



SAES GETTERS S.p.A.

Capital Stock Euro 12,220,000 fully paid-in
Address of Principal Executive Offices:
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Registered with the Milan Court Companies Register no. 00774910152

Additional periodic financial information as at March 31, 2018

In the first quarter of 2018 the SAES[®] Group achieved **consolidated net revenues** equal to €63.2 million, up by 7.8% compared to the figure of the first quarter of 2017, equal to €58.7 million. Net of the **negative exchange rate effect** (-13.4%) the Group recorded a strong **organic growth**, equal to +21.2%.

The organic growth was mainly concentrated in the gas purification sector (**Systems for Gas Purification & Handling Business**), driven by the investments in China for new semiconductor fabs, in the segment of pumps for vacuum systems (**Solutions for Vacuum Systems Business**), thanks to the new contracts in the sector of particle accelerators, as well as in that of devices for security and defense (**Security & Defense Business**), favored by the recovery of investments in the military sector in the USA.

Total revenues of the Group¹ were equal to €66.2 million, up by 6.6% compared to €62.1 million in the first quarter of 2017: the growth was exclusively attributable to the increase in consolidated revenues, while in the joint venture Actuator Solutions the growth of the automotive sector was absorbed by the decrease in revenues in the segment of autofocus (AF) for action cameras of the Taiwan-based company.

The growth of consolidated revenues enabled the increase of the **consolidated gross profit**² (equal to €26.5 million in the first quarter of 2018, compared to €24.9 million in the corresponding period of 2017). The **gross margin**³ was substantially stable (42% in the first quarter of 2018, compared to 42.4% in the first quarter of 2017).

Consolidated operating income amounted to €11.4 million in the first quarter of 2018, strongly increased (+20.1%) when compared to an operating income of €9.5 million in the first quarter of the previous year: such growth was mainly attributable to the increase of the gross profit. The non-repayable grant⁴ provided by the State of Connecticut (CT) to Memry Corporation (approximately €1.1 million, recorded under the item "Other net income (losses)") more than absorbed the increase in the corporate general and administrative expenses (in particular, increase in consultancy costs of the Parent Company and higher variable remunerations for the Executive Directors).

In percentage terms, the **operating margin** was equal to 18%, up when compared to 16.1% in the first quarter of 2017, thanks to the improvement in revenues and to the lower incidence of the operating expenses on revenues, in addition to the already mentioned grant recorded by Memry Corporation in the quarter.

¹ Total revenues of the Group are achieved by incorporating with the proportional method, instead of the equity method, the joint ventures of the Group, namely Actuator Solutions (50%), SAES RIAL Vacuum S.r.l. (49%) and Flexterra (33.79%).

² Calculated as the difference between net sales and industrial costs directly and indirectly attributable to the products sold.

³ Calculated as the ratio between gross profit and consolidated revenues.

⁴ For further information, see the paragraph "Further relevant events occurred in the first quarter of 2018".

Consolidated EBITDA⁵ was equal to €13.5 million (21.3% as a percentage of consolidated revenues), compared to €11.8 million in the corresponding quarter of 2017 (20.1% of consolidated revenues), showing a growth in line with that of the operating indicators.

Consolidated net income amounted to €8.9 million, strongly increased (+54.7%) compared to a consolidated net income of €5.7 million in the corresponding quarter of the previous year, thanks both to the improvement of the operating result, as well as to the strong decrease of the Group's tax rate, the latter being mainly related to the decrease of the rate applied to the US companies in the computation of the Federal tax.

The **net financial position** as at March 31, 2018 was equal to -€16.7 million, showing a slight improvement compared to the end of 2017 (-€17.7 million): the cash generated in the quarter was almost entirely absorbed by the increase of the net working capital in the gas purification sector (in particular, increase in commercial receivables, also related to the higher sales in the first quarter of 2018).

The first quarter of 2018 ended positively, in line with the expectations and in continuity with the fourth quarter of 2017. The weakening of the dollar towards the euro was widely offset by the positive trend of the market. This will allow to focus the efforts on the development of the most innovative sectors, in particular the advanced packaging business for food applications.

