



ANNUAL RESULTS 2013

STAR CONFERENCE
March 26th, 2014

Company Presentation



Disclaimer

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Summary

1. CYNO SHARES SALE
2. LASER SOURCES AND SYSTEMS
3. THE GLOBAL LASER MARKET
4. EL.EN. GROUP
5. 2013 FINANCIAL RESULTS
6. 2014 GUIDANCE
7. MULTIPLES & COMPARABLES



Cyno shares sale





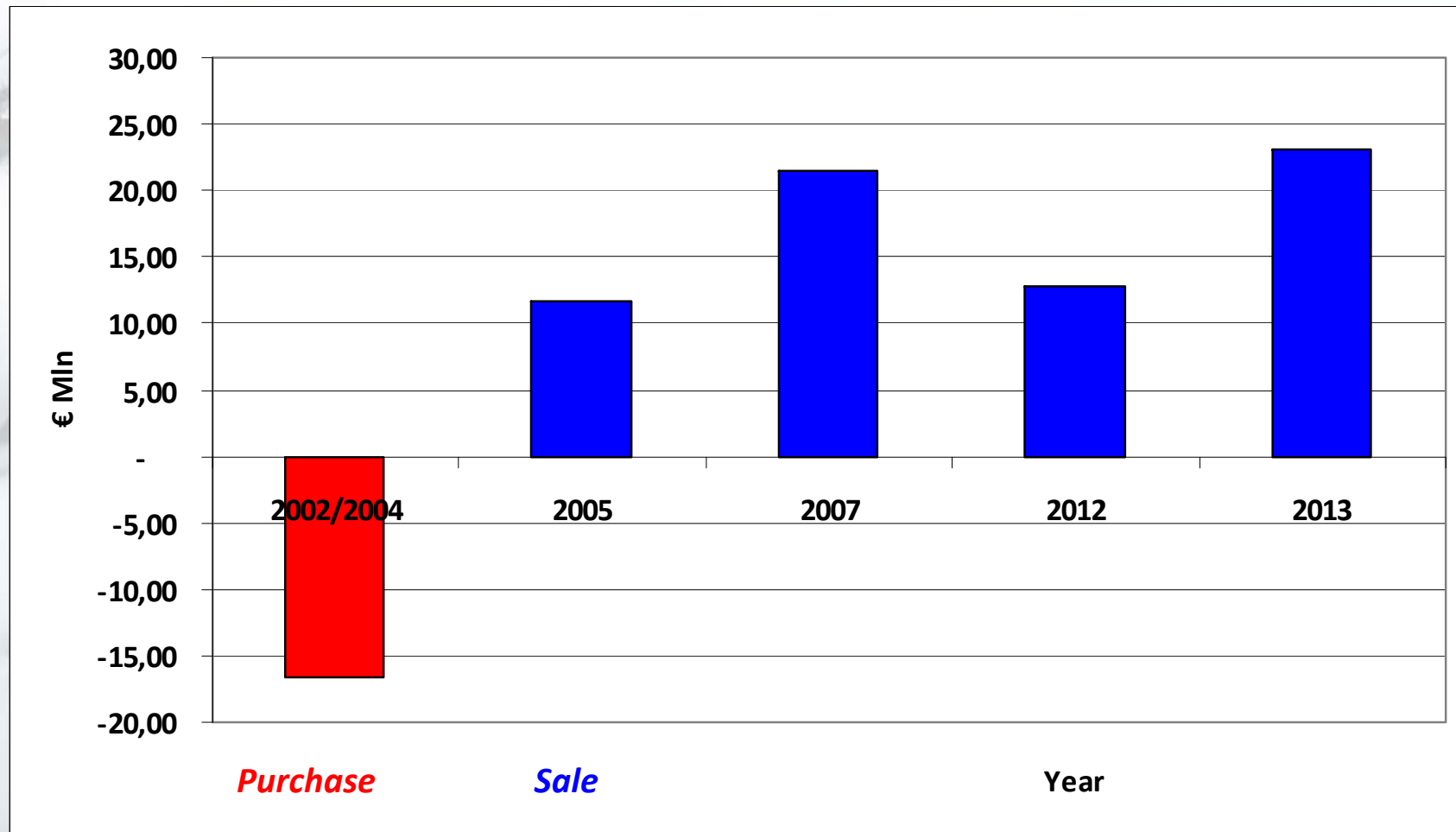
Sale of 1,1 mln of Cynosure shares

Shares sold: 1,1 mln @ \$ 29,15 net price

