 x	8.8 x	20.3 x	16.6 x	13.5 x
Samples' Size		2	2	2	2	2	2	2	2	2	2	2	2
Max		5.4 x	4.7 x	3.9 x	13.0x	11.3 x	9.4 x	14.9 x	12.5 x	10.5 x	23.8 x	20.9 x	17.6 x
Min		0.7 x	0.6 x	0.6 x	7.6 x	6.2x	5.0 x	12.7 x	9.3 x	7.1 x	16.9 x	12.4 x	9.3 x

El.En. (Aletti Estimates)	427	1.5 x	1.3 x	1.2 x	120 x	10.3 x	9.0 x	14.0 x	11.8 x	10.3 x	25.7 x	21.1 x	19.1 x
Premium/(Discount) from (2)		-52%	-50%	-46%	16%	18%	25%	1%	8%	17%	26%	27%	42%

Source: Company Data; Banca Aletti & C. forecasts; Bloomberg

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EL.EN.: Company profile

Business. El.En. (Electronic Engineering) controls a group of companies operating in the field of manufacturing, research and development, distribution and sales of laser systems. The Group – market leader in Italy and among the top operators in Europe – conducts its activities in two major sectors that of laser system for medicine and aesthetics and that of laser system for industrial uses.

The *Medical laser equipment* (54% of FY 2015 sales) are employed in area concerned with general well-being and a healthy body, in fields such as dermatology, cosmetics, physiotherapy, dentistry and gynecology. It markets its devices in over 80 countries and can count on over 40 distributors in the international markets, with branches in France, Germany, Japan and the USA, and a network of agents in Italy.

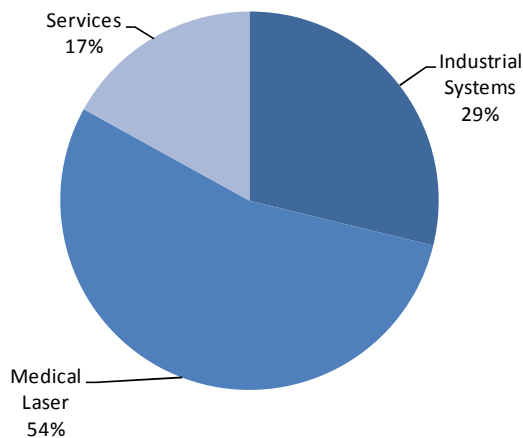
The *Industrial laser system* (29% of FY 2015 sales) are used for cutting, marking and welding metals, wood, plastic and glass to decorating leather and textiles and restoring/conserving artwork.

Besides the main company activity of selling laser systems, there is also a *post sales customer assistance* (12% of FY 2015 sales).

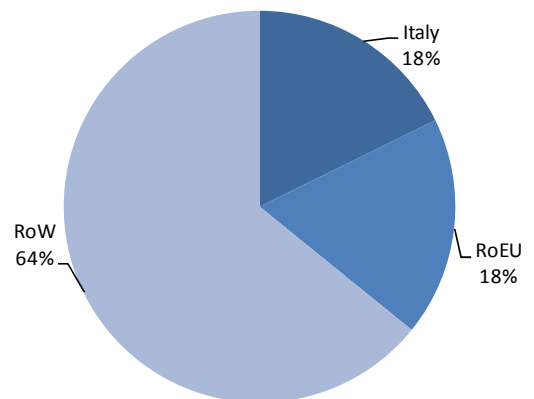
In FY 2015 the Group realized a total turnover of Eur 218m of which 18% generated in Italy, 18% in Europe (ex-Italy) and 64% in RoW. The Group has 965 employees and operates through 5 multi-disciplinary and multi-facility research centres located in Italy and Germany and 7 production facilities located in Italy, Germany, China and Brazil. The sales organization is differentiated by geographical market and by product ranges. The Group operates worldwide and today can count on a capillary presence in the international market, with over thirty firms working in Italy and a network of international distributors.

Market. According to BCC research, in 2014 the *medical laser market* was worth USD 2.2bn (+12% YoY) and is expected to grow to USD 4.2bn by 2019E (+13.8% CAGR in the period 2014-2019E). As concerning the forecast for the market of laser systems, according Optech Consulting is expected to exceed Eur 6.2bn in FY 2020E with a +7.6% CAGR in the period 2016-2020E.