⁵ EBITDA is not deemed as an accounting measure under International Financial Reporting Standards (IFRSs); however, we believe that EBITDA is an important parameter for measuring the Group's performance and therefore it is presented as an alternative indicator. Since its calculation is not regulated by applicable accounting standards, the method applied by the Group may not be homogeneous with the ones adopted by other Groups. EBITDA is calculated as "Earnings before interests, taxes, depreciation and amortization".

CONSOLIDATED FINANCIAL STATEMENTS**Consolidated statement of profit or loss**

Thousands of euro

	1 st quarter 2018	1 st quarter 2017 restated	
Total net sales	63,236	58,668	
Cost of sales	(36,701)	(33,779)	
Gross profit	26,535	24,889	
	R&D expenses	(3,703)	(3,910)
	Selling expenses	(4,249)	(4,174)
	G&A expenses	(8,250)	(7,253)
Total operating expenses	(16,202)	(15,337)	
Other income (expenses), net	1,043	(78)	
Operating income (loss)	11,376	9,474	
Interest and other financial income, net	(152)	(282)	
Income (loss) from equity method evaluated companies	(246)	(363)	
Foreign exchange gains (losses), net	(235)	(104)	
Income (loss) before taxes	10,743	8,725	
Income taxes	(1,860)	(2,982)	
Net income (loss) from continued operations	8,883	5,743	
Income (loss) from assets held for sale and discontinued operations	0	0	
Net income (loss) before minority interest	8,883	5,743	
Net income (loss) pertaining to minority interest	0	0	
Net income (loss) pertaining to the Group	8,883	5,743	

Consolidated statement of other comprehensive income

Thousands of euro

	1 st quarter 2018	1 st quarter 2017 restated
Net income (loss) for the period	8,883	5,743
Exchange differences on translation of foreign operations	(2,691)	(1,325)
Total components that will be reclassified to the profit (loss) in the future	(2,691)	(1,325)
Other comprehensive income (loss), net of taxes	(2,691)	(1,325)
Total comprehensive income (loss), net of taxes	6,192	4,418
<i>attributable to:</i>		
- Equity holders of the Parent Company	6,192	4,418
- Minority interests	0	0

Consolidated statement of profit or loss by Business Unit

Thousands of euro

	Industrial Applications		Shape Memory Alloys		Solutions for Advanced Packaging		Business Development & Corporate Costs		TOTAL	
	1 st quarter 2018	1 st quarter 2017	1 st quarter 2018	1 st quarter 2017	1 st quarter 2018	1 st quarter 2017 restated	1 st quarter 2018	1 st quarter 2017	1 st quarter 2018	1 st quarter 2017 restated
Total net sales	40,254	34,913	19,166	19,995	3,478	3,369	338	391	63,236	58,668
Cost of sales	(22,071)	(18,992)	(11,349)	(11,741)	(3,034)	(2,763)	(247)	(283)	(36,701)	(33,779)
Gross profit (loss)	18,183	15,921	7,817	8,254	444	606	91	108	26,535	24,889
Operating expenses and other income (expenses)	(6,312)	(6,021)	(1,675)	(3,497)	(953)	(695)	(6,219)	(5,202)	(15,159)	(15,415)
Operating income (loss)	11,871	9,900	6,142	4,757	(509)	(89)	(6,128)	(5,094)	11,376	9,474

Consolidated Statement of Financial Position

Thousands of euro

	March 31, 2018	December 31, 2017
Property, plant and equipment, net	48,874	49,492
Intangible assets	51,731	53,175
Other non current assets	21,531	20,951
Current assets	116,830	115,434
Total Assets	238,966	239,052
Shareholders' equity	128,333	122,141
Minority interest in consolidated subsidiaries	0	0
Total Shareholders' Equity	128,333	122,141
Non current liabilities	42,329	45,585
Current liabilities	68,304	71,326
Total Liabilities and Shareholders' Equity	238,966	239,052

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting Principles, Methods and Structure of the Group

This document has been prepared applying the international accounting standards (IFRS) and in accordance with article 2.2.3, paragraph 3, of the Regulation of the Markets organized and managed by Borsa Italiana S.p.A. Concerning the content, please make reference to the pre-existing article 154-ter, paragraph 5, of “Financial Consolidation Act”, also in the light of what clarified by ESMA in the Q&A on the Directive 2004/109/CE.

