

# The SAES<sup>®</sup> Group

## FY 2018 Consolidated Results



making **innovation happen**, together

# FY 2018 Highlights

All figures in M€, unless otherwise stated

- **DOUBLE-DIGIT ORGANIC GROWTH IN REVENUES AND SIGNIFICANT IMPROVEMENT IN OPERATING INDICATORS**
- **PROPOSED A DIVIDEND OF €0.70 PER ORDINARY SHARE AND OF €0.86 PER SAVINGS SHARE**

P&L figures	2018	2017	Total difference	Difference %
CONSOLIDATED REVENUES	160.3	147.1	13.2	8.9%
TOTAL REVENUES OF THE GROUP	172.2	161.0	11.2	7.0%
CONSOLIDATED GROSS PROFIT	70.3	62.2	8.0	12.9%
<i>% on sales</i>	43.8%	42.3%		
CONSOLIDATED OPERATING INCOME	15.1	9.1	6.0	65.7%
<i>% on sales</i>	9.4%	6.2%		
CONSOLIDATED EBITDA	26.3	18.3	8.0	43.5%
<i>% on sales</i>	16.4%	12.4%		
NET INCOME (LOSS) FROM CONTINUED OPERATIONS	(7.7)	(12.7)	5.0	-39.3%
<i>% on sales</i>	-4.8%	-8.6%		
NET INCOME FROM DISCONTINUED OPERATIONS	240.0	26.5	213.5	805.3%
<i>% on sales</i>	149.7%	18.0%		
CONSOLIDATED NET INCOME (LOSS)	232.3	13.9	218.5	1576.3%
<i>% on sales</i>	145.0%	9.4%		
Other information	Dec 31, 2018	Dec 31, 2017	Total difference	Difference %
CONSOLIDATED NET FINANCIAL POSITION	223.3	(16.5)	239.8	-1452.0%

# 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

	2018	2017	Total difference	Difference %
<b>Consolidated sales</b>	<b>160.3</b>	<b>147.1</b>	<b>13.2</b>	<b>8.9%</b>
50% Actuator Solutions sales	11.5	13.5	(2.1)	-15.3%
49% SAES RIAL Vacuum S.r.l. sales	1.3	1.2	0.1	8.4%
Pro-quota Flexterra sales (*)	0.0	0.0	0.0	30.0%
Eliminations & other adjs	(0.8)	(0.9)	0.0	-4.8%
<b>Total revenues of the Group</b>	<b>172.2</b>	<b>161.0</b>	<b>11.2</b>	<b>7.0%</b>

(\*) Equal to 33.79% at the beginning of the year and to 46.73% at December 31, 2018, following the capital increases subscribed by the Group on October 5 and December 12 respectively.

	1Q 2018	2Q 2018	3Q 2018	4Q 2018	2018
<b>Consolidated sales</b>	<b>37.6</b>	<b>38.1</b>	<b>42.1</b>	<b>42.5</b>	<b>160.3</b>
50% Actuator Solutions sales	2.8	3.1	3.0	2.6	11.5
49% SAES RIAL Vacuum S.r.l. sales	0.3	0.2	0.3	0.5	1.3
Pro-quota Flexterra sales (*)	0.0	0.0	0.0	0.0	0.0
Eliminations & other adjs	(0.2)	(0.3)	(0.2)	(0.2)	(0.8)
<b>Total revenues of the Group</b>	<b>40.5</b>	<b>41.1</b>	<b>45.2</b>	<b>45.4</b>	<b>172.2</b>

- ✓ **Total revenues of the Group** up by 7% to €172.2 million thanks both to the increased consolidated revenues (+8.9%) and to the growth of sales of the joint venture SAES RIAL Vacuum S.r.l.

# Industrial Applications BU Sales



Industrial Applications  
40.7%

All figures in M€, unless otherwise stated

	2018	2017	Total difference %	Organic change %	Exchange rate effect %
Security & Defense	12.6	8.5	47.6%	51.5%	-3.9%
Electronic Devices	19.2	19.5	-1.3%	0.2%	-1.5%
Healthcare Diagnostics	4.6	3.8	19.0%	21.5%	-2.5%
Getters & Dispensers for Lamps	4.9	5.7	-13.3%	-11.4%	-1.9%
Thermal Insulation	3.6	4.3	-16.6%	-13.4%	-3.2%
Solutions for Vacuum Systems	11.2	8.3	34.9%	37.6%	-2.7%
Sintered Components for Electronic Devices & Lasers	7.4	6.8	8.1%	13.0%	-4.9%
Systems for Gas Purification & Handling (*)	1.9	0.3	473.1%	494.5%	-21.4%
<b>Industrial Applications</b>	<b>65.3</b>	<b>57.2</b>	<b>14.1%</b>	<b>16.9%</b>	<b>-2.8%</b>

(\*) After the sale of the gas purification business to Entegris on June 25, 2018, the Systems for Gas Purification & Handling Business includes the sales of raw materials and getter components made by the Parent Company for the purifiers mainly addressed to the semiconductor industry.

	1Q 2018	2Q 2018	3Q 2018	4Q 2018	2018
Security & Defense	3.0	3.2	3.4	3.0	12.6
Electronic Devices	3.1	4.2	6.0	5.9	19.2
Healthcare Diagnostics	1.0	1.1	1.0	1.4	4.6
Getters & Dispensers for Lamps	1.4	1.2	1.3	1.0	4.9
Thermal Insulation	0.9	0.9	0.9	0.9	3.6
Solutions for Vacuum Systems	3.2	2.2	2.9	2.9	11.2
Sintered Components for Electronic Devices & Lasers	1.8	1.8	1.8	2.0	7.4
Systems for Gas Purification & Handling (*)	0.2	0.2	0.6	0.8	1.9
<b>Industrial Applications</b>	<b>14.6</b>	<b>14.8</b>	<b>18.0</b>	<b>17.8</b>	<b>65.3</b>

- ✓ Strong organic growth in the **Security & Defense Business**, thanks to the recovery of military investments in the US and in Europe
- ✓ In the **Solutions for Vacuum Systems Business** higher sales of NEG pumps for analytic devices and new orders in the field of particle accelerators
- ✓ Organic growth in the **Healthcare Diagnostics Business** thanks to the positive trend of the market of X-ray tubes for image diagnostics
- ✓ Growth of the **Sintered Components for Electronic Devices & Lasers Business** driven by the sales of devices for thermal dissipation in laser applications and RF solid state devices for the defense sector
- ✓ **Electronic Devices Business** in line with the previous year (positive trend of the sales of infrared sensors for surveillance and industrial applications)
- ✓ Decrease in the **Thermal Insulation Business** (weak sales in the refrigeration market and delays in the construction of thermodynamic solar power plants in China) and in the **Getters & Dispensers for Lamps Business** (persistent technological competition of LEDs towards fluorescent lamps and high-intensity discharge lamps)