Sales breakdown by Division 2015



Sales breakdown by Area 2015



Source: Company data

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EL.EN.: Aletti Summary

EV CALCULATIONS (EUR m)	2009A	2010A	2011A	2012A	2013A	2014A	2015A	2016E	2017E	2018E	CAGR 15/18e
Price of ordinary share	2.92	2.98	2.99	3.19	3.98	5.47	9.49	22.14	22.14	22.14	
Total ord. Shares outst. (000)	19,300	19,300	19,300	19,300	19,300	19,300	19,300	19,300	19,300	19,300	
Market Cap (adj.)	56.3	57.6	57.7	61.6	76.7	105.6	183.2	427.3	427.3	427.3	
Others	48.3	50.2	51.8	19.3	12.1	8.0	-29.9	9.8	9.8	9.8	
EV (adj.)	35.8	32.9	56.5	63.1	67.0	66.6	123.4	357.4	347.5	333.9	
PROFIT & LOSS (EUR m)											
Sales	101.8	132.6	137.4	151.2	157.4	180.0	217.7	243.3	260.5	273.5	8%
EBITDA	2.3	13.3	10.8	12.5	13.7	18.0	25.7	29.8	33.8	36.9	13%
Depreciation & Amortisation	-3.7	-5.0	-5.7	-5.0	-4.2	-4.1	-4.2	-4.3	-4.5	-4.7	
EBIT	-1.5	8.4	5.1	7.5	9.6	13.8	21.5	25.5	29.4	32.3	14%
Net Financial Interest	0.1	0.1	0.3	-1.4	-1.2	1.6	-0.3	0.5	0.5	0.5	
Other Financials	-0.7	-0.8	-0.7	2.2	-0.2	3.0	1.9	0.3	0.3	0.3	
Extraordinary Items	0.0	0.0	0.0	18.9	2.5	5.9	0.0	23.0	0.0	0.0	
Earning Before Tax	-2.0	7.7	4.8	27.2	10.7	24.4	23.1	49.4	30.2	33.1	13%
Tax	-0.9	-3.7	-2.7	-3.0	-4.3	-6.4	-7.1	-8.4	-8.2	-8.9	
<i>Tax rate</i>	<i>n.m.</i>	<i>49%</i>	<i>56%</i>	<i>11%</i>	<i>40%</i>	<i>26%</i>	<i>31%</i>	<i>17%</i>	<i>27%</i>	<i>27%</i>	
Minorities	-0.2	-1.8	-1.4	-1.0	-0.3	-1.5	-1.7	-1.9	-1.9	-1.9	
Net Profit (reported)	-3.1	2.2	0.7	23.2	6.1	16.5	14.4	39.1	20.1	22.3	16%
Net Profit (adj.)	-3.1	2.2	0.7	5.2	4.5	11.4	14.4	16.6	20.1	22.3	16%
PER SHARE DATA (EUR)											
EPS	-0.159	0.114	0.038	1.202	0.314	0.854	0.745	2.025	1.044	1.154	16%
EPS (adj.)	-0.160	0.115	0.038	0.273	0.237	0.593	0.748	0.862	1.048	1.159	16%
CFPS	0.034	0.371	0.335	1.464	0.530	1.068	0.961	2.245	1.277	1.396	13%
BVPS	4.673	4.878	4.907	5.819	6.646	7.407	8.857	10.582	11.296	12.087	11%
DPS	0.000	0.050	0.000	0.125	0.125	0.250	0.300	0.330	0.363	0.399	10%
KEY MARKET RATIOS											
EV/Sales	0.35	0.25	0.41	0.42	0.43	0.37	0.57	1.47	1.33	1.22	
EV/EBITDA	15.7	2.5	5.2	5.0	4.9	3.7	4.8	12.0	10.3	9.0	
EV/EBIT	-24.6	3.9	11.1	8.4	7.0	4.8	5.7	14.0	11.8	10.3	
P/E (adj)	-18.2	26.1	78.8	11.7	16.8	9.2	12.7	25.7	21.1	19.1	
P/CF	85.4	8.0	8.9	2.2	7.5	5.1	9.9	9.9	17.3	15.9	
P/BV	0.6	0.6	0.6	0.5	0.6	0.7	1.1	2.1	2.0	1.8	
