

# The SAES<sup>®</sup> Group

## FY 2017 Consolidated Results



making **innovation happen**, together

# FY 2017 Highlights

All figures in M€, unless otherwise stated

- REVENUES AT RECORD LEVELS
- STRONG GROWTH IN OPERATING RESULTS
- NET FINANCIAL POSITION SIGNIFICANTLY IMPROVED

P&L figures	2017	2016	Total difference	Difference %
<b>CONSOLIDATED SALES</b>	<b>231.1</b>	<b>189.0</b>	<b>42.0</b>	<b>22.2%</b>
<b>TOTAL REVENUES OF THE GROUP</b>	<b>244.9</b>	<b>198.4</b>	<b>46.6</b>	<b>23.5%</b>
<b>CONSOLIDATED GROSS PROFIT</b>	<b>103.6</b>	<b>85.1</b>	<b>18.5</b>	<b>21.7%</b>
	<i>% on sales</i>	<i>44.8%</i>	<i>45.0%</i>	
<b>CONSOLIDATED OPERATING INCOME</b>	<b>40.0</b>	<b>26.1</b>	<b>13.9</b>	<b>53.3%</b>
	<i>% on sales</i>	<i>17.3%</i>	<i>13.8%</i>	
<b>CONSOLIDATED EBITDA</b>	<b>50.0</b>	<b>35.5</b>	<b>14.5</b>	<b>40.9%</b>
	<i>% on sales</i>	<i>21.6%</i>	<i>18.8%</i>	
<b>CONSOLIDATED NET INCOME</b>	<b>13.9</b>	<b>14.0</b>	<b>(0.2)</b>	<b>-1.2%</b>
	<i>% on sales</i>	<i>6.0%</i>	<i>7.4%</i>	
<b>NET INCOME, EXCLUDING 2017 WRITE-OFF OF DTAs ON NOLs (*)</b>	<b>24.6</b>	<b>14.0</b>	<b>10.6</b>	<b>75.6%</b>
	<i>% on sales</i>	<i>10.7%</i>	<i>7.4%</i>	
Other information	Dec 31, 2017	Dec 31, 2016	Total difference	Difference %
<b>CONSOLIDATED NET FINANCIAL POSITION</b>	<b>(17.7)</b>	<b>(33.8)</b>	<b>16.0</b>	<b>-47.5%</b>

(\*) Consolidated net income has been penalized by the write-off of deferred tax assets on tax losses carried forward of SAES Getters S.p.A., following the update of their estimated recoverability, given the hypothesis contained in the three-year plan 2018-2020 and attributable to the Parent Company.

# Total revenues of the Group

(achieved by incorporating the JVs with the proportional method instead of the equity method)

All figures in M€, unless otherwise stated

	2017	2016	Total difference	Difference %
<b>Consolidated sales</b>	<b>231.1</b>	<b>189.0</b>	<b>42.0</b>	<b>22.2%</b>
50% Actuator Solutions sales	13.5	9.3	4.2	45.2%
49% SAES RIAL Vacuum S.r.l. sales	1.2	0.8	0.4	54.2%
33.79% Flexterra sales	0.0	0.0	0.0	100.0%
Eliminations & other adjs	(0.9)	(0.7)	(0.1)	18.6%
<b>Total revenues of the Group</b>	<b>244.9</b>	<b>198.4</b>	<b>46.6</b>	<b>23.5%</b>

	1Q 2017	2Q 2017	3Q 2017	4Q 2017	2017
<b>Consolidated sales</b>	<b>58.7</b>	<b>58.6</b>	<b>52.5</b>	<b>61.3</b>	<b>231.1</b>
50% Actuator Solutions sales	3.5	3.4	3.6	3.0	13.5
49% SAES RIAL Vacuum S.r.l. sales	0.1	0.1	0.3	0.6	1.2
33.79% Flexterra sales	0.0	0.0	0.0	0.0	0.0
Eliminations & other adjs	(0.2)	(0.2)	(0.2)	(0.2)	(0.9)
<b>Total revenues of the Group</b>	<b>62.1</b>	<b>61.9</b>	<b>56.3</b>	<b>64.6</b>	<b>244.9</b>

- ✓ **Total revenues of the Group** up by 23.5% to €244.9 million, compared to €198.4 million in FY 2016, thanks both to the increase in consolidated revenues (+22.2%) and to the strong increase in the sales of the joint venture Actuator Solutions (+42.5%)

# Industrial Applications BU Sales

All figures in M€, unless otherwise stated



Industrial Applications  
61.08%

	2017	2016	Total difference	Organic change	Exchange rate effect
Security & Defense	8.5	10.6	-19.3%	-18.4%	-0.9%
Electronic Devices	19.5	8.6	125.4%	127.9%	-2.5%
Healthcare Diagnostics	3.8	3.7	2.6%	3.9%	-1.2%
Getters & Dispensers for Lamps	5.7	7.8	-27.4%	-26.0%	-1.4%
Thermal Insulation	4.3	5.2	-17.6%	-15.1%	-2.5%
Systems for UH Vacuum	8.3	8.7	-5.1%	-3.6%	-1.5%
Sintered Components for Electronic Devices & Lasers	6.8	6.8	0.2%	2.2%	-2.0%
Systems for Gas Purification & Handling	84.3	61.6	36.8%	39.6%	-2.8%
<b>Industrial Applications</b>	<b>141.1</b>	<b>113.1</b>	<b>24.8%</b>	<b>27.1%</b>	<b>-2.3%</b>