# Shape Memory Alloys BU Sales



Shape Memory Alloys  
(SMA)  
51.4%

All figures in M€, unless otherwise stated

	2018	2017	Total difference %	Organic change %	Exchange rate effect %
Nitinol for Medical Devices	71.0	66.3	7.1%	11.9%	-4.8%
SMA for Thermal & Electro Mechanical Devices	11.5	9.6	19.9%	21.4%	-1.5%
<b>Shape Memory Alloys</b>	<b>82.5</b>	<b>75.9</b>	<b>8.7%</b>	<b>13.1%</b>	<b>-4.4%</b>

	1Q 2018	2Q 2018	3Q 2018	4Q 2018	2018
Nitinol for Medical Devices	16.3	17.9	17.7	19.1	71.0
SMA for Thermal & Electro Mechanical Devices	2.8	2.7	3.1	2.9	11.5
<b>Shape Memory Alloys</b>	<b>19.2</b>	<b>20.6</b>	<b>20.8</b>	<b>21.9</b>	<b>82.5</b>

- ✓ **Nitinol for Medical Devices Business:** organic growth (+11.9%) driven by the increase of the reference market, with some segments (such as the neuro-vascular and electrophysiology ones) showing a growth above the average
- ✓ **SMA for Thermal and Electro Mechanical Devices Business:** organic growth (+21.4%) driven by the continuing expansion in the field of luxury goods and by higher sales in the automotive sector, in addition to encouraging signals from the electronic consumer sector

# Solutions for Advanced Packaging BU Sales



Solutions for Advanced Packaging  
7.2%

All figures in M€, unless otherwise stated

	2018	2017	Total difference %	Organic change %	Exchange rate effect %
Solutions for Advanced Packaging	11.5	12.4	-7.8%	-7.8%	0.0%

	1Q 2018	2Q 2018	3Q 2018	4Q 2018	2018
Solutions for Advanced Packaging	3.5	2.5	3.0	2.6	11.5

- ✓ Decrease due to lower sales of metalized products (portfolio reduction, planned to eliminate lower-contribution products), only partially offset by an increase in turnover of lacquered products (with higher margins)

# Business Development Unit (BDU) Sales



Business Development Unit  
0.7%

All figures in M€, unless otherwise stated

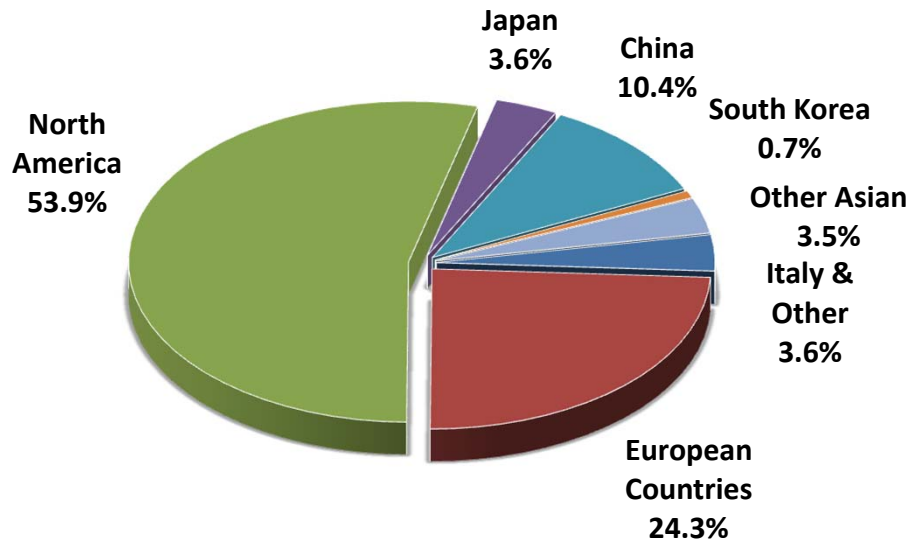
	2018	2017	Total difference %	Organic change %	Exchange rate effect %
Business Development	1.1	1.6	-33.4%	-30.7%	-2.7%

	1Q 2018	2Q 2018	3Q 2018	4Q 2018	2018
Business Development	0.3	0.2	0.3	0.2	1.1

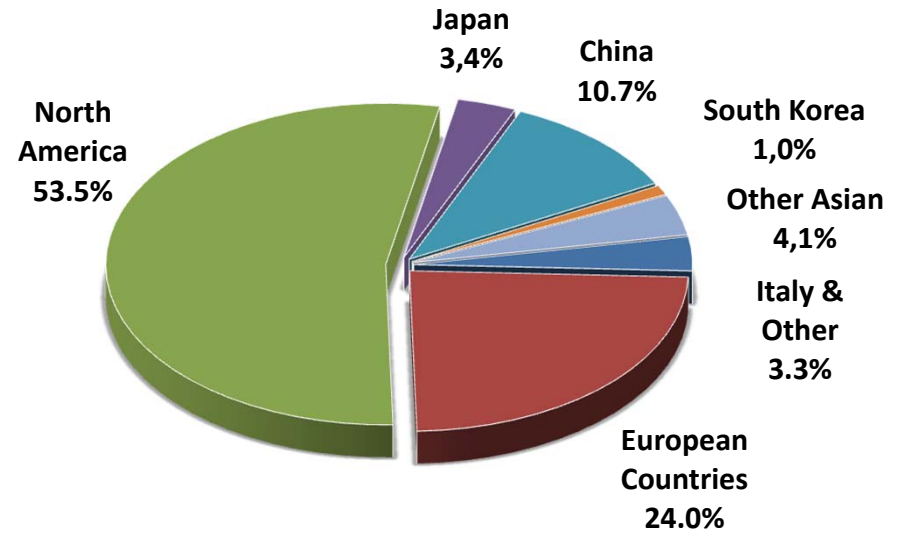
- ✓ Organic decrease mainly attributable to the price effect related to increased competition in the passive matrix OLED sector