Dividend Yield (Gross)	0.0%	1.7%	0.0%	3.9%	3.1%	4.6%	3.2%	1.5%	1.6%	1.8%	
MARGINS AND RATIOS											
Sales growth	-27.3%	30.2%	3.6%	10.1%	4.1%	14.4%	20.9%	11.8%	7.1%	5.0%	
EBITDA growth	-88%	485%	-19%	16%	10%	31%	43%	16%	14%	9%	
EBIT growth	-111%	-673%	-39%	47%	28%	44%	56%	19%	15%	10%	
EPS (adj.) growth	-138%	-172%	-67%	nm	-13%	151%	26%	15%	22%	11%	
EBITDA margin	2.2%	10.1%	7.9%	8.3%	8.7%	10.0%	11.8%	12.2%	13.0%	13.5%	
EBIT margin	-1.4%	6.3%	3.7%	4.9%	6.1%	7.7%	9.9%	10.5%	11.3%	11.8%	
ROCE	-2.0%	4.1%	1.7%	20.4%	6.0%	7.4%	9.5%	12.5%	14.5%	15.6%	
NFP/EBITDA	-3.9	-0.8	-0.1	-1.4	-1.6	-2.6	-1.2	-2.7	-2.6	-2.8	
Interest Cover	n.a.	n.a.	n.a.	9.2	11.6	n.a.	101.1	n.a.	n.a.	n.a.	
Payout Ratio	0%	44%	0%	10%	40%	29%	40%	16%	35%	35%	
NWC on Sales	na	na	na	34.4%	30.8%	27.5%	27.5%	23.8%	23.6%	23.6%	
OpFCF/Mkt. Cap.	na	na	na	67.3%	14.7%	9.5%	0.0%	9.1%	3.9%	4.9%	
CASH FLOW (EUR m)											
Net Profit (reported) + Minorities	-2.9	4.0	2.1	24.2	6.4	18.0	16.1	41.0	22.0	24.2	
Non cash items	4.4	5.7	6.4	2.9	4.4	1.1	2.3	3.9	4.2	4.4	
Cash Flow	1.5	9.7	8.5	27.1	10.8	19.1	18.4	44.9	26.2	28.6	
Change in Net Working Capital	na	na	na	16.9	3.7	-1.1	-10.3	2.0	-3.6	-3.1	
Capex	na	na	na	-2.5	-3.2	-8.0	-8.0	-8.0	-6.0	-4.5	
Oper. Free Cash Flow (OpFCF)	na	na	na	41.4	11.3	10.0	0.0	38.9	16.6	21.0	
Disposals/(Acquisitions)	na	na	na	na	0.0	16.2	-10.4	16.7	0.0	0.0	
Dividends	-1.6	-0.2	-1.4	-0.4	-3.9	-2.9	-4.8	-5.8	-6.4	-7.0	
Others (incl.Capital Increase)	na	na	na	na	-3.1	-0.9	-3.9	-0.3	-0.7	-0.7	
Free Cash Flow	na	na	na	na	4.3	22.3	-19.2	49.5	9.6	13.3	
BALANCE SHEET (EUR m)											
Net Tangible Assets	na	na	na	21.4	21.9	26.9	32.6	19.7	21.2	21.0	
Net Intangible Assets	na	na	na	3.4	3.4	3.6	3.9	3.9	3.9	3.9	
Goodwill	na	na	na	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net Financial Assets & Others	na	na	na	38.3	47.7	31.2	61.3	61.3	61.3	61.3	
Total Fixed Assets	na	na	na	63.2	73.0	61.8	97.8	84.8	86.3	86.2	
Net Working Capital	na	na	na	52.1	48.4	49.5	59.9	57.9	61.5	64.6	
Total Net Assets	na	na	na	115.2	121.4	111.3	157.6	142.7	147.8	150.7	
Shareholders Equity	na	na	na	112.3	128.3	143.0	170.9	204.2	218.0	233.3	
Minorities equity	na	na	na	11.7	6.0	7.6	8.6	10.2	11.4	12.7	
Net Debt	-8.8	-10.0	-1.2	-17.8	-21.8	-47.1	-29.8	-79.6	-89.5	-103.1	
Provisions	na	na	na	3.3	3.1	3.7	3.4	3.4	3.4	3.4	
Others liabilities	na	na	na	5.7	5.8	4.2	4.5	4.5	4.5	4.5	

