

## El.En.

Italy/Industrial Engineering

## Buy

Recommendation unchanged

Share price: EUR 12.05

closing price as of 13/05/2010

Target price: EUR 15.50

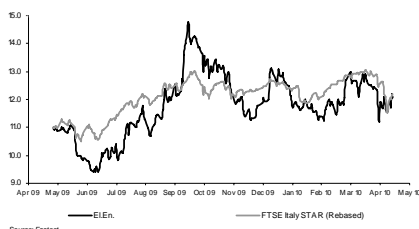
Target Price unchanged

Reuters/Bloomberg

ELEN.MVLELN IM

Market capitalisation (EURm)	58
Current N° of shares (m)	5
Free float	47%
Daily avg. no. trad. sh. 12 mth	8,004
Daily avg. trad. vol. 12 mth (m)	0
Price high 12 mth (EUR)	14.77
Price low 12 mth (EUR)	9.41
Abs. perf. 1 mth	-4.74%
Abs. perf. 3 mth	1.35%
Abs. perf. 12 mth	7.59%

Key financials (EUR)	12/09	12/10e	12/11e
Sales (m)	149	157	173
EBITDA (m)	(4)	7	15
EBITDA margin	nm	4.6%	8.4%
EBIT (m)	(13)	(2)	5
EBIT margin	nm	nm	3.0%
Net Profit (adj.)(m)	3	(1)	3
ROCE	-8.5%	-1.2%	3.3%
Net debt/(cash) (m)	(69)	(67)	(67)
Net Debt/Equity	-0.4	-0.4	-0.4
Debt/EBITDA	17.1	-9.3	-4.6
Int. cover(EBITDA/Fin. int)	15.1	(31.0)	(48.4)
EV/Sales	0.3	0.3	0.3
EV/EBITDA	nm	6.2	3.1
EV/EBITDA (adj.)	nm	6.2	3.1
EV/EBIT	nm	nm	8.8
P/E (adj.)	nm	nm	21.5
P/BV	0.6	0.6	0.6
OpFCF yield	10.8%	30.0%	14.3%
Dividend yield	0.0%	0.3%	0.4%
EPS (adj.)	(1.09)	(0.13)	0.56
BVPS	18.71	18.58	19.10
DPS	0.00	0.04	0.04



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## Q1 10 preview

The facts: Q1 10 results are due today.

**Q1 10 consolidate estimates:** we expect Q1 sales trend to show a recovery compared to Q1 09 due to the first few signs of sales recovery as showed by the strong sales increase of Cynosure, which was obtained thanks to a sales growth in Europe and Asia).

We expect the operating leverage to translate into a first improvement in the profitability.

The following table shows our sales and profitability forecast.

## EL.EN GROUP: Q1 10e CONSOLIDATE preview

	Q1 09a	Q1 10e	%Chg.
Sales	33.8	38.0	+12.5%
EBITDA	(4.6)	0.05	n.m.
Margin %	n.m.	0.1%	

Source: Company Data and BANCA AKROS estimates

**Q1 10 El.En group excluding Cynosure estimates:** excluding Cynosure, we expect a sales recovery in double digit also for the group's divisions excluding Cynosure and, consequently, a proportional growth in the operating results.

The following table shows our sales and profitability forecast.

## EL.EN GROUP: Q1 10e EXCLUDING CYNOSURE preview

	Q1 09a	Q1 10e	%Chg.
Sales	23.9	26.0	+24.1%
EBITDA	(0.3)	1.1	+21.7%
Margin %	n.m.	4.4%	

Source: Company Data and BANCA AKROS estimates

**Conclusion & Action:** buy recommendation and target price of EUR 15.5 per share confirmed, waiting to verify our estimates based on the results that will be published.

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This research has been prepared by Andrea Devita, Marco Cavalleri, Luigi Tramontana, Claudio Giacomello, Paola Saglietti, Gabriele Gambarova, Dario Michi, Enrico Filippi, Giada Cabrino (all members of AIAF), Francesco Previtera, Francesco Sala, Francesco Di Gregorio and Marcello Renna (ordinary member of SIAT), who are financial analysts with Banca Akros SpA ("Banca Akros"), which is responsible for the preparation of the research.

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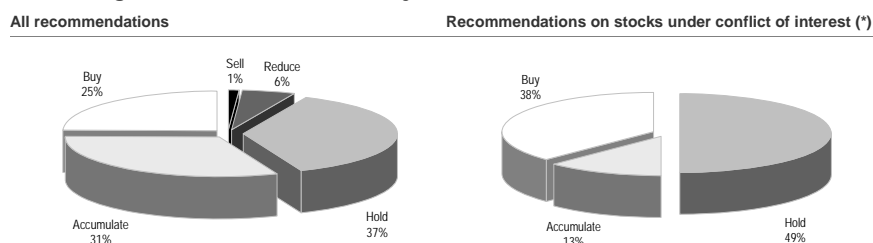
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Percentage of recommendations by the 31 March 2010



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