# Consolidated Sales by Geographic Area

**2018 - Total 160,284**



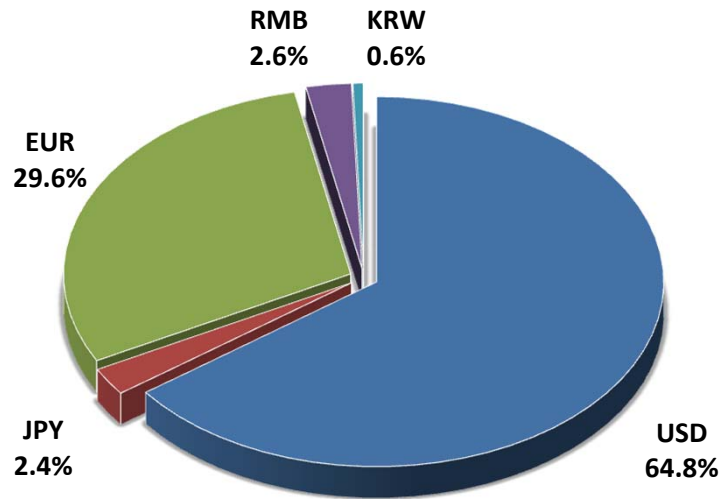
**2017 - Total 147,122**



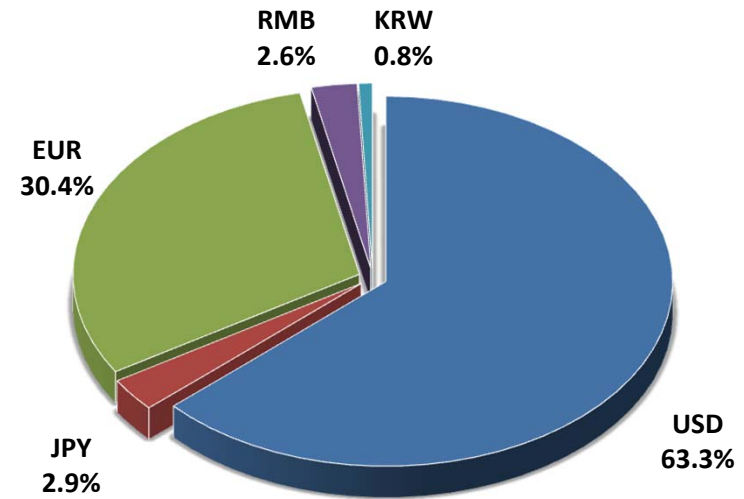


# Consolidated Sales by Invoicing Currency

2018 - Total 160,284

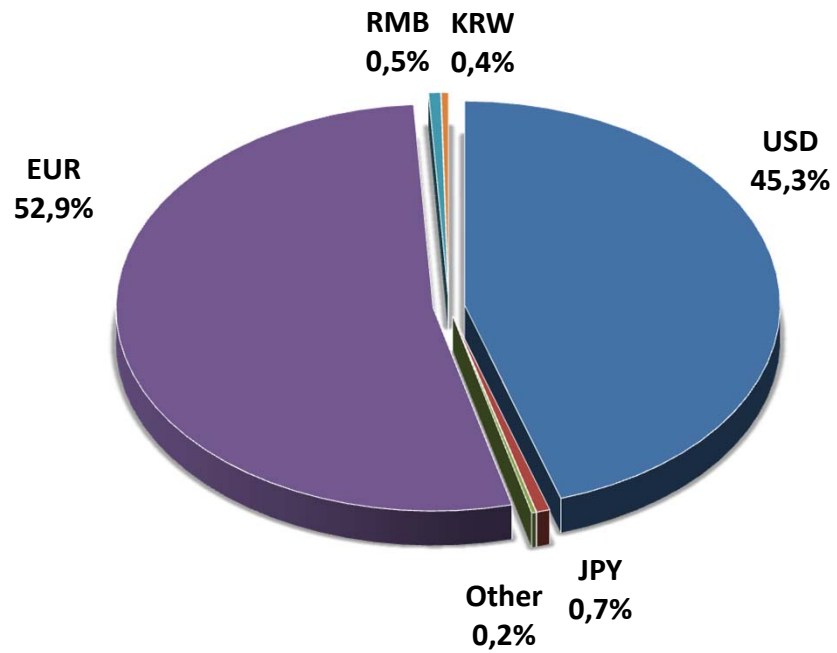


2017 - Total 147,122

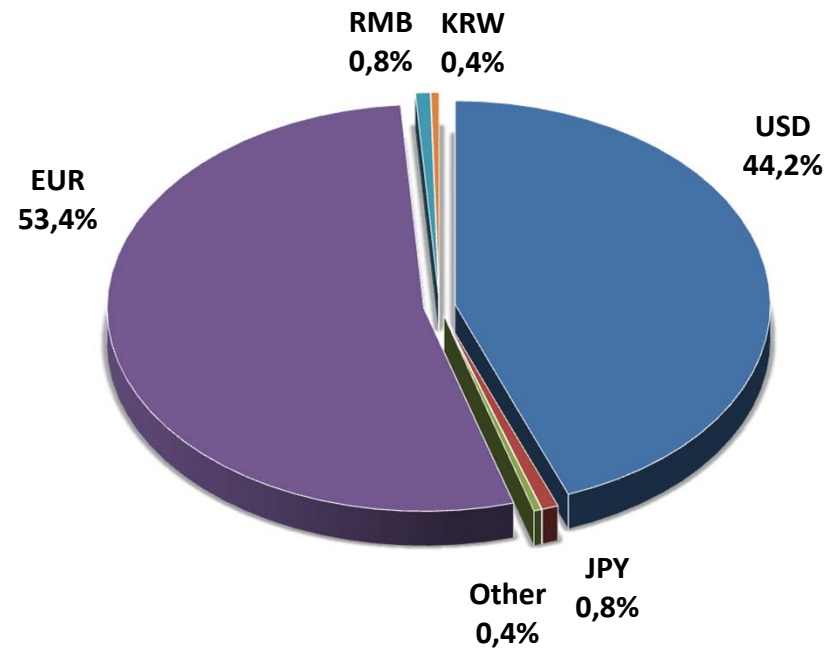


# Consolidated Costs by Currency

2018 – Total 146.861



2017 – Total 138.533



# Industrial Applications Margins

All figures in M€, unless otherwise stated

	2018	2017	Total difference
<b>NET SALES</b>	<b>65.3</b>	<b>57.2</b>	<b>8.1</b>
<b>GROSS PROFIT</b>	<b>33.6</b>	<b>28.4</b>	<b>5.2</b>
<i>Gross Margin</i>	<i>51.4%</i>	<i>49.6%</i>	
<b>OPERATING INCOME</b>	<b>19.3</b>	<b>15.0</b>	<b>4.3</b>
<i>Operating Margin</i>	<i>29.5%</i>	<i>26.2%</i>	

	1Q 2018	2Q 2018	3Q 2018	4Q 2018	2018
<b>NET SALES</b>	<b>14.6</b>	<b>14.8</b>	<b>18.0</b>	<b>17.8</b>	<b>65.3</b>
<b>GROSS PROFIT</b>	<b>7.7</b>	<b>7.5</b>	<b>9.5</b>	<b>8.9</b>	<b>33.6</b>
<i>Gross Margin</i>	<i>52.9%</i>	<i>50.5%</i>	<i>52.5%</i>	<i>49.9%</i>	<i>51.4%</i>
<b>OPERATING INCOME</b>	<b>4.1</b>	<b>3.9</b>	<b>6.1</b>	<b>5.2</b>	<b>19.3</b>
<i>Operating Margin</i>	<i>28.4%</i>	<i>26.3%</i>	<i>33.6%</i>	<i>29.0%</i>	<i>29.5%</i>