	1Q 2017	2Q 2017	3Q 2017	4Q 2017	2017
Security & Defense	2.2	2.0	1.9	2.4	8.5
Electronic Devices	2.6	4.2	6.6	6.1	19.5
Healthcare Diagnostics	1.0	1.0	0.9	0.9	3.8
Getters & Dispensers for Lamps	1.8	1.4	1.2	1.2	5.7
Thermal Insulation	1.3	0.8	1.1	1.2	4.3
Systems for UH Vacuum	2.1	2.0	1.6	2.6	8.3
Sintered Components for Electronic Devices & Lasers	1.7	1.9	1.7	1.5	6.8
Systems for Gas Purification & Handling	22.2	21.4	16.2	24.5	84.3
<b>Industrial Applications</b>	<b>34.9</b>	<b>34.6</b>	<b>31.2</b>	<b>40.39</b>	<b>141.1</b>

- ✓ Growth mainly concentrated in the gas purification sector (**Systems for Gas Purification & Handling Business**) thanks to the investments in new semiconductors and displays fabs in Asia
- ✓ Strong increase in the **Electronic Devices Business** mainly thanks to the new advanced productions in Avezzano for the electronic consumer market
- ✓ Decrease in the **Security & Defense Business** which reflects the current technological transition from the traditional getter to the miniaturized one
- ✓ Decrease in the **Thermal Insulation Business** suffering from the weakness in the sales of getters for the refrigeration market and for the vacuum bottles market
- ✓ Decrease in the **Systems for UH Vacuum Business** penalized by the lengthening of the completion time for some research projects in the field of particle accelerators
- ✓ Structural decrease in the **Light Sources Business**, penalized by the technological competition of LEDs towards fluorescent lamps

# Shape Memory Alloys BU Sales

All figures in M€, unless otherwise stated

## Shape Memory Alloys (SMA)



	2017	2016	Total difference	Organic change	Exchange rate effect
Nitinol for Medical Devices	66.3	62.7	5.8%	7.9%	-2.1%
SMA for Thermal & Electro Mechanical Devices	9.6	9.0	7.0%	7.7%	-0.7%
<b>Shape Memory Alloys</b>	<b>75.9</b>	<b>71.6</b>	<b>6.0%</b>	<b>7.9%</b>	<b>-1.9%</b>

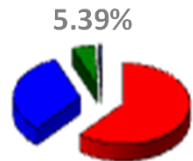
	1Q 2017	2Q 2017	3Q 2017	4Q 2017	2017
Nitinol for Medical Devices	17.9	17.5	15.4	15.4	66.3
SMA for Thermal & Electro Mechanical Devices	2.1	2.5	2.7	2.3	9.6
<b>Shape Memory Alloys</b>	<b>20.0</b>	<b>20.0</b>	<b>18.1</b>	<b>17.7</b>	<b>75.9</b>

- ✓ **Nitinol for Medical Devices Business:** organic increase equal to +7.9%, spread over different product lines and end-user applications
- ✓ **SMA for Thermal and Electro Mechanical Devices Business:** organic growth of +7.7%, mainly driven by some automotive applications, by the recovery of the sales in the luxury goods segment, as well as by the beginning of the sales of thin wire for mobile devices applications.

# Solutions for Advanced Packaging BU Sales

All figures in M€, unless otherwise stated

Solutions for Advanced Packaging



	2017	2016	Total difference	Consolid. area effect	Organic change	Exchange rate effect
Solutions for Advanced Packaging	12.4	3.1	296.2%	311.1%	-14.9%	0.0%

	1Q 2017	2Q 2017	3Q 2017	4Q 2017	2017
Solutions for Advanced Packaging	3.4	3.6	2.8	2.7	12.4

- ✓ The newly acquired **Metalvuoto S.p.A.** recorded sales equal to € 12.4 million in 2017
- ✓ Organic variation negative by -14.9%, due to the rationalization of the product portfolio, aimed at increasing the marginality

# Business Development Unit Sales

All figures in M€, unless otherwise stated

## Business Development Unit



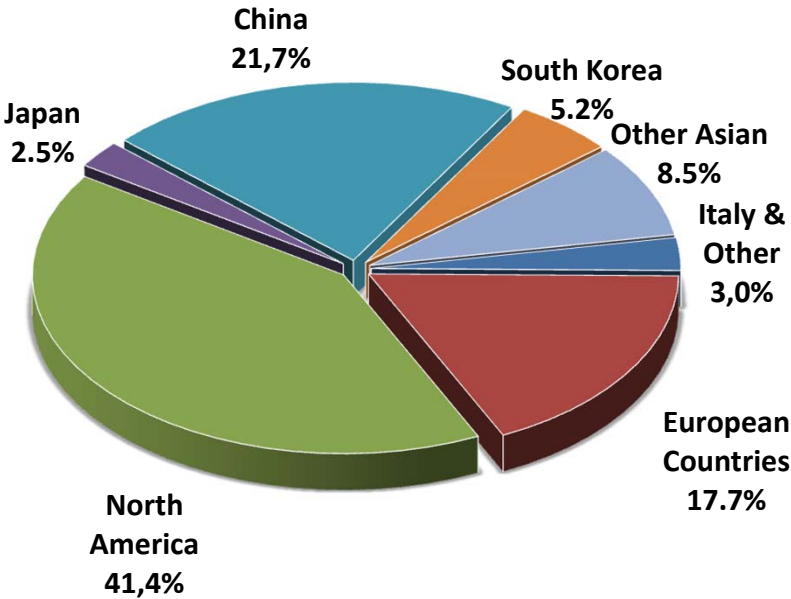
	2017	2016	Total difference	Organic change	Exchange rate effect
<b>Business Development</b>	1.6	1.2	33.3%	35.7%	-2.4%