Source: Company data and Banca Aletti & C S.p.A. estimates; * Note: historical multiples calculated on average yearly prices; 2009-2011 P&L Pro Forma exc. Cynosure: i.e. Balance Sheet and Cash Flow numbers not available

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EL.EN.: RATINGS HISTORY IN THE LAST 12 MONTHS

DATE	RATING	Old TP	New TP*	Old MKT PRICE	New MKT PRICE*
15/02/2017	OUTPERFORM		31.0		22.14
15/11/2016	OUTPERFORM	na	23.0	NA	21.00
16/09/2016	OUTPERFORM	na	18.0	NA	14.99
22/06/2016	OUTPERFORM	na	15.5	na	13.16
07/06/2016	OUTPERFORM	na	15.5	na	13.53
13/05/2016	OUTPERFORM	62.0	15.5	43.80	10.95
28/04/2016	OUTPERFORM	56.0	14.0	42.25	10.56
22/03/2016	OUTPERFORM	54.0	13.5	39.65	9.91
18/02/2016	OUTPERFORM – Initial Coverage	54.0	13.5	39.00	9.75

*Note: Historical price targets and market prices adjusted for the 1 to 4 stock split

STOCK RATINGS

THE “OUTPERFORM”, “IN LINE” AND “UNDERPERFORM” RECOMMENDATIONS ARE BASED ON THE NEXT 12 MONTHS EXPECTED RELATIVE STOCK PERFORMANCE, INCLUSIVE OF THE DIVIDEND PAID OUT BY THE STOCK’S ISSUER, COMPARED TO THE PERFORMANCE OF THE MARKET INDEX SHOWN IN THE CHART ON THE FRONT PAGE OF THIS REPORT.

EXPLANATION OF THE RATING SYSTEM:

- OUTPERFORM:** STOCK ESTIMATED TO OUTPERFORM THE MARKET BY MORE THAN 10% OVER A NEXT 12 MONTHS PERIOD
- IN LINE:** STOCK PERFORMANCE ESTIMATED AT BETWEEN -10% AND +10% COMPARED TO THE MARKET OVER A NEXT 12 MONTHS PERIOD
- UNDERPERFORM:** STOCK ESTIMATED TO UNDERPERFORM THE MARKET BY HIGHER THAN 10% OVER A 12 MONTHS PERIOD

IN CERTAIN OCCASIONS, THE RELATIVE PERFORMANCE MAY FALL OUTSIDE OF THESE RANGES BECAUSE OF MARKET PRICE MOVEMENTS AND/OR OTHER SHORT TERM VOLATILITY OR TRADING PATTERNS. SUCH INTERIM FROM THE SPECIFIED RANGES MIGHT NOT REQUIRE A CHANGE IN RATING.

NOT RATED: NO RATING OR TARGET PRICE ASSIGNED ALTHOUGH THE ISSUERS IS OR MAY BE COVERED BY THE EQUITY RESEARCH OFFICE

SUSPENSION OF COVERAGE: SITUATION WHERE THE COVERAGE IS SOSPENDED INDEFINITELY FOR COMMERCIAL REASONS (EXAMPLES OF THIS MIGHT BE LACK OF INTEREST FROM INSTITUTIONAL INVESTORS, LACK OF LIQUIDITY), OR TEMPORARILY TO COMPLY WITH APPLICABLE REGULATIONS AND/OR BANCA ALETTI’S POLICIES IN CERTAIN SITUATION OF CONFLICT OF INTERESTS, INCLUDING WHEN BANCO BPM IS ACTING IN AN ADVISORY CAPACITY OR INVOLVED IN ANY TERM IN STRATEGIC TRANSACTION INVOLVING THE ISSUERS

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	OUTPERFORM	IN LINE	UNDERPERFORM	Not Rated
% ON ALETTI UNIVERSE	53%	39%	8%	0%
OF WHICH INV. BANKING CLIENTS	75%	25%	0%	0%

VALUATION METHODOLOGIES

THE BANCA ALETTI EQUITY RESEARCH DEPARTMENT OBTAINS A FAIR VALUE FOR THE COMPANIES UNDER COVERAGE USING A RANGE OF VALUATION METHODS, OF WHICH THE MOST PREVALENT ARE THE DISCOUNTED CASH FLOWS METHOD (DCF) DIVIDEND DISCOUNT MODEL (DDM) AND MULTIPLE-BASED MODELS (E.G. EV/SALES, EV/EBITDA, EV/EBIT, P/E, P/BV,). THE ANALYSTS ARE NEVERTHELESS FREE TO USE ALTERNATIVE OFFICIAL VALUATION METHODOLOGIES, WHERE DEEMED NECESSARY.