Proceeds: \$ 32 mln -> € 23 mln

Gain on sale: € 4,5 mln

Cynosure: the investment history



Residual shares	1 mln
Current price	\$ 29



Lasers sources and systems



LASER

Light **A**mplification **S**timulated by **E**mission of **R**adiation

MEDICAL LASER Systems



INDUSTRIAL LASER Systems



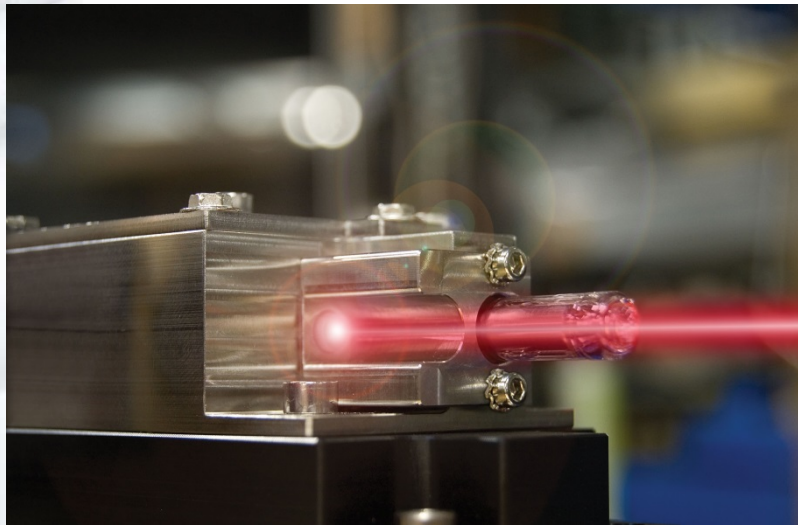
MEDICAL applications



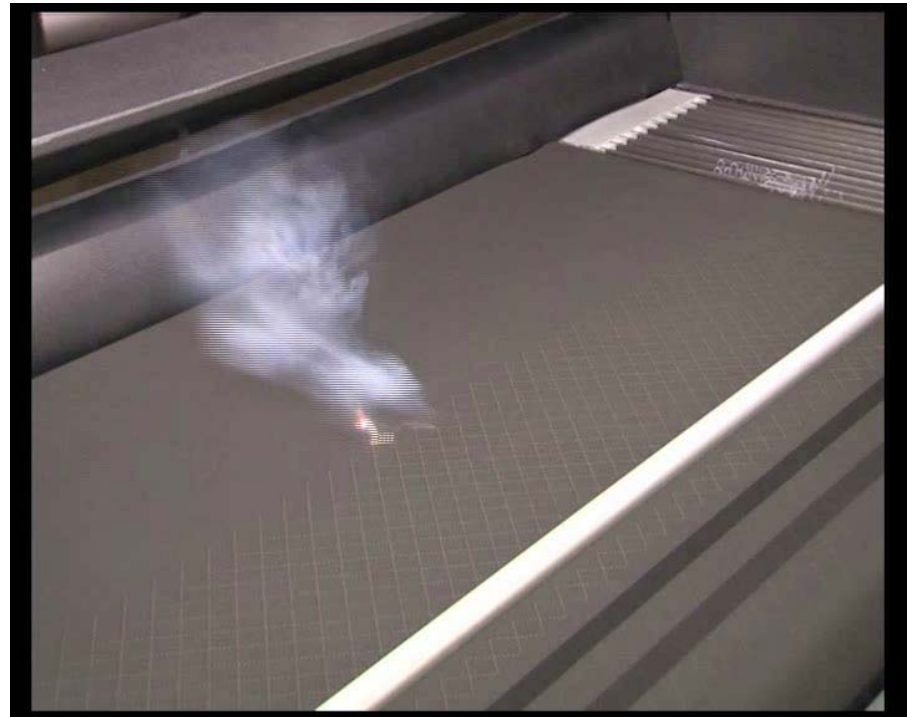
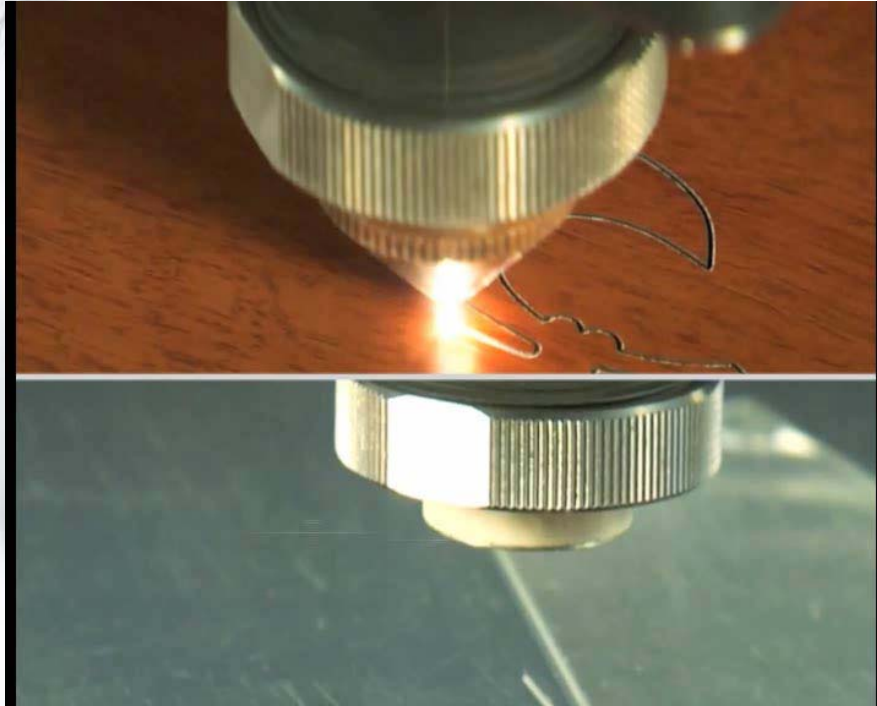
MEDICAL applications