	1Q 2017	2Q 2017	3Q 2017	4Q 2017	2017
<b>Business Development</b>	0.4	0.4	0.4	0.5	1.6

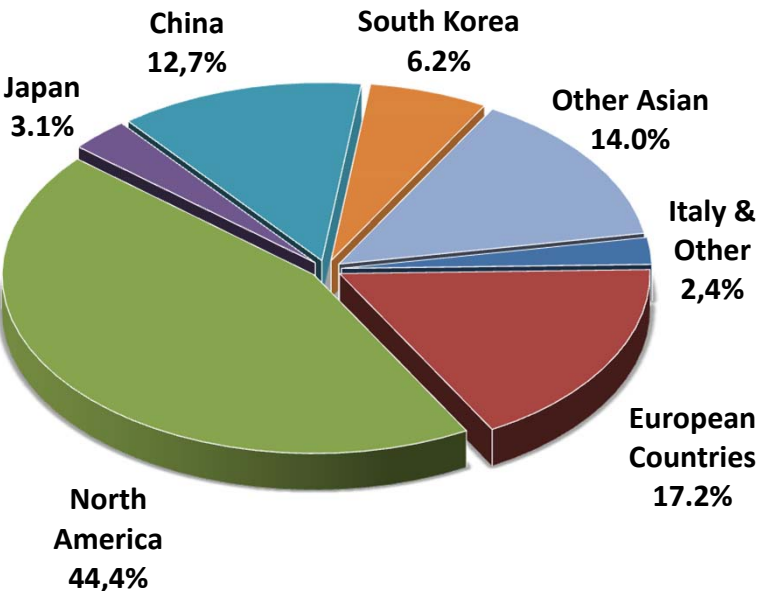
- ✓ Organic growth (+35.7%) driven by the sales of dispensable dryers for passive matrix OLED displays for portable applications, mainly in China and Taiwan