The Additional periodic information is consistent with the accounting principles that govern the preparation of the annual and consolidated financial statements, insofar as they are applicable. Evaluation procedures adopted in the Additional periodic information are substantially similar to those usually applied to prepare the annual and consolidated financial statements.

With reference to the scope of consolidation, please note that on February 26, 2018 SAES Getters S.p.A. exercised the call option for the purchase of the entire share capital of Metalvuoto S.p.A., already controlled by SAES with a 70% shareholding. With this transaction SAES acquired the remaining 30% of the shares from the minority shareholder Mirante S.r.l. for an agreed price of 75 thousand euro. Please note that the consolidated financial statements of the SAES Group as at December 31, 2017 already included a financial debt for the same amount, related to the evaluation of the above-mentioned option, and Metalvuoto S.p.A. was already 100% consolidated without recognition of minority interests.

The acquisition of 100% of Metalvuoto S.p.A. will provide SAES with the complete strategic autonomy in the advanced packaging business, for applications mainly in the food sector.

Following the exercise of the call option by SAES, and the consequent exit of Mirante S.r.l. from the shareholding of Metalvuoto S.p.A., Eng. Giovanni Ronchi, owner of Mirante S.r.l. and founder of Metalvuoto S.p.A., resigned as Chairman on the same date.

Further relevant events occurred in the first quarter of 2018

In January 2018, the dispute with the employees of E.T.C. S.r.l., dismissed for justified reasons on October 31, 2017, following the cancellation of the employment position subsequent to the liquidation of the company, was formally closed. In particular, the conciliation report was signed with the trade unions on January 22, 2018, based on which the parties acknowledge to no longer have anything to expect from each other. The financial obligation emerging from this report coincides with the amount already accrued among the provisions for risks and charges as at December 31, 2017 (€0.2 million).

On January 30, 2018 the independent auditors appointed by Memry Corporation concluded with no observations the review on the company's compliance with the agreed conditions (increase of the workforce at the Bethel site and average annual salary not below a predetermined threshold) for the transformation of 50% of the loan granted by the State of Connecticut (CT) at the end of 2014 in a non-repayable grant. At the beginning of March the audit reports were notified to the relevant State authorities and the final authorization by the State of CT arrived on March 8, 2018. The grant, amounting to \$1.4 million, generated an income in the income statement, as well as an equal improvement in the net financial position.

On February 12, 2018 SAES Nitinol S.r.l. granted to Actuator Solutions GmbH an additional tranche, equal to €0.5 million, of the loan signed on November 28, 2016.

Please note that the loan, aimed at the financial support of the operating activities, expires on April 30, 2019, with a flexible repayment plan by the expiry date and a fixed annual interest rate equal to 6%;

the related contract, which initially provided for an overall maximum amount of €4.5 million, was appropriately revised, increasing that figure to €5million.

On March 14, 2018 SAES Getters S.p.A. has resolved the partial waiver of the financial receivables against SAES Nitinol S.r.l. for an amount of €660 thousand, equal to the difference between the total loss (-€800 thousand) recorded by the subsidiary in 2017 and the loss (-€140 thousand) for the same period estimated at the beginning of the year and already covered by the payment made by the Parent Company on March 15, 2017.

It should be noted that the Additional periodic financial information on 1st quarter 2018 is unaudited.

As at March 31, 2018 the Group no forward contracts have been entered into.

Restatement of the figures as at March 31, 2017

Please note that some economic and financial figures as at March 31, 2017, presented for comparative purposes, do not coincide with the information reported in the Additional periodic financial information as at March 31, 2017, as they reflect the restatement deriving from the completion of the provisional evaluation of the business