INDUSTRIAL applications

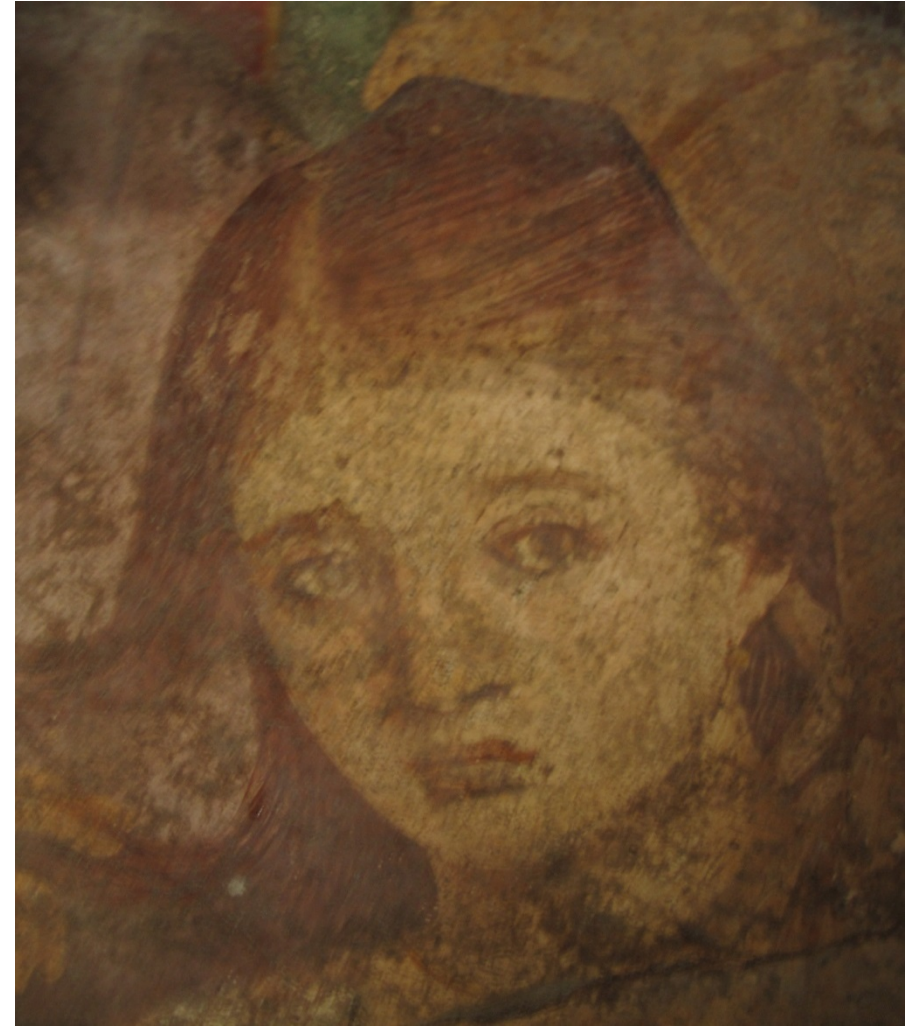


INDUSTRIAL applications



CONSERVATION and restoration

Pompei – Villa dei Misteri



"Essays cleaning of the frescoes of the Villa dei Misteri in Pompei" June 2013, courtesy of Superintendence for Archaeological Heritage of Naples and Pompei



The Global Laser Market



The MEDICAL Laser Market

Global Market trends for
Medical Lasers (\$ millions)



2.675

2010

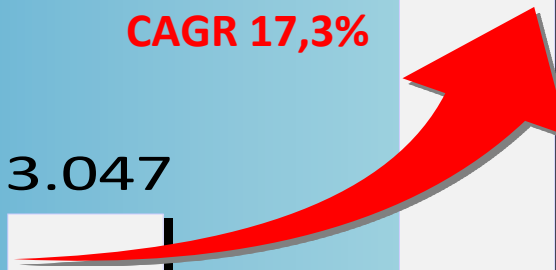
3.047

2011

6.766

2016

CAGR 17,3%



Source: BCC Research



The INDUSTRIAL Laser Market

Laser Sources Market

Revenues (\$M)

INDUSTRIAL REVENUE (US\$M)	2012	2013	2014 (F)
MARKING	\$320.8	\$342.3	\$367.6
y-to-y		7%	7%
MICRO MATERIALS PROC.	\$564.2	\$576.7	\$594.5
y-to-y		2%	3%
MACRO MATERIALS PROC.	\$1,425.8	\$1,474.4	\$1,541.0
y-to-y		3%	5%
TOTAL	\$2,310.8	\$2,393.4	\$2,503.1
y-to-y		3.6%	4.6%

Source: Industrial Laser Solutions





El.En. Group



Group Overview

High –Tech laser photonics Group

Develops, manufactures and distributes laser sources and laser systems for medical and industrial applications

Know-how based on 30 years stratification of multidisciplinary experience

December , 31st 2013: Consolidated Revenues of €157 mln, up 4% YoY, 859 employees