# Consolidated Sales by Geographic Area

**2017 - Total 231.078**



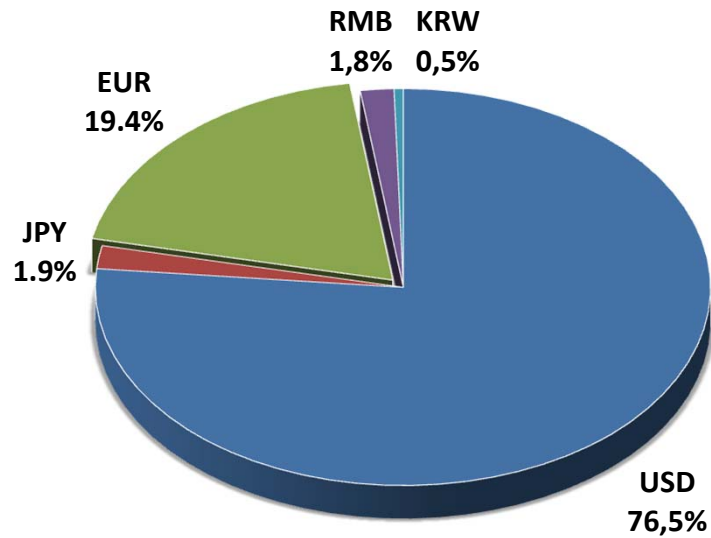
**2016 - Total 189.031**



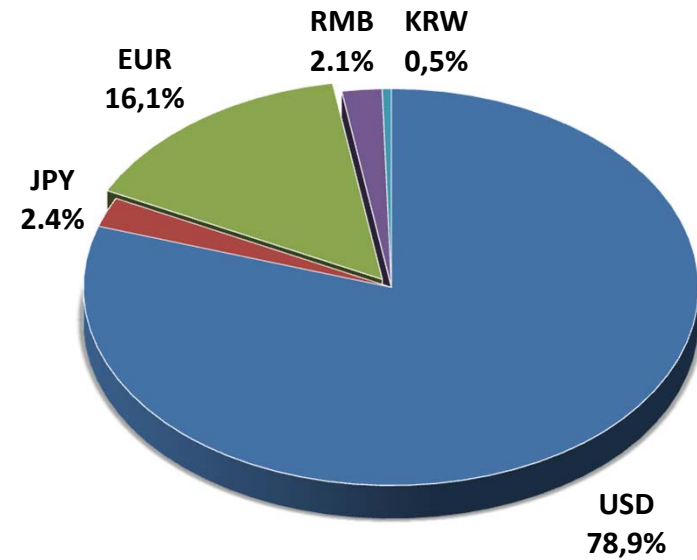


# Consolidated Sales by Invoicing Currency

**2017 – Total 231.078**

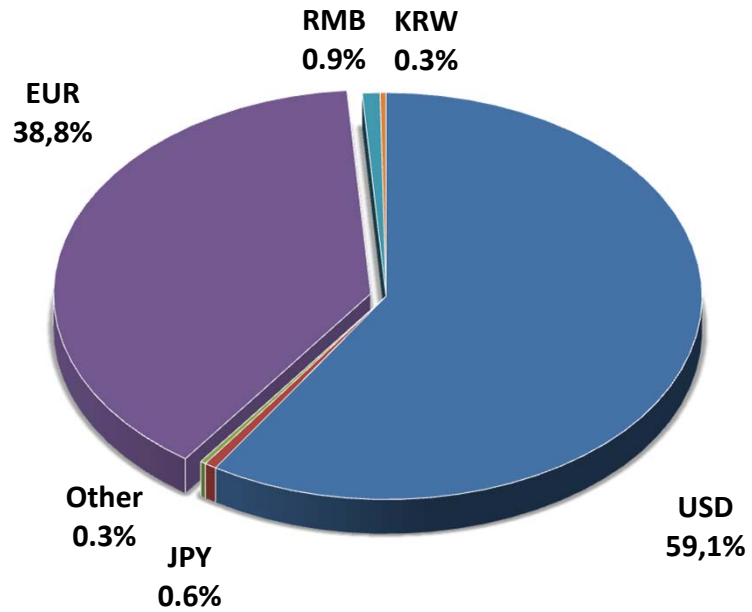


**2016 – Total 189.031**

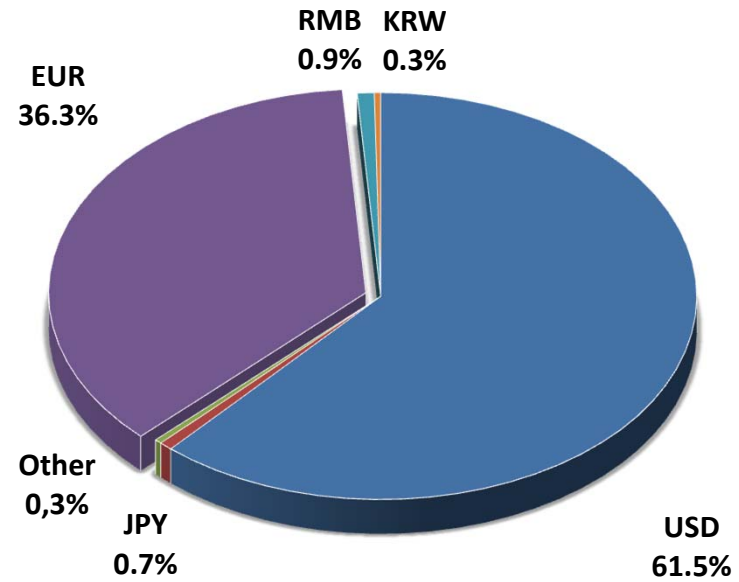


# Consolidated Costs by Currency

2017 – Total 191.913



2016 – Total 163.483



# Industrial Applications Margins

All figures in M€, unless otherwise stated

	2017	2016	Total difference
<b>NET SALES</b>	<b>141.1</b>	<b>113.1</b>	<b>28.1</b>
<b>GROSS PROFIT</b>	<b>69.8</b>	<b>55.3</b>	<b>14.4</b>
<i>Gross Margin</i>	<i>49.4%</i>	<i>48.9%</i>	
<b>OPERATING INCOME</b>	<b>46.4</b>	<b>31.2</b>	<b>15.2</b>
<i>Operating Margin</i>	<i>32.9%</i>	<i>27.6%</i>	

	1Q 2017	2Q 2017	3Q 2017	4Q 2017	2017
<b>NET SALES</b>	<b>34.9</b>	<b>34.6</b>	<b>31.2</b>	<b>40.4</b>	<b>141.1</b>
<b>GROSS PROFIT</b>	<b>15.9</b>	<b>17.5</b>	<b>15.5</b>	<b>20.9</b>	<b>69.8</b>
<i>Gross Margin</i>	<i>45.6%</i>	<i>50.4%</i>	<i>49.8%</i>	<i>51.7%</i>	<i>49.4%</i>
<b>OPERATING INCOME</b>	<b>9.9</b>	<b>11.7</b>	<b>10.0</b>	<b>14.9</b>	<b>46.4</b>
<i>Operating Margin</i>	<i>28.4%</i>	<i>33.7%</i>	<i>32.0%</i>	<i>36.9%</i>	<i>32.9%</i>

- ✓ **Gross profit** up by 26.1%, mainly thanks to the increase in the sales in the gas purification sector and in that of electronic devices
- ✓ **Gross margin** also increased (from 48.9% to 49.4%): the significant contribution of the gas purification sector more than offset the smaller contribution of the businesses with a structural decrease (i.e. the lamps business) and the dilutive effect of the new productions for electronic devices in Avezzano
- ✓ **Operating income** up by +48.9% and **operating margin** from 27.6% to 32.9%, thanks to the increase in revenues and in the gross margin, with reduced operating expenses

# Shape Memory Alloys Margins

All figures in M€, unless otherwise stated

	2017	2016	Total difference
<b>NET SALES</b>	<b>75.9</b>	<b>71.6</b>	<b>4.3</b>
<b>GROSS PROFIT</b>	<b>31.9</b>	<b>29.3</b>	<b>2.6</b>
<i>Gross Margin</i>	<i>42.0%</i>	<i>40.9%</i>	
<b>OPERATING INCOME</b>	<b>20.0</b>	<b>17.2</b>	<b>2.8</b>
<i>Operating Margin</i>	<i>26.4%</i>	<i>24.1%</i>	

	1Q 2017	2Q 2017	3Q 2017	4Q 2017	2017
<b>NET SALES</b>	<b>20.0</b>	<b>20.0</b>	<b>18.1</b>	<b>17.7</b>	<b>75.9</b>
<b>GROSS PROFIT</b>	<b>8.3</b>	<b>8.8</b>	<b>7.1</b>	<b>7.8</b>	<b>31.9</b>
<i>Gross Margin</i>	<i>41.3%</i>	<i>43.8%</i>	<i>39.2%</i>	<i>43.9%</i>	<i>42.0%</i>
<b>OPERATING INCOME</b>	<b>4.8</b>	<b>5.5</b>	<b>4.5</b>	<b>5.3</b>	<b>20.0</b>
<i>Operating Margin</i>	<i>23.8%</i>	<i>27.6%</i>	<i>24.7%</i>	<i>29.7%</i>	<i>26.4%</i>