- ✓ **Gross profit** up by 18.3%, thanks to the significant performance of the sales in the defense sector, as well as in the vacuum systems one
- ✓ **Gross margin** slightly increased (from 49.6% to 51.4%): the increase in sales of the sectors characterized by a higher profitability more than offset the decrease of the gross margin in the more traditional or structurally decreasing businesses (mainly lamps and the thermal insulation sectors)
- ✓ **Operating income** up by 28.6% and **operating margin** from 26.2% to 29.5%, despite the increase in operating expenses related to severance costs (€0.7 million) for the resizing of the staff of the Parent Company

# Shape Memory Alloys Margins

All figures in M€, unless otherwise stated

	2018	2017	Total difference
<b>NET SALES</b>	<b>82.5</b>	<b>75.9</b>	<b>6.6</b>
<b>GROSS PROFIT</b>	<b>35.5</b>	<b>31.9</b>	<b>3.6</b>
<i>Gross Margin</i>	43.0%	42.0%	
<b>OPERATING INCOME</b>	<b>25.4</b>	<b>20.0</b>	<b>5.4</b>
<i>Operating Margin</i>	30.9%	26.4%	

	1Q 2018	2Q 2018	3Q 2018	4Q 2018	2018
<b>NET SALES</b>	<b>19.2</b>	<b>20.6</b>	<b>20.8</b>	<b>21.9</b>	<b>82.5</b>
<b>GROSS PROFIT</b>	<b>7.8</b>	<b>8.8</b>	<b>9.2</b>	<b>9.7</b>	<b>35.5</b>
<i>Gross Margin</i>	40.8%	42.7%	44.1%	44.4%	43.0%
<b>OPERATING INCOME</b>	<b>6.1</b>	<b>6.1</b>	<b>6.4</b>	<b>6.7</b>	<b>25.4</b>
<i>Operating Margin</i>	32.0%	29.8%	30.9%	30.8%	30.9%

- ✓ Increase in **gross profit** (+11.2%) driven by the increase in revenues in both segments
- ✓ Improvement in the **gross margin** (from 42% to 43%) mainly thanks to the higher contribution of the industrial segment
- ✓ **Operating income** up by 27%, due to both the strong growth of the revenues and to the saving in operating costs after the liquidation of Memry GmbH, in addition to the non-refundable contribution granted by the CT State (€1.2 million)

# Solutions for Advanced Packaging Margins

All figures in M€, unless otherwise stated

	2018	2017	Total difference
<b>NET SALES</b>	<b>11.5</b>	<b>12.4</b>	<b>-1.0</b>
<b>GROSS PROFIT</b>	<b>1.2</b>	<b>1.6</b>	<b>-0.5</b>
<i>Gross Margin</i>	10.3%	13.2%	
<b>OPERATING INCOME</b>	<b>-5.9</b>	<b>-0.9</b>	<b>-5.0</b>
<i>Operating Margin</i>	-51.1%	-7.3%	

	1Q 2018	2Q 2018	3Q 2018	4Q 2018	2018
<b>NET SALES</b>	<b>3.5</b>	<b>2.5</b>	<b>3.0</b>	<b>2.6</b>	<b>11.5</b>
<b>GROSS PROFIT</b>	<b>0.4</b>	<b>0.2</b>	<b>0.4</b>	<b>0.2</b>	<b>1.2</b>
<i>Gross Margin</i>	12.8%	7.2%	13.0%	6.8%	10.3%
<b>OPERATING INCOME</b>	<b>(0.5)</b>	<b>(0.8)</b>	<b>(0.6)</b>	<b>(3.9)</b>	<b>(5.9)</b>
<i>Operating Margin</i>	-14.6%	-33.6%	-20.7%	-153.1%	-51.1%

- ✓ Decrease in **gross profit** mainly due to the decrease in sales and to the increase of the price of the raw material that negatively affected the gross margin
- ✓ **Operating loss** equal to -€5.9 million, compared to a loss of -€0.9 million in 2017
- ✓ Excluding the impairment on goodwill and assets, totaling €3.1 million, the decrease in the operating result (-€1.9 million) was attributable both to the decrease in gross profit and higher operating expenses (in particular, higher costs for personnel employed in the sales, marketing and product development departments, and higher strategic consultancy fees for business development)

# Business Development & Corporate Costs Margins

All figures in M€, unless otherwise stated

	2018	2017	Total difference
<b>NET SALES</b>	<b>1.1</b>	<b>1.6</b>	<b>-0.5</b>
<b>GROSS PROFIT</b>	<b>0.0</b>	<b>0.3</b>	<b>-0.3</b>
<i>Gross Margin</i>	3.1%	17.7%	
Total operating expenses	(23.7)	(24.9)	1.3
Other income (expenses), net	(0.1)	(0.4)	0.2
<b>OPERATING INCOME</b>	<b>(23.8)</b>	<b>(25.0)</b>	<b>1.2</b>
<i>Operating Margin</i>	<i>n.s.</i>	<i>n.s.</i>	

	1Q 2018	2Q 2018	3Q 2018	4Q 2018	2018
<b>NET SALES</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>	<b>1.1</b>
<b>GROSS PROFIT</b>	<b>0.1</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>
<i>Gross Margin</i>	26.9%	-11.4%	1.0%	-17.0%	3.1%
Total operating expenses	(5.6)	(5.4)	(6.1)	(6.5)	(23.7)
Other income (expenses), net	(0.1)	(0.1)	(0.1)	0.1	(0.1)
<b>OPERATING INCOME</b>	<b>(5.6)</b>	<b>(5.5)</b>	<b>(6.2)</b>	<b>(6.5)</b>	<b>(23.778)</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>

- ✓ **Gross profit** equal to €33 thousand (3.1% of consolidated revenues) in 2018, compared to a gross profit equal to €0.3 million (17.7% of consolidated revenues) in 2017
- ✓ **Operating result** equal to -€23.8 million, compared to an operating loss equal to -€25 million in 2017
- ✓ Improvement in the operating result, despite the costs for the exit of personnel at the Parent Company (equal to €1.9 million), mainly related to the reduction in the variable compensation of the Executive Directors and to the saving in research costs resulting from the liquidation of the subsidiary E.T.C. S.r.l.