Global positioning

Italy	419
Europe	98
China	267
Japan	42
Brazil	31
Other	2

Strategic Strengths

Multidisciplinary and multifacility R&D activity:
sources, systems, applications

Covering Medical and Industrial laser markets

Raising technological entry barriers through R&D

Industrial

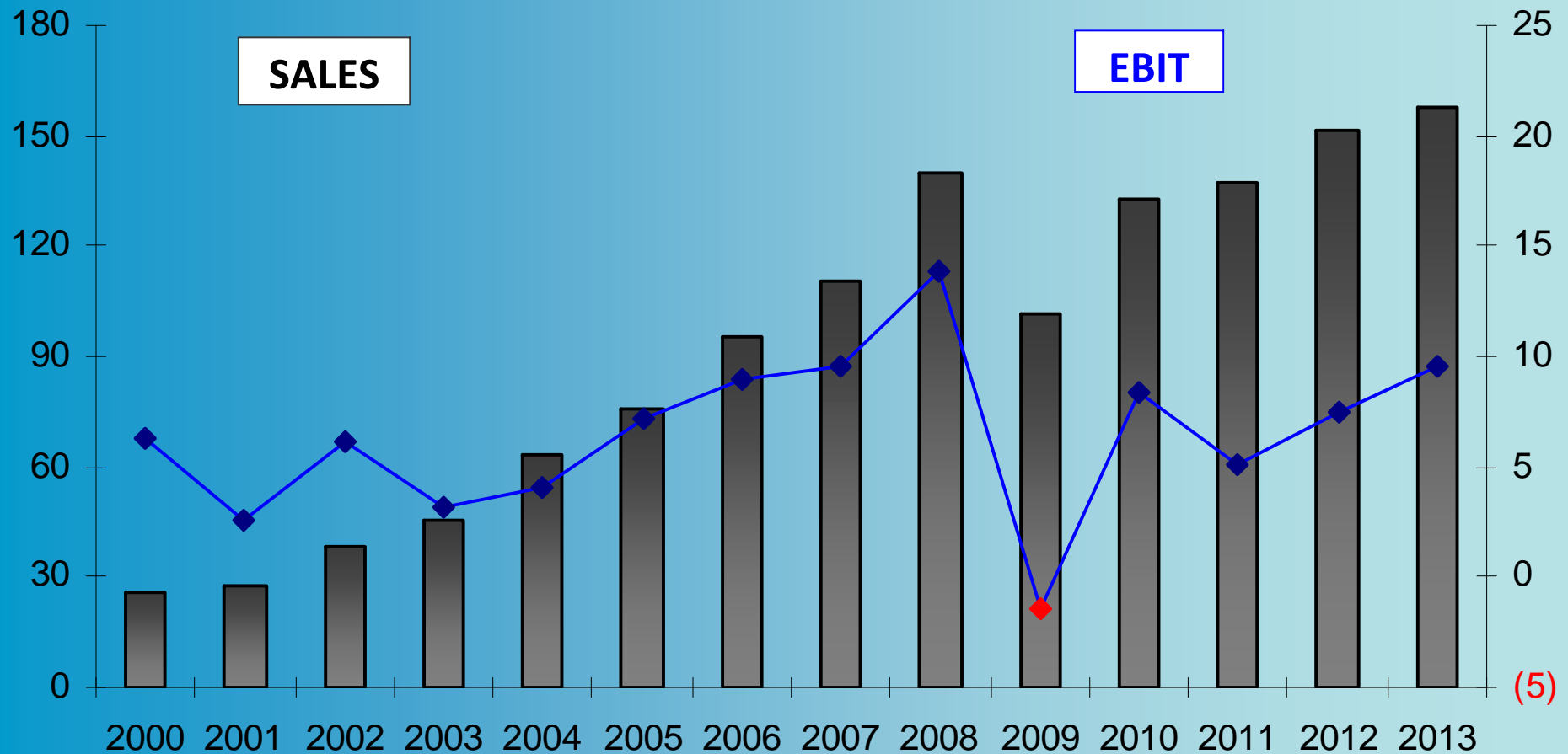
- ✓ Combine High tech laser source development with flexible production facilities in high growth areas

Medical

- ✓ Maximize market penetration by multi brand approach
- ✓ Open new market segments by developing innovative applications
- ✓ Leverage worldwide distribution



Consolidated Revenues and EBIT



R&D Activity

Clinical trials and validations of new therapeutic laser treatments and research on new applications of laser- tissue interaction

Raising Technological / Clinical entry barriers

Central role of PHOTOBIO LAB

Medical Aesthetic new multi-application platforms

Vascular lesions systems: VASQ (Dye) , Yellow Star Pro

Clinical studies on Mona Lisa Touch

Clinical studies on cutaneous ulcers

Compact RF power sources with increased power

Patents development

Medical/Aesthetic

Aesthetic

Hair Removal
Vascular Lesions
Skin Rejuvenation