- ✓ Increase in **gross profit** (+9%) and in the **gross margin** (from 40.9% to 42%), thanks to the increase in revenues, combined with the greater economies of scale and the higher production efficiency in the sector of Nitinol for medical devices
- ✓ Increase in **operating income** (+16.1%) and **operating margin** exclusively attributable to the strong increase in revenues and in the gross margin, with operating costs substantially stable

# Solutions for Advanced Packaging Margins

All figures in M€, unless otherwise stated

	2017	2016	Total difference
<b>NET SALES</b>	12.4	3.1	9.3
<b>GROSS PROFIT</b>	1.6	0.3	1.3
<i>Gross Margin</i>	13.2%	9.8%	
<b>OPERATING INCOME</b>	(0.9)	-0.2	-0.7
<i>Operating Margin</i>	-7.3%	-6.8%	

	1Q 2017	2Q 2017	3Q 2017	4Q 2017	2017
<b>NET SALES</b>	3.4	3.6	2.8	2.7	12.4
<b>GROSS PROFIT</b>	0.6	0.5	0.3	0.3	1.6
<i>Gross Margin</i>	18.0%	12.6%	10.9%	10.5%	13.2%
<b>OPERATING INCOME</b>	(0.1)	(0.1)	(0.3)	(0.4)	(0.9)
<i>Operating Margin</i>	-2.6%	-3.6%	-12.0%	-13.3%	-7.3%

- ✓ **Gross margin** increased compared to 4Q 2016, thanks to the rationalization of the offering, aimed at maintaining a product portfolio characterized by a higher marginality
- ✓ At the same scope of consolidation the **operating result** was lower by €0.4 million in 2017 compared to the previous year (higher research expenses, linked to the new development projects started during the year, and increased selling costs attributable to the increased number of employees)

# Business Development & Corporate Costs Margins

All figures in M€, unless otherwise stated

	2017	2016	Total difference
<b>NET SALES</b>	<b>1.6</b>	<b>1.2</b>	<b>0.4</b>
<b>GROSS PROFIT</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>
<i>Gross Margin</i>	17.7%	17.1%	
Total operating expenses	(25.5)	(21.2)	(4.3)
Other income (expenses), net	(0.3)	(1.1)	0.8
<b>OPERATING INCOME</b>	<b>(25.6)</b>	<b>(22.1)</b>	<b>(3.4)</b>
<i>Operating Margin</i>	<i>n.s.</i>	<i>n.s.</i>	

	1Q 2017	2Q 2017	3Q 2017	4Q 2017	2017
<b>NET SALES</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.5</b>	<b>1.6</b>
<b>GROSS PROFIT</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.3</b>
<i>Gross Margin</i>	27.6%	5.1%	3.1%	30.3%	17.7%
Total operating expenses	(5.1)	(6.1)	(6.3)	(8.0)	(25.5)
Other income (expenses), net	(0.1)	(0.1)	(0.1)	(0.0)	(0.3)
<b>OPERATING INCOME</b>	<b>(5.1)</b>	<b>(6.2)</b>	<b>(6.4)</b>	<b>(7.9)</b>	<b>(25.6)</b>
<i>Operating Margin</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>

- ✓ Slight improvement in **gross profit** and in **gross margin** mainly attributable to increased revenues
- ✓ Worsening in the **operating result** due to higher costs for variable remuneration to Executive Directors and strategic employees; increased staff personnel within the Parent Company; higher consultant fees and auditing fees