# Consolidated Income Statement - FY 2018

All figures in M€, unless otherwise stated

	2018	2017	Total difference	1Q 2018	2Q 2018	3Q 2018	4Q 2018	2018
<b>NET SALES</b>	<b>160.3</b>	<b>147.1</b>	<b>13.2</b>	<b>37.6</b>	<b>38.1</b>	<b>42.1</b>	<b>42.5</b>	<b>160.3</b>
<b>GROSS PROFIT</b>	<b>70.3</b>	<b>62.2</b>	<b>8.0</b>	<b>16.1</b>	<b>16.4</b>	<b>19.0</b>	<b>18.8</b>	<b>70.3</b>
<i>Gross Margin</i>	43.8%	42.3%		42.8%	43.1%	45.2%	0.441	43.8%
R&D expenses	(11.0)	(12.8)	1.8	(2.7)	(2.7)	(2.7)	(2.9)	(11.0)
Selling expenses	(12.7)	(11.7)	(1.0)	(3.0)	(3.0)	(2.9)	(3.7)	(12.7)
G&A expenses	(32.5)	(28.6)	(3.9)	(7.2)	(6.9)	(7.7)	(10.7)	(32.5)
<b>Total operating expenses</b>	<b>(56.1)</b>	<b>(53.1)</b>	<b>(3.0)</b>	<b>(12.9)</b>	<b>(12.7)</b>	<b>(13.3)</b>	<b>(17.2)</b>	<b>(56.1)</b>
Other income (expenses), net	0.9	(0.0)	1.0	1.0	0.0	(0.1)	(0.0)	0.9
<b>OPERATING INCOME</b>	<b>15.1</b>	<b>9.1</b>	<b>6.0</b>	<b>4.2</b>	<b>3.7</b>	<b>5.7</b>	<b>1.5</b>	<b>15.1</b>
<i>Operating Margin</i>	9.4%	6.2%		11.1%	9.7%	13.5%	0.036	9.4%
Interest and other financial income (expenses), net	(0.4)	(0.5)	0.1	(0.1)	(0.2)	0.1	(0.2)	(0.4)
Write down of financial receivables from related parties	(9.1)	0.0	(9.1)	0.0	0.0	0.0	(9.1)	(9.1)
Income (loss) from equity method evaluated companies	(1.5)	(2.5)	1.0	(0.2)	(0.5)	(0.3)	(0.4)	(1.5)
Write down of investments accounted for using the equity method	(4.3)	0.0	(4.3)	0.0	0.0	0.0	(4.3)	(4.3)
Foreign exchange gains (losses), net	0.5	(1.2)	1.7	(0.2)	0.2	(0.2)	0.7	0.5
<b>INCOME BEFORE TAXES</b>	<b>0.29</b>	<b>5.0</b>	<b>8.8</b>	<b>3.6</b>	<b>3.3</b>	<b>5.3</b>	<b>(11.8)</b>	<b>0.3</b>
Income Taxes	(8.0)	(17.6)	9.6	(1.7)	(2.4)	(2.3)	(1.5)	(8.0)
<b>NET INCOME from continued operations</b>	<b>(7.7)</b>	<b>(12.7)</b>	<b>18.4</b>	<b>1.9</b>	<b>0.8</b>	<b>3.0</b>	<b>(13.3)</b>	<b>(7.7)</b>
<i>Net Margin</i>	-4.8%	-8.6%		5.0%	2.2%	7.0%	(0.314)	-4.8%
Net income from discontinued operations	240.0	26.5	213.5	7.0	232.9	(0.6)	0.8	240.0
<b>NET INCOME before minority interests</b>	<b>232.3</b>	<b>13.9</b>	<b>231.9</b>	<b>8.9</b>	<b>233.7</b>	<b>2.3</b>	<b>(12.6)</b>	<b>232.3</b>
<i>Net Margin</i>	145.0%	9.4%		23.6%	612.9%	5.5%	(0.296)	145.0%
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0		0.0
<b>GROUP NET INCOME</b>	<b>232.3</b>	<b>13.9</b>	<b>231.9</b>	<b>8.9</b>	<b>233.7</b>	<b>2.3</b>	<b>(12.6)</b>	<b>232.3</b>
<i>Net Margin</i>	145.0%	9.4%		23.6%	612.9%	5.5%	-29.6%	145.0%

## EXTRAORDINARY COSTS FOR SEVERANCE AND WRITE-OFFS EQUAL TO €19.2 MILLION

- **-€2.7 million** - severance costs for the staff reduction of the Parent Company
- **-€3.1 million** - write-offs subsequent to the Advanced Packaging BU impairment test
- **-€9.1 million** - write-down of the financial receivable towards Actuator Solutions GmbH
- **-€4.3 million** - write-down of the investment in the Flexterra joint venture, following the impairment test

## EXTRAORDINARY INCOME FOR A NON-REPAYABLE GRANT EQUAL TO €1.2 MILLION

- **+€1.2 million** - conversion of 50% of the loan granted by the CT State to Memry Corp. in a non-repayable grant



# FY 2018 net of one-offs

	2018	2018 one-offs	FY 2018 net of one-offs
<b>NET SALES</b>	<b>160.3</b>	<b>0.0</b>	<b>160.3</b>
<b>GROSS PROFIT</b>	<b>70.3</b>	<b>0.0</b>	<b>70.3</b>
<i>Gross Margin</i>	43.8%	<i>n.s.</i>	43.8%
R&D expenses	(11.0)	0.0	(11.0)
Selling expenses	(12.7)	0.9	(11.7)
G&A expenses	(32.5)	4.8	(27.6)
<b>Total operating expenses</b>	<b>(56.1)</b>	<b>5.8</b>	<b>(50.4)</b>
Other income (expenses), net	0.9	(1.2)	(0.2)
<b>OPERATING INCOME</b>	<b>15.1</b>	<b>4.6</b>	<b>19.7</b>
<i>Operating Margin</i>	9.4%	<i>n.s.</i>	12.3%
Interest and other financial income (expenses), net	(0.4)	0.0	(0.4)
Write down of financial receivables from related parties	(9.1)	9.1	0.0
Income (loss) from equity method evaluated companies	(1.5)	0.0	(1.5)
Write down of investments accounted for using the equity method	(4.3)	4.3	0.0
Foreign exchange gains (losses), net	0.5	0.0	0.5
<b>INCOME BEFORE TAXES</b>	<b>0.29</b>	<b>18.0</b>	<b>18.32</b>
Income Taxes	(8.0)	(0.5)	(8.5)
<b>NET INCOME from continued operations</b>	<b>(7.7)</b>	<b>17.5</b>	<b>9.8</b>
<i>Net Margin</i>	-4.8%	<i>n.s.</i>	6.1%
Net income from discontinued operations	240.0	0.0	240.0
<b>NET INCOME before minority interests</b>	<b>232.3</b>	<b>17.5</b>	<b>249.9</b>
<i>Net Margin</i>	145.0%	<i>n.s.</i>	155.9%
Minority interests	0.0	0.0	0.0
<b>GROUP NET INCOME</b>	<b>232.3</b>	<b>17.5</b>	<b>249.9</b>
<i>Net Margin</i>	145.0%	<i>n.s.</i>	155.9%
<b>CONSOLIDATED EBITDA</b>	<b>26.3</b>	<b>1.5</b>	<b>27.8</b>
<i>% on sales</i>	16.4%		17.3%