Pigmented Lesions
Treatment of Cellulite
Acne
Tattoo Removal
Anti - Aging
LaserBody Sculpting
Removal of Unwanted Fat

esthelogue
Laser Technologies

Asclepion
Laser Technologies

Quanta System
DNA Laser Technology

DEKA

withus

ASV

SPAZIO PHARMONIA
Bellezza e scienza

Medical

Gynaechology
Endovascular
Dermatology
Psoriasis and Vitiligo
Dentistry
Therapy
General Surgery
Urology
ENT

E.G.
El. En. Group



2013 Financial Results



Consolidated P&L

Euro /000	31/12/12		31/12/13 unaudited		Var.%
Revenues	151.234	100,0%	157.380	100,0%	4,1%
Gross margin	72.050	47,6%	74.563	47,4%	3,5%
EBITDA	12.519	8,3%	13.741	8,7%	9,8%
EBIT	7.474	4,9%	9.582	6,1%	28,2%
Income before taxes	6.092	4,0%	10.694	6,8%	75,5%
Income from continuing operations	3.140	2,1%	6.419	4,1%	104,4%
Net income	23.199	15,3%	6.080	3,9%	-73,8%
Net Income from continuing operations per share	0,44		1,27		185,5%

Consolidated BS

Euro /000	31/12/12	31/12/13 unaudited	Var.%
Total non current assets (*)	62.982	72.976	16%
Net working capital	52.218	48.414	-7%
Net financial position	17.794	21.820	23%
Long term liabilities	9.040	8.904	-2%
Net Equity	123.954	134.306	8%
Net capital employed	106.160	112.486	6%