# Consolidated Income Statement - FY 2017

All figures in M€, unless otherwise stated

	2017	2016	Total difference	1Q 2017	2Q 2017	3Q 2017	4Q 2017	2017
<b>NET SALES</b>	<b>231.1</b>	<b>189.0</b>	<b>42.0</b>	<b>58.7</b>	<b>58.6</b>	<b>52.5</b>	<b>61.3</b>	<b>231.1</b>
<b>GROSS PROFIT</b>	<b>103.6</b>	<b>85.1</b>	<b>18.5</b>	<b>24.9</b>	<b>26.7</b>	<b>23.0</b>	<b>29.1</b>	<b>103.6</b>
<i>Gross Margin</i>	44.8%	45.0%		42.4%	45.6%	43.7%	47.4%	44.8%
R&D expenses	(16.1)	(14.9)	(1.2)	(3.9)	(3.7)	(3.6)	(4.9)	(16.1)
Selling expenses	(16.4)	(15.6)	(0.8)	(4.2)	(4.0)	(3.8)	(4.3)	(16.4)
G&A expenses	(31.2)	(27.8)	(3.3)	(7.3)	(8.1)	(7.7)	(8.1)	(31.2)
<b>Total operating expenses</b>	<b>(63.6)</b>	<b>(58.3)</b>	<b>(5.3)</b>	<b>(15.3)</b>	<b>(15.9)</b>	<b>(15.1)</b>	<b>(17.3)</b>	<b>(63.6)</b>
Other income (expenses), net	(0.0)	(0.7)	0.7	(0.1)	0.0	(0.1)	0.2	(0.0)
<b>OPERATING INCOME</b>	<b>40.0</b>	<b>26.1</b>	<b>13.9</b>	<b>9.5</b>	<b>10.8</b>	<b>7.7</b>	<b>11.9</b>	<b>40.0</b>
<i>Operating Margin</i>	17.3%	13.8%		16.1%	18.5%	14.7%	19.5%	17.3%
Interest and other financial income (expenses), net	(0.7)	(1.2)	0.6	(0.3)	(0.6)	(0.2)	0.4	(0.7)
Income (loss) from equity method evaluated companies	(2.5)	(3.3)	0.9	(0.4)	(0.5)	(0.2)	(1.4)	(2.5)
Foreign exchange gains (losses), net	(1.2)	0.1	(1.2)	(0.1)	(0.6)	(0.1)	(0.3)	(1.2)
<b>INCOME BEFORE TAXES</b>	<b>35.7</b>	<b>21.6</b>	<b>14.1</b>	<b>8.7</b>	<b>9.2</b>	<b>7.2</b>	<b>10.6</b>	<b>35.7</b>
Income Taxes	(21.8)	(7.6)	(14.3)	(3.0)	(3.7)	(1.4)	(13.7)	(21.8)
<b>NET INCOME from continued operations</b>	<b>13.9</b>	<b>14.0</b>	<b>(0.2)</b>	<b>5.7</b>	<b>5.4</b>	<b>5.8</b>	<b>(3.1)</b>	<b>13.9</b>
<i>Net Margin</i>	6.0%	7.4%		9.8%	9.3%	11.0%	-5.1%	6.0%
Net income (loss) from discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>NET INCOME before minority interests</b>	<b>13.9</b>	<b>14.0</b>	<b>(0.2)</b>	<b>5.7</b>	<b>5.4</b>	<b>5.8</b>	<b>(3.1)</b>	<b>13.9</b>
<i>Net Margin</i>	6.0%	7.4%		9.8%	9.3%	11.0%	-5.1%	6.0%
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>GROUP NET INCOME</b>	<b>13.9</b>	<b>14.0</b>	<b>(0.2)</b>	<b>5.7</b>	<b>5.4</b>	<b>5.8</b>	<b>(3.1)</b>	<b>13.9</b>
<i>Net Margin</i>	6.0%	7.4%		9.8%	9.3%	11.0%	-5.1%	6.0%

# Actuator Solutions - Income Statement (50%)

(figures based on the % of ownership held by SAES Group)

All figures in M€, unless otherwise stated

	2017	2016	Total difference	1Q 2017	2Q 2017	3Q 2017	4Q 2017	2017
<b>NET SALES</b>	<b>13.5</b>	<b>9.3</b>	<b>4.2</b>	<b>3.5</b>	<b>3.4</b>	<b>3.6</b>	<b>3.0</b>	<b>13.5</b>
Cost of goods sold	(12.2)	(10.2)	(2.1)	(3.6)	(2.9)	(3.1)	(2.6)	(12.2)
<b>GROSS PROFIT</b>	<b>1.3</b>	<b>(0.8)</b>	<b>2.1</b>	<b>(0.1)</b>	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>	<b>1.3</b>
<i>Gross Margin</i>	9.6%	-9.0%		-2.1%	13.8%	13.7%	13.6%	9.6%
Operating expenses	(2.7)	(2.7)	(0.0)	(0.6)	(0.7)	(0.8)	(0.6)	(2.7)
Other income (expenses), net	(0.0)	0.1	(0.1)	(0.1)	(0.4)	0.5	0.0	(0.0)
<b>OPERATING INCOME</b>	<b>(1.4)</b>	<b>(3.4)</b>	<b>2.1</b>	<b>(0.8)</b>	<b>(0.7)</b>	<b>0.2</b>	<b>(0.2)</b>	<b>(1.4)</b>
<i>Operating Margin</i>	-10.3%	-37.0%		-21.9%	-19.7%	5.4%	-5.3%	-10.3%
Interest and other financial income (expenses), net	(0.4)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)
Foreign exchange gains (losses), net	(0.2)	0.1	(0.4)	0.2	(0.3)	(0.1)	0.0	(0.2)
<b>INCOME BEFORE TAXES</b>	<b>(2.0)</b>	<b>(3.5)</b>	<b>1.9</b>	<b>(0.6)</b>	<b>(1.1)</b>	<b>(0.0)</b>	<b>(0.2)</b>	<b>(2.0)</b>
Income Taxes	(0.1)	0.1	(0.2)	0.0	(0.0)	(0.1)	(0.0)	(0.1)
<b>NET INCOME (LOSS)</b>	<b>(2.0)</b>	<b>(3.4)</b>	<b>1.7</b>	<b>(0.6)</b>	<b>(1.1)</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(2.0)</b>

- ✓ **Revenues** up by 45.2% in 2017, thanks both to the increase of sales in the traditional **seat comfort business** and to the contribution of the segment of **AF systems for high-end action cameras** (revenues equal to €4.5 million)
- ✓ **Extraordinary costs** equal to around €1.4 million related to the re-organization process started in Germany at the end of 2016 and continued in 2017 also in the Taiwanese subsidiary (shutdown of the factory in Zhubei, outsourcing of the production activities and progressive focusing on R&D activities)
- ✓ Net of extraordinary costs, **net loss** equal to -€2.7 million in 2017, fully concentrated in the Taiwanese subsidiary, that in the first part of the year suffered from production inefficiencies usual in the initial phase of advanced manufacturing productions, but that almost reached the operating breakeven in the second half of the year
- ✓ The share of the SAES Group in the FY 2017 result amounted to -€2 million, but the negative evaluation of the investment using the equity method was lower and equal to -€1 million, in accordance with IAS 28



# SAES RIAL Vacuum - Income Statement (49%)

(figures based on the % of ownership held by SAES Group)