## Result from discontinued operations – FY 2018

All figures in M€, unless otherwise stated

	Consolidated statement of profit or loss - gas purification business	Capital gain on purification business disposal, net of the related costs	2018	Consolidated statement of profit or loss - gas purification business	Capital gain on purification business disposal, net of the related costs	2017
<b>Total net sales</b>	<b>45.7</b>	<b>0.0</b>	<b>45.7</b>	<b>84.0</b>		<b>84.0</b>
Cost of sales	(26.5)	(1.3)	(27.8)	(42.5)		(42.5)
<b>Gross profit</b>	<b>19.2</b>	<b>(1.3)</b>	<b>17.8</b>	<b>41.4</b>	<b>0</b>	<b>41.4</b>
R&D expenses	(1.9)	(0.9)	(2.8)	(3.3)		(3.3)
Selling expenses	(2.7)	(1.0)	(3.7)	(4.7)		(4.7)
G&A expenses	(1.1)	(26.7)	(27.8)	(2.0)	(0.6)	(2.6)
<b>Total operating expenses</b>	<b>(5.6)</b>	<b>(28.6)</b>	<b>(34.3)</b>	<b>(10.0)</b>	<b>(0.6)</b>	<b>(10.6)</b>
Other income	0.0	262.4	262.5	0.3		0.3
Other expenses	(0.0)	(0.1)	(0.1)	(0.3)		(0.3)
<b>Operating income (loss)</b>	<b>13.5</b>	<b>232.5</b>	<b>245.9</b>	<b>31.5</b>	<b>(0.6)</b>	<b>30.9</b>
Financial income	0.0	0.0	0.0	0		0.0
Financial expenses	(0.0)	(0.2)	(0.3)	(0.1)		(0.1)
Foreign exchange gains (losses), net	0.0	(3.3)	(3.3)	(0.0)		(0.0)
<b>Income (loss) before taxes</b>	<b>13.5</b>	<b>228.9</b>	<b>242.4</b>	<b>31.3</b>	<b>(0.6)</b>	<b>30.7</b>
Income taxes	(0.7)	(1.7)	(2.4)	(4.2)		(4.2)
<b>Income (loss) from discontinued operations</b>	<b>12.8</b>	<b>227.2</b>	<b>240.0</b>	<b>27.1</b>	<b>(0.6)</b>	<b>26.5</b>

# Capital gain on gas purification business disposal

*All figures in M€, unless otherwise stated*

Consideration	304.5
Price adjustments	(1.2)
<b>Total consideration</b>	<b>303.2</b>
<b>Book value of the sold net assets</b>	<b>(40.8)</b>
<b>Gross capital gain</b>	<b>262.4</b>
Legal & consultant expenses	(6.0)
Bonus & severance	(8.1)
Asset Plan remuneration	(15.8)
Other costs	(0.1)
Interests	(0.2)
Realized exchange losses on hedging contracts	(4.3)
Exchange losses on the USD collection	(1.4)
Release of the conversion reserve generated by the US companies sold	2.3
Taxes	(1.7)
<b>Total costs</b>	<b>(35.2)</b>
<b>Net capital gain</b>	<b>227.2</b>

# Actuator Solutions - Income Statement (50%)

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

All figures in M€, unless otherwise stated

	2018	2017	Total difference	1Q 2018	2Q 2018	3Q 2018	4Q 2018	2018
<b>NET SALES</b>	<b>11.5</b>	<b>13.5</b>	<b>(2.1)</b>	<b>2.8</b>	<b>3.1</b>	<b>3.0</b>	<b>2.6</b>	<b>11.5</b>
Cost of goods sold	(9.4)	(12.2)	2.8	(2.2)	(2.5)	(2.6)	(2.1)	(9.4)
<b>GROSS PROFIT</b>	<b>2.0</b>	<b>1.3</b>	<b>0.7</b>	<b>0.6</b>	<b>0.5</b>	<b>0.4</b>	<b>0.5</b>	<b>2.0</b>
<i>Gross Margin</i>	17.7%	9.6%		21.6%	17.5%	13.8%	18.2%	17.7%
Operating expenses	(2.3)	(2.7)	0.4	(0.6)	(0.6)	(0.5)	(0.6)	(2.3)
Other income (expenses), net	0.2	(0.0)	0.2	0.1	(0.2)	0.2	0.0	0.2
<b>OPERATING INCOME</b>	<b>(0.0)</b>	<b>(1.4)</b>	<b>1.4</b>	<b>0.2</b>	<b>(0.2)</b>	<b>0.1</b>	<b>(0.1)</b>	<b>(0.0)</b>
<i>Operating Margin</i>	-0.3%	-10.3%		5.9%	-7.3%	3.6%	-3.2%	-0.3%
Interest and other financial income (expenses), net	(0.3)	(0.4)	0.0	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)
Foreign exchange gains (losses), net	0.0	(0.2)	0.2	(0.0)	0.0	0.0	0.0	0.0
<b>INCOME BEFORE TAXES</b>	<b>(0.3)</b>	<b>(2.0)</b>	<b>1.6</b>	<b>0.1</b>	<b>(0.3)</b>	<b>0.1</b>	<b>(0.2)</b>	<b>(0.3)</b>
Income Taxes	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)	(0.0)	(0.2)
<b>NET INCOME (LOSS)</b>	<b>(0.5)</b>	<b>(2.0)</b>	<b>1.5</b>	<b>(0.0)</b>	<b>(0.3)</b>	<b>0.0</b>	<b>(0.2)</b>	<b>(0.5)</b>

- ✓ **Net sales** almost entirely attributable to the German business of seat comfort, which continued to record a progressive growth, against a decrease in sales of the AF for action cameras of the Taiwanese subsidiary
- ✓ Improvement in **net result** mainly due to the recovery of the margin in the German business, also favored by the economies of scale related to the increased sales, as well as to the reduction of the costs of the Taiwanese subsidiary, following the reorganization carried out in the previous year and aimed at the closure of the Zhubei factory, at the outsourcing of the production activities and the focus of Actuator Solutions Taiwan Co., Ltd. in specific research and development projects
- ✓ Excluding the extraordinary charges (€0.8 million) related to the continuation of the process of the production outsourcing also at the Chinese subsidiary, 2018 positive operating income (about €0.7 million) and 2018 net result substantially at break-even

# SAES RIAL Vacuum - Income Statement (49%)

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

All figures in M€, unless otherwise stated

	2018	2017	Total difference	1Q 2018	2Q 2018	3Q 2018	4Q 2018	2018
<b>NET SALES</b>	<b>1.3</b>	<b>1.2</b>	<b>0.1</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>0.5</b>	<b>1.3</b>
Cost of goods sold	(1.0)	(0.9)	(0.1)	(0.2)	(0.2)	(0.2)	(0.4)	(1.0)
<b>GROSS PROFIT</b>	<b>0.3</b>	<b>0.3</b>	<b>(0.0)</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>
<i>Gross Margin</i>	19.3%	24.1%		31.1%	17.2%	22.7%	11.6%	19.3%
Operating expenses	(0.2)	(0.2)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.2)
Other income (expenses), net	(0.0)	0.1	(0.1)	(0.0)	(0.0)	(0.0)	0.0	(0.0)
<b>OPERATING INCOME</b>	<b>0.1</b>	<b>0.2</b>	<b>(0.1)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>
<i>Operating Margin</i>	4.4%	14.2%		17.1%	-15.4%	10.0%	2.6%	4.4%
Interest and other financial income (expenses), net	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Foreign exchange gains (losses), net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>INCOME BEFORE TAXES</b>	<b>0.0</b>	<b>0.2</b>	<b>(0.1)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Income Taxes	(0.0)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.0)
<b>NET INCOME (LOSS)</b>	<b>0.0</b>	<b>0.2</b>	<b>(0.1)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