THE ASSIGNED TARGET PRICE MAY DIFFER FROM THE FAIR VALUE OBTAINED ABOVE, AS IT ALSO TAKES INTO ACCOUNT OVERALL MARKET/SECTOR CONDITIONS (E.G. RISK PREMIUM), CORPORATE/MARKET EVENTS, AND CORPORATE SPECIFICS (I.E. HOLDING DISCOUNTS, LIQUIDITY) REASONABLY CONSIDERED TO BE POSSIBLE DRIVERS OF THE COMPANY'S SHARE PRICE PERFORMANCE. THESE FACTORS MAY ALSO BE ASSESSED USING THE METHODOLOGIES INDICATED ABOVE.

ORGANIZATIONAL AND ADMINISTRATIVE MECHANISMS TO PREVENT CONFLICTS OF INTEREST

THIS RESEARCH HAS BEEN PUBLISHED IN ACCORDANCE WITH OUR CONFLICT MANAGEMENT POLICY. TO ENSURE THE INDEPENDENCE AND THE IMPARTIALITY OF ITS FINANCIAL ANALYSTS' JUDGMENT, EMPLOYED IN THE EQUITY RESEARCH DEPARTMENT (AS FOLLOW DEPARTMENT), INVOLVED WITH THE RESEARCH, ANALYSIS, COMPANIES VALUATION AND/OR FINANCIAL INSTRUMENTS, AND WITH INVESTMENT RECOMMENDATIONS DISTRIBUTED TO PROFESSIONAL INVESTORS, BANCA ALETTI HAS ADOPTED THE FOLLOWING ORGANIZATIONAL AND ADMINISTRATIVE MECHANISMS:

- THE DEPARTMENT HIERARCHICALLY RESPONDS TO THE GENERAL MANAGER OF THE BANK AND EXCLUSIVELY AND DIRECTLY RESPONDS TO HIM;
- THE EXISTING HIERARCHICAL RELATIONSHIP BETWEEN GENERAL MANAGER AND THE DEPARTMENT OR EACH ONE OF ITS FINANCIAL ANALYST(S) MEMBERS ARE SUBJECT TO PRINCIPLES OF PROFESSIONALISM AND TRANSPARENCY;
- THE CURRENT GENERAL AND/OR SPECIFIC GUIDANCE GIVEN BY THE GENERAL MANAGER TO THE DEPARTMENT SHOULD NOT RESULT IN CONTRAST WITH THE EXISTING LEGISLATIVE OBJECTIVES OF COMPLETENESS, CLEARNESS AND IMPARTIALITY OF THE PRODUCED STUDIES AND BE INFLUENCED BY THE SPECIFIC INTERESTS OF THE BANK RELATED TO A PARTICULAR SUBJECT OR FINANCIAL INSTRUMENT;
- THE REQUESTS OR THE COMMERCIAL COLLABORATIONS IN FAVOUR OF OTHER STRUCTURES OF THE SAME BANK OR THE GROUP TO WHICH THE BANK IS PERTINENT, WHICH, BY PRINCIPLE, COULD POTENTIALLY RESULT IN A CONFLICT OF INTEREST ACCORDING TO THE EXISTING REGULATIONS, CAN BE ORDERED TO THE DEPARTMENT OR A SINGLE ANALYST ONLY BY THE GENERAL MANAGER;
- IN THE RELATIONS WITH THE OTHER STRUCTURES OF THE BANK OR THE GROUP TO WHICH THE BANK BELONGS TO, THE DEPARTMENT OR EACH COMPONENTS OF THE SAME MUST RETAIN THEMSELVES FROM SEARCHING, RECEIVING OR FURNISH INFORMATION THAT MIGHT INVALIDATE THE INDEPENDENCE AND/OR THE IMPARTIALITY OF JUDGMENT OF THE RESEARCH COMMENT AND/OR RECOMMENDATIONS OF INVESTMENTS OR FAVOUR AN ASYMMETRIC DISTRIBUTION OF THE INFORMATION EITHER INSIDE OR OUTSIDE THE BANK OF OR THE GROUP. THE DEPARTMENT AND EACH COMPONENTS OF THE SAME MUST STICK TO THE PRINCIPLES AND BEHAVIOUR RULES FOR A CORRECT CARRY OUT OF THE FINANCIAL ANALYST ACTIVITIES;
- THE REMUNERATION OF THE FINANCIAL ANALYST(S) AND OF DEPARTMENT EMPLOYEES IS NOT TIED, DIRECTLY OR INDIRECTLY, TO INVESTMENT BANKING TRANSACTIONS AND/OR TO THE BUSINESS RELATIONSHIP DEVELOPMENT WITH ISSUERS UNDER FINANCIAL ANALYSIS.

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