All figures in M€, unless otherwise stated

	2017	2016	Total difference
<b>NET SALES</b>	<b>1.2</b>	<b>0.8</b>	<b>0.4</b>
Cost of goods sold	(0.9)	(0.7)	(0.2)
<b>GROSS PROFIT</b>	<b>0.3</b>	<b>0.0</b>	<b>0.3</b>
<i>Gross Margin</i>	24.1%	3.5%	
Operating expenses	(0.2)	(0.1)	(0.0)
Other income (expenses), net	0.1	(0.0)	0.1
<b>OPERATING INCOME</b>	<b>0.2</b>	<b>(0.1)</b>	<b>0.3</b>
<i>Operating Margin</i>	14.2%	-16.9%	
Interest and other financial income (expenses), net	(0.0)	(0.0)	(0.0)
Foreign exchange gains (losses), net	0.0	0.0	0.0
<b>INCOME BEFORE TAXES</b>	<b>0.2</b>	<b>(0.1)</b>	<b>0.3</b>
Income Taxes	(0.0)	0.0	(0.0)
<b>NET INCOME (LOSS)</b>	<b>0.2</b>	<b>(0.1)</b>	<b>0.3</b>

- ✓ After the 1H 2017 operating loss, in 2H 2017 gross margin equal to 39.9%, close to that of SAES Group, thanks to the increased revenues and the related economies of scale

# Flexterra - Income Statement (33.79%)

(figures based on the % of ownership held by SAES Group)

All figures in M€, unless otherwise stated

	2017
<b>NET SALES</b>	<b>0.0</b>
Cost of goods sold	(0.0)
<b>GROSS PROFIT</b>	<b>0.0</b>
<i>Gross Margin</i>	<i>n.a.</i>
Operating expenses	(1.7)
Other income (expenses), net	(0.1)
<b>OPERATING INCOME</b>	<b>(1.7)</b>
<i>Operating Margin</i>	<i>n.a.</i>
Interest and other financial income (expenses), net	0.0
Foreign exchange gains (losses), net	0.0
<b>INCOME BEFORE TAXES</b>	<b>(1.7)</b>
Income Taxes	0.0
<b>NET INCOME (LOSS)</b>	<b>(1.6)</b>

- ✓ **Development start-up** that generated costs equal to around €5 million in 2017 (mainly, costs for employees in research activities and general and administrative activities, as well as amortization relating to intangible assets - in particular, patents - conferred by Polyera at the date of its establishment, in addition to consultancy fees)

# Total Income Statement of the Group

(achieved by incorporating the JVs with the proportional method instead of the equity method)

All figures in M€, unless otherwise stated

	2017	Actuator Solutions		SAES RIAL Vacuum S.r.l.		Flexterra		2017 Total IS of the Group
		50% Actuator Solutions	Eliminations & other adjs	49% SAES RIAL Vacuum S.r.l.	Eliminations & other adjs	33.79% Flexterra	Eliminations & other adjs	
<b>NET SALES</b>	<b>169.8</b>	<b>13.5</b>	<b>-0.8</b>	<b>1.2</b>	<b>-0.1</b>	<b>0.0</b>		<b>183.7</b>
<b>GROSS PROFIT</b>	<b>103.6</b>	<b>1.3</b>	<b>0.0</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>105.2</b>
<i>Gross Margin</i>	61.0%	9.6%		24.1%		<i>n.a.</i>		57.3%
Total operating expenses	-63.6	-2.7		-0.2		-1.7		-68.1
Other income (expenses), net	0.0	0.0		0.1		-0.1		0.0
<b>OPERATING INCOME</b>	<b>40.0</b>	<b>-1.4</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>-1.7</b>	<b>0.0</b>	<b>37.1</b>
<i>Operating Margin</i>	23.5%	-10.3%		14.2%		<i>n.a.</i>		20.2%
Interest and other financial income (expenses), net	-0.7	-0.4		0.0		0.0		-1.0
Income (loss) from equity method evaluated companies	-2.5		1.0		-0.2		1.6	0.0
Foreign exchange gains (losses), net	-1.2	-0.2		0.0		0.0		-1.4
<b>INCOME BEFORE TAXES</b>	<b>35.7</b>	<b>-2.0</b>	<b>1.0</b>	<b>0.2</b>	<b>-0.2</b>	<b>-1.7</b>	<b>1.6</b>	<b>34.7</b>
Income Taxes	-21.8	-0.1		0.0		0.0		-21.9
<b>NET INCOME from continued operations</b>	<b>13.9</b>	<b>-2.0</b>	<b>1.0</b>	<b>0.2</b>	<b>-0.2</b>	<b>-1.6</b>	<b>1.6</b>	<b>12.8</b>
<i>Net Margin</i>	8.2%	-15.1%		13.3%		<i>n.a.</i>		7.0%
Net income (loss) from discontinued operations	0.0							0.0
<b>NET INCOME before minority interests</b>	<b>13.9</b>	<b>-2.0</b>	<b>1.0</b>	<b>0.2</b>	<b>-0.2</b>	<b>-1.6</b>	<b>1.6</b>	<b>12.8</b>
<i>Net Margin</i>	8.2%	-15.1%		13.3%		<i>n.a.</i>		7.0%
Minority interests	0.0							0.0
<b>GROUP NET INCOME</b>	<b>13.9</b>	<b>-2.0</b>	<b>1.0</b>	<b>0.2</b>	<b>-0.2</b>	<b>-1.6</b>	<b>1.6</b>	<b>12.8</b>
<i>Net Margin</i>	8.2%	-15.1%		13.3%		<i>n.a.</i>		7.0%

# Net Financial Position

All figures in M€, unless otherwise stated

	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016
Cash and cash equivalents	27.6	23.0	21.3	21.2	14.3
Current financial assets	0.9	1.0	0.9	0.7	0.6
Current financial liabilities	(24.9)	(26.5)	(29.8)	(19.2)	(16.2)
<b>Current net financial position</b>	<b>3.6</b>	<b>(2.5)</b>	<b>(7.6)</b>	<b>2.8</b>	<b>(1.3)</b>
Non current financial assets	7.5	8.5	8.5	8.1	5.2
Non current financial liabilities	(28.9)	(32.3)	(34.6)	(36.1)	(37.7)
<b>Non current financial position</b>	<b>(21.3)</b>	<b>(23.8)</b>	<b>(26.1)</b>	<b>(28.0)</b>	<b>(32.5)</b>
<b>NET FINANCIAL POSITION</b>	<b>(17.7)</b>	<b>(26.3)</b>	<b>(33.6)</b>	<b>(25.2)</b>	<b>(33.8)</b>

- ✓ **NFP** significantly improved (+47.5%), thanks to the **strong operating cash-flow** generation, specifically in the gas purification sector, in that of Nitinol for medical devices, as well as in the sector of getter components for electronic devices
- ✓ **Operating cash-flows** more than offset the disbursement for the dividends paid by the Parent Company (equal to €12.2 million, included in the **financing activities**), as well as the disbursements for **investments** (in particular, purchase of tangible and intangible assets equal to €7.7 million and capital injection into the joint venture Actuator Solutions GmbH equal to €1 million)
- ✓ **Exchange rate effect** negative and equal to around -€1 million

# February 2018 Sales

All figures in M€, unless otherwise stated

	Feb-18	Feb-17	Total difference	Organic change	Exchange rate effect
Security & Defense	2.1	1.9	13.4%	22.2%	-8.8%
Electronic Devices	2.0	1.0	103.9%	118.8%	-14.9%
Healthcare Diagnostics	0.7	0.7	-4.3%	1.5%	-5.8%
Getters & Dispensers for Lamps	1.0	1.2	-13.3%	-8.1%	-5.2%
Thermal Insulation	0.7	0.8	-13.8%	-2.3%	-11.5%
Systems for UH Vacuum	2.0	1.5	29.1%	37.3%	-8.2%
Sintered Components for Electronic Devices & Lasers	1.2	1.1	6.1%	22.5%	-16.4%
Systems for Gas Purification & Handling	15.1	11.1	36.3%	57.1%	-20.8%
<b>Industrial Applications</b>	<b>24.7</b>	<b>19.2</b>	<b>28.6%</b>	<b>44.8%</b>	<b>-16.2%</b>
Nitinol for Medical Devices	10.6	11.6	-8.7%	5.3%	-14.0%
SMA's for Thermal & Electro Mechanical Devices	1.7	1.4	26.3%	31.8%	-5.5%
<b>Shape Memory Alloys</b>	<b>12.3</b>	<b>13.0</b>	<b>-5.0%</b>	<b>8.1%</b>	<b>-13.1%</b>
<b>Solutions for Advanced Packaging</b>	<b>2.4</b>	<b>2.3</b>	<b>5.8%</b>	<b>5.8%</b>	<b>0.0%</b>
<b>Business Development</b>	<b>0.2</b>	<b>0.3</b>	<b>-13.6%</b>	<b>-1.4%</b>	<b>-12.2%</b>
<b>Total net sales</b>	<b>39.7</b>	<b>34.7</b>	<b>14.2%</b>	<b>28.1%</b>	<b>-13.9%</b>

- ✓ **Industrial Applications Business Unit:** increase in sales mainly driven by the the gas purification sector
- ✓ **Shape Memory Alloys Business Unit:** organic growth spread both in the medical segment and in the industrial one
- ✓ **Solutions for Advanced Packaging Business Unit:** revenues increased by +5.8%
- ✓ **Total revenues of the Group** equal to €41.7 million in the first two months of 2018 (+14%). The revenues of the joint ventures increased by 5.5%, while the consolidated revenues grew by 14.2%

# Business Outlook

- The beginning of 2018 confirmed the favorable market conditions of the previous year
- The Group is expected to continue to grow, despite the weakening of the dollar against the euro

# Disclaimer and Attestation

This presentation contains forward-looking statements which are based upon current expectations and involve a number of risks and uncertainties. There are a number of important factors that could cause actual results to differ materially from those expressed in any forward-looking statements made by the Company. These factors include the Company's ability to introduce new products at planned costs and on planned schedules, the Company's ability to maintain key client relationships and the environments of the various economies in the countries the Company conducts business. The Company cautions that the foregoing list of important factors is not exclusive. The Company undertakes no obligation to publicly release the result of any revision to these forward-looking statements which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

\*\*\*

The Officer Responsible for the preparation of corporate financial reports of SAES Getters S.p.A. certifies that, in accordance with the second subsection of article 154-*bis*, part IV, title III, second paragraph, section V-*bis*, of Legislative Decree February 24, 1998, no. 58, the financial information included in the present document corresponds to book of account and book-keeping entries.

*The Officer Responsible for the preparation of corporate financial reports*  
*Michele Di Marco*

SAES® is a registered trademark of SAES Getters S.p.A.

Thanks for your attention



E-mail: [investor\\_relations@saes-group.com](mailto:investor_relations@saes-group.com)

[www.saesgetters.com](http://www.saesgetters.com)