- ✓ **Net sales** of 2018 up by 8.4% to €2.6 million
- ✓ Despite the increase in sales, the 2018 **net income** (€0.1 million) decreased compared to €0.3 million in 2017 mainly due to the reduction in the gross margin resulting from a different sales mix and a higher tax burden

# Flexterra - Income Statement (46.73%\*)

(\*) equal to 33.79% at the beginning of the year and to 46.73% at December 31, 2018, following the capital increases subscribed by the Group on October 5 and December 12 respectively

All figures in M€, unless otherwise stated

	2018	2017	Total difference	1Q 2018	2Q 2018	3Q 2018	4Q 2018	2018
<b>NET SALES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Cost of goods sold	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0	(0.0)
<b>GROSS PROFIT</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<i>Gross Margin</i>	<i>84.6%</i>	<i>90.0%</i>		<i>100.0%</i>	<i>75.0%</i>	<i>66.7%</i>	<i>100.0%</i>	<i>84.6%</i>
Operating expenses	(1.5)	(1.7)	0.2	(0.3)	(0.4)	(0.3)	(0.4)	(1.5)
Other income (expenses), net	(0.0)	(0.1)	0.0	0.0	(0.0)	0.0	(0.0)	(0.0)
<b>OPERATING INCOME</b>	<b>(1.5)</b>	<b>(1.7)</b>	<b>0.2</b>	<b>(0.3)</b>	<b>(0.4)</b>	<b>(0.3)</b>	<b>(0.4)</b>	<b>(1.5)</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>	<i>n.s.</i>	<i>n.s.</i>
Interest and other financial income (expenses), net	(0.0)	0.0	(0.0)	(0.0)	0.0	0.0	0.0	(0.0)
Foreign exchange gains (losses), net	(0.0)	0.0	(0.1)	0.0	(0.0)	0.0	0.0	(0.0)
<b>INCOME BEFORE TAXES</b>	<b>(1.5)</b>	<b>(1.7)</b>	<b>0.2</b>	<b>(0.3)</b>	<b>(0.5)</b>	<b>(0.3)</b>	<b>(0.4)</b>	<b>(1.5)</b>
Income Taxes	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0
<b>NET INCOME (LOSS)</b>	<b>(1.5)</b>	<b>(1.6)</b>	<b>0.1</b>	<b>(0.3)</b>	<b>(0.5)</b>	<b>(0.3)</b>	<b>(0.4)</b>	<b>(1.5)</b>

- ✓ Significant progress in the Flexterra project:
  - the **first fully flexible electrophoretic display**, which uses technology and materials developed by Flexterra, presented at **SID in Los Angeles** at the end of May 2018
  - **joint development agreement** signed with a leading operator in the electrophoretic screen sector, with Flexterra reaching the **commercial milestone** provided for by the initial agreements between the shareholders
- ✓ 2018 **net loss** equal to -€4.2 million, compared to -€4.8 million in the previous year (mainly, costs for personnel employed in research activities and in general and administrative activities, consultancy, costs related to the management of patents and amortization of intangible assets conferred by some third-party shareholders upon establishment of the company)
- ✓ **Containment of the loss** as a result of the progressively more efficient use of the resources, together with the reduction in consultancy fees, which were higher in the first year of life of the company (related with the start of operations)



# 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

	2018	Actuator Solutions		SAES RIAL Vacuum S.r.l.		Flexterra		2018 Total IS of the Group
		50% Actuator Solutions	Eliminations & other adjs	49% SAES RIAL Vacuum S.r.l.	Eliminations & other adjs	46.73% Flexterra (*)	Eliminations & other adjs	
<b>NET SALES</b>	<b>160.3</b>	<b>11.5</b>	<b>-0.7</b>	<b>1.3</b>	<b>-0.2</b>	<b>0.0</b>		<b>172.2</b>
<b>GROSS PROFIT</b>	<b>70.3</b>	<b>2.0</b>	<b>0.0</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>72.5</b>
<i>Gross Margin</i>	43.8%	17.7%		19.3%		n.s.		42.1%
Total operating expenses	-56.1	-2.3		-0.2		-1.5	-4.3	-64.3
Other income (expenses), net	0.9	0.2		0.0		0.0		1.1
<b>OPERATING INCOME</b>	<b>15.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>-1.5</b>	<b>-4.3</b>	<b>9.3</b>
<i>Operating Margin</i>	9.4%	-0.3%		4.4%		n.s.		5.4%
Interest and other financial income (expenses), net	-0.4	-0.3		0.0		0.0		-0.7
Write down of financial receivables from related parties	-9.1		4.6					-4.6
Income (loss) from equity method evaluated companies	-1.5		0.0		0.0		1.5	0.0
Write down of investments accounted for using the equity method	-4.3						4.3	0.0
Foreign exchange gains (losses), net	0.5	0.0		0.0		0.0		0.5
<b>INCOME BEFORE TAXES</b>	<b>0.3</b>	<b>-0.3</b>	<b>4.6</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.5</b>	<b>1.5</b>	<b>4.5</b>
Income Taxes	-8.0	-0.2		0.0		0.0		-8.2
<b>NET INCOME from continued operations</b>	<b>-7.7</b>	<b>-0.5</b>	<b>4.6</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.5</b>	<b>1.5</b>	<b>-3.6</b>
<i>Net Margin</i>	-4.8%	-4.7%		1.9%		n.s.		-2.1%
Net income (loss) from discontinued operations	240.0							240.0
<b>NET INCOME before minority interests</b>	<b>232.3</b>	<b>-0.5</b>	<b>4.6</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.5</b>	<b>1.5</b>	<b>236.4</b>
<i>Net Margin</i>	145.0%	-4.7%		1.9%		n.s.		137.3%
Minority interests	0.0							0.0
<b>GROUP NET INCOME</b>	<b>232.3</b>	<b>-0.5</b>	<b>4.6</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.5</b>	<b>1.5</b>	<b>236.4</b>
<i>Net Margin</i>	145.0%	-4.7%		1.9%		n.s.		137.3%

(\*) Equal to 33.79% at the beginning of the year and to 46.73% at December 31, 2018, following the capital increases subscribed by the Group on October 5 and December 12 respectively.