(*) Cyno shares value adjustments effect: € 8,7mln

El.En. – Revenues breakdown by business

Euro /000

■ Industrial

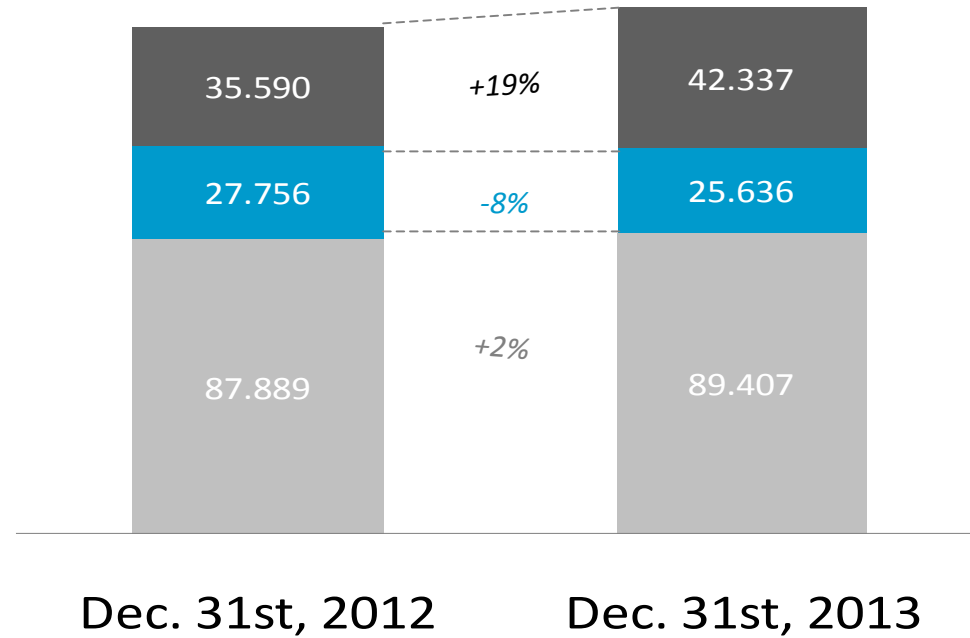
Cutting
Marking
Laser sources

■ Service

Medical
Industrial

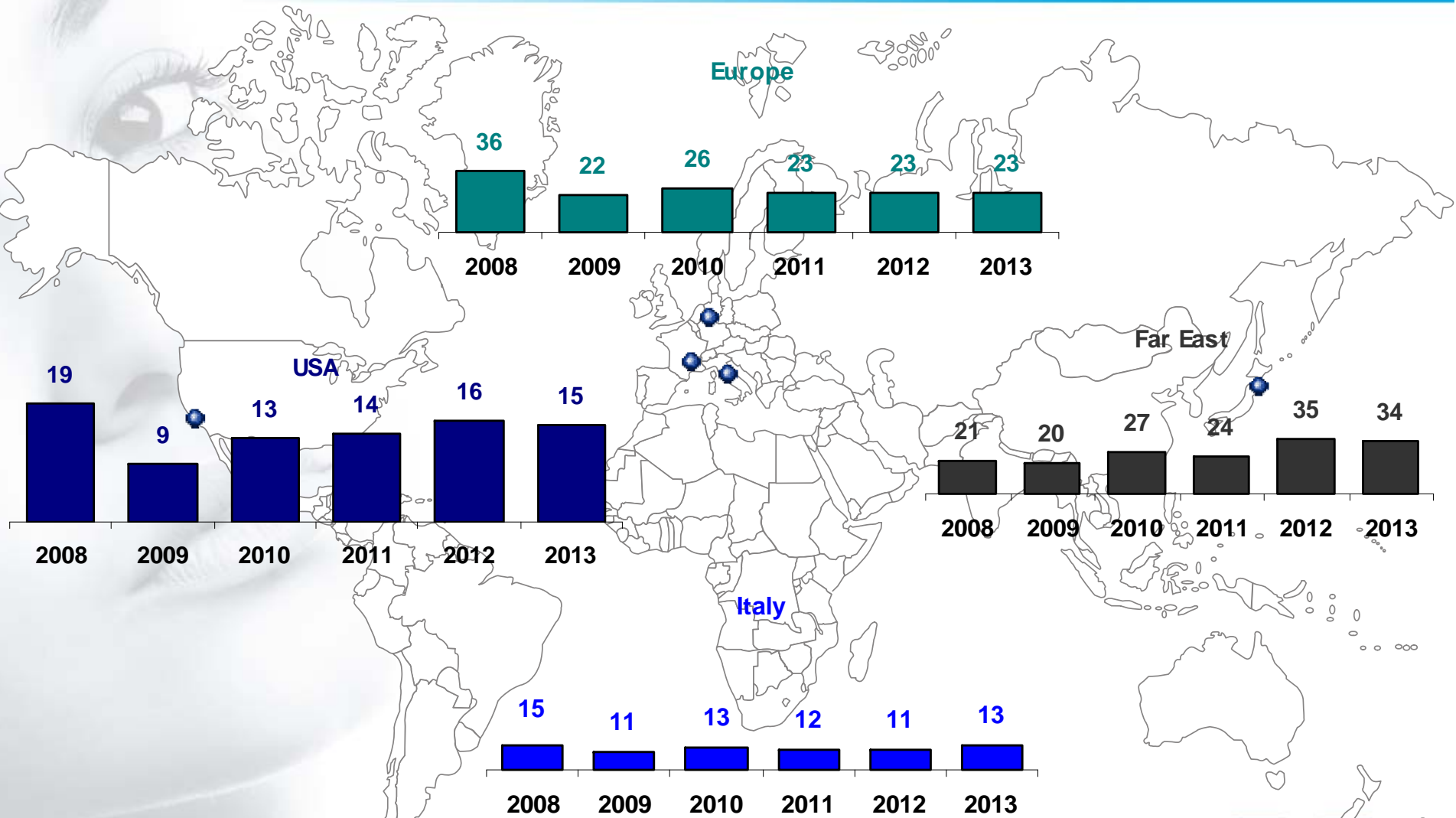
■ Medical

Aesthetic
Surgical CO₂
Physiotherapy
Dental



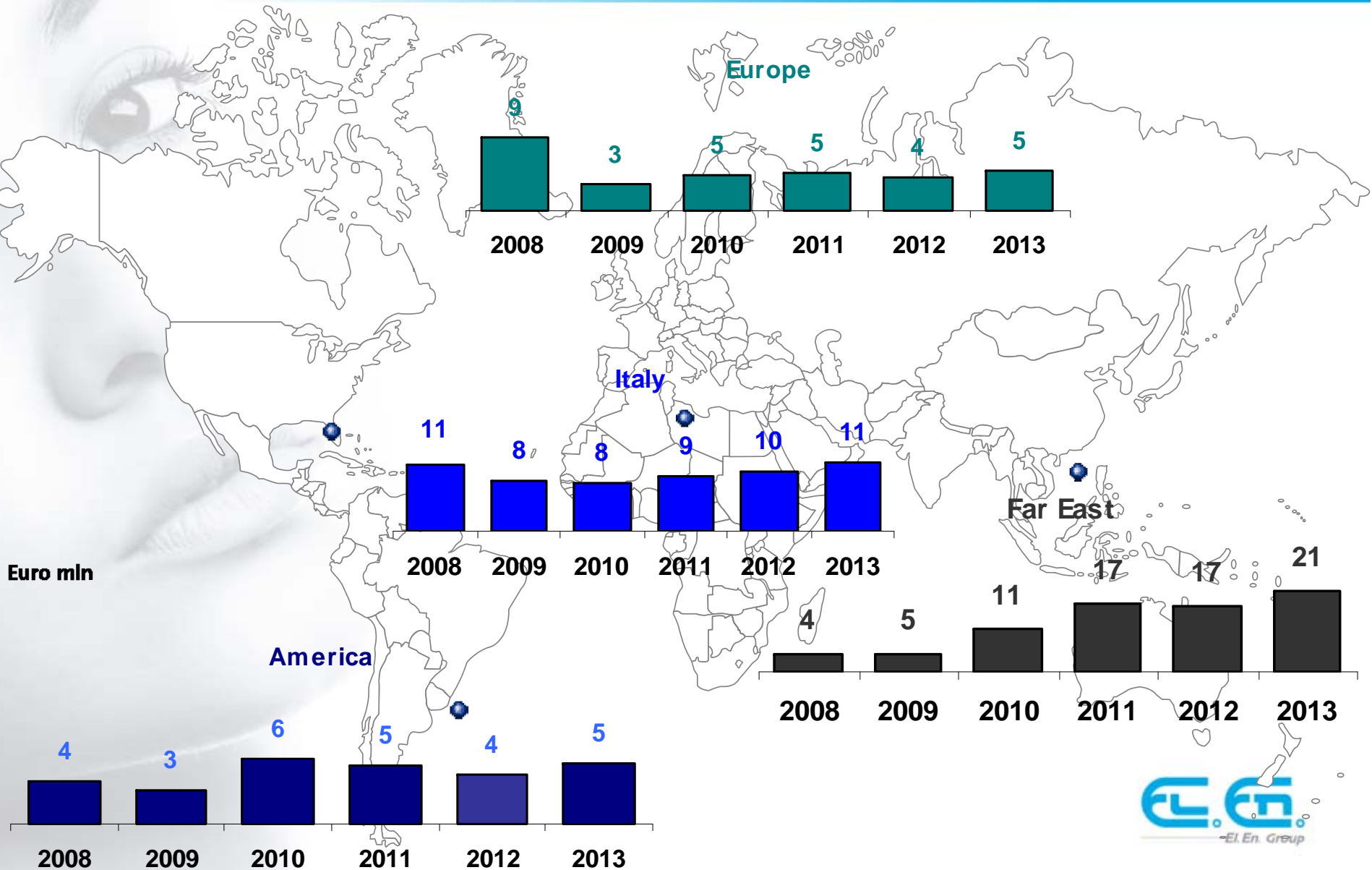
2013: +4%

Medical Laser: Breakdown by Area



Euro mln

Industrial Laser: Breakdown by Area





2014 Guidance





2014 forecast

Sales: + 5%

Improvement in EBIT



Multiples & Comparables



El.En. multiples

Stockholder's Equity per share *	27
Price / Book Value Adj.	0,86
EV / EBIT (85% EBIT)	5,84
EV / Sales (85% Sales)	0,36

El.En. Market Cap.	113,4 @ €23,5
Net financial position	21,8 @ 31/12/13
Market value of 2,1 mm Cynosure shares	44,0 @ \$29,15 (Euro/Usd=1,39)
Enterprise Value	48
Stockholder's Equity net of minorities, * (with Cynosure shares at market value)	131,7

El.En. Comparables

	Price	Revenue	Var.% Revenue	EBIT	EBIT%	MK.Cap.	EV	EV/Sales	EV/EBIT	P/Book Value
Medical/Aesthetic										
Syneron	\$11,85	\$256.915	-3%	\$(6.119)	-2%	\$419.099	\$336.130	1,31	n.a.	1,81
Zeltiq	\$18,43	\$111.626	32%	\$(19.348)	-17%	\$671.239	\$614.828	5,51	n.a.	10,73
Lumenis	\$11,90	\$265.356	7%	\$25.613	10%	\$419.310	\$446.016	1,68	17,41	23,69
Cutera	\$11,15	\$74.594	-3%	\$(5.256)	-7%	\$157.460	\$74.387	1,00	n.a.	1,87
Biolase	\$2,64	\$56.430	-2%	\$(10.996)	-19%	\$91.009	\$90.103	1,60	n.a.	7,72
Cynosure	\$29,15	\$226.010	47%	\$(5.827)	-3%	\$659.745	\$554.700	2,45	n.a.	2,01
Industrial										
IPG Photonics Co.	\$69,25	\$648.034	15%	\$218.147	34%	\$3.578.840	\$3.133.360	4,84	14,36	3,86
Rofin-Sinar	\$24,01	\$539.024	2%	\$39.526	7%	\$677.226	\$532.664	0,99	13,48	1,22
Prima Industrie	€13,37	€335.841	-4%	€18.681	6%	€137.558	€232.636	0,69	12,45	1,31
El.En. (1)	€23,50	€157.380	4%	€9.582	6%	€113.373	€47.542	0,36	5,84	0,86

(1) EV and multiplies as for previous slide



El.En. SPA

Enrico ROMAGNOLI

Investor Relations Manager

tel. +39 055-8826807

E-mail: finance@elen.it

POLYTEMS HIR SRL

Bianca FERSINI MASTELLONI

Financial Communication

Tel. +39 06-6797849 / +39 06-69923324

E-mail: b.fersini@polytemshir.it

POLYTEMS HIR SRL

Veronica ADRIANI

Press office

Tel. +39 06-6797849 / +39 06-69923324

E-mail: v.adriani@polytemshir.it