# Net Financial Position

All figures in M€, unless otherwise stated

	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017
Cash and cash equivalents	170.6	275.0	302.6	24.1	27.6
Current financial assets	0.0	1.0	0.9	0.9	0.9
Current financial liabilities	(33.8)	(34.2)	(40.6)	(23.7)	(24.5)
<b>Current net financial position</b>	<b>136.8</b>	<b>241.8</b>	<b>262.9</b>	<b>1.2</b>	<b>4.0</b>
Non current financial assets	99.9	8.0	8.0	8.0	7.5
Non current financial liabilities	(13.3)	(15.2)	(22.0)	(24.8)	(28.1)
<b>Non current financial position</b>	<b>86.5</b>	<b>(7.2)</b>	<b>(13.9)</b>	<b>(16.8)</b>	<b>(20.5)</b>
<b>NET FINANCIAL POSITION</b>	<b>223.3</b>	<b>234.6</b>	<b>249.0</b>	<b>(15.5)</b>	<b>(16.5)</b>

- ✓ **COMPARED TO December 31, 2017**, significant improvement resulting from the extraordinary sale transaction of the purification business (+€263 million)
- ✓ Cash flows by **operating activities** only partially offset the **dividends** paid at the beginning of May (-€15.4 million) as well as the disbursements for the **investment activity** (particularly, **net investments in tangible and intangible assets** equal to €14.8 million and **share capital payments** to Flexterra equal to €6.2 million)
- ✓ Net financial position penalized by the **write-down of the loans granted to the joint venture Actuator Solutions** (-€9.1 million)
- ✓ **COMPARED TO September 30, 2018**, decrease in the net financial position (-€11.3 million) mainly due to the capital contribution to Flexterra, Inc. (-€6.2 million), in addition to the write-down of the loans to Actuator Solutions (-€9.1 million)



# Cash Flows – FY 2018

All figures in M€, unless otherwise stated

	Cash Flows 2018	From discontinued operations			From continued operations
		gas purification business	business disposal	total	
Net income (loss) from continued operations	(7.7)			0.0	(7.7)
Net income (loss) from discontinued operations	240.0	12.8	227.2	240.0	0.0
Current income taxes	13.1	0.6		0.6	12.5
Change in deferred income taxes	(4.5)	0.1		0.1	(4.6)
Depreciation, amortization and write down of non current assets	11.4	0.4		0.4	11.0
Net capital gain on purification business disposal	(227.2)		(227.2)	(227.2)	0.0
Interests and other financial income, net	15.3	0.0		0.0	15.3
Other non-monetary costs	(1.4)	(0.4)		(0.4)	(1.1)
	<b>39.1</b>	<b>13.5</b>	<b>0.0</b>	<b>13.5</b>	<b>25.5</b>
Change in operating assets and liabilities	(4.7)	(1.4)		(1.4)	(3.3)
Payments of termination indemnities and similar obligations	(0.4)			0.0	(0.4)
Financial income received, net of payment of interests	(0.0)	(0.0)		(0.0)	0.0
Payment of income taxes	(13.2)	(1.0)		(1.0)	(12.2)
<b>Net cash flows from operating activities</b>	<b>20.6</b>	<b>11.1</b>	<b>0.0</b>	<b>11.1</b>	<b>9.5</b>
Purchase of tangible and intangible assets, net of proceeds from sales	(14.8)	(0.2)		(0.2)	(14.6)
Consideration for the acquisition of minority interests in subsidiaries	(0.1)			0.0	(0.1)
Price paid for the acquisition of businesses	(0.1)	(0.1)		(0.1)	0.0
Capital injection into joint ventures	(6.2)			0.0	(6.2)
Consideration for the purification business disposal, net of the disposed cash	301.1		301.1	301.1	0.0
Ancillary monetary charges for the purification business disposal	(37.6)		(37.6)	(37.6)	0.0
<b>Net cash flows from investing activities</b>	<b>242.318</b>	<b>(0.3)</b>	<b>263.5</b>	<b>263.2</b>	<b>(20.8)</b>
Proceeds from debts, net of repayments	(4.9)			0.0	(4.9)
Dividends payment	(15.4)			0.0	(15.4)
Interests and other expenses paid on loans	(0.5)			0.0	(0.5)
Financing receivables from related parties	(0.2)			0.0	(0.2)
Financial assets - Securities	(100.0)			0.0	(100.0)
Other financial liabilities	(0.0)			0.0	(0.0)
<b>Net cash flows from financing activities</b>	<b>(121.1)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(121.1)</b>
Effect of exchange rate differences	1.3	(1.4)		(1.4)	2.7
<b>TOTAL CASH FLOWS</b>	<b>143.1</b>	<b>9.3</b>	<b>263.5</b>	<b>272.8</b>	<b>(129.7)</b>

# February 2019 Sales

All figures in M€, unless otherwise stated

	Feb-19	Feb-18	Total difference	Organic change	Exchange rate effect
Security & Defense	2.6	2.1	20.5%	13.4%	7.1%
Electronic Devices	2.3	2.2	7.5%	4.2%	3.3%
Healthcare Diagnostic	0.7	0.7	6.5%	2.9%	3.6%
Lamps	0.7	1.0	-27.5%	-30.4%	2.9%
Thermal Insulated Devices	0.6	0.7	-6.4%	-12.8%	6.4%
Solutions for Vacuum Systems	1.9	2.0	-5.2%	-8.3%	3.1%
Sintered Components for Electronic Devices & Lasers	1.6	1.2	33.4%	23.8%	9.6%
SMA Industrial	2.5	1.7	41.7%	37.4%	4.3%
Organic Electronics	0.1	0.2	-45.3%	-49.2%	3.9%
<b>Industrial</b>	<b>13.0</b>	<b>11.8</b>	<b>10.4%</b>	<b>5.5%</b>	<b>4.9%</b>
Nitinol for Medical Devices	12.8	10.6	21.1%	12.6%	8.5%
<b>Medical</b>	<b>12.8</b>	<b>10.6</b>	<b>21.1%</b>	<b>12.6%</b>	<b>8.5%</b>
<b>Packaging</b>	<b>1.8</b>	<b>2.4</b>	<b>-25.4%</b>	<b>-25.4%</b>	<b>0.0%</b>
<b>Total net sales</b>	<b>27.6</b>	<b>24.8</b>	<b>11.5%</b>	<b>5.5%</b>	<b>6.0%</b>

- ✓ **Industrial Business Unit:** organic growth (+5.5%) mainly driven by the defense application sector and by the sales of SMA educated wire for the electronic consumer sector
- ✓ **Medical Business Unit:** organic growth (+12.6%) higher than that of the reference market
- ✓ **Packaging Business Unit:** revenues of €1.8 million, compared to €2.4 million in the corresponding period of the previous year
- ✓ **Total revenues of the Group** to €29.6 million in the **first two months of 2019**, up by 10.5% compared to €26.8 million in the corresponding period of 2018: growth mainly attributable to the increase in consolidated revenues (+11.5%) against a substantial stability in the revenues of the joint ventures

- The beginning of 2019 confirmed the favorable market conditions of the previous year
- The Group is expected to continue to grow

# 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.

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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*  
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Thanks for your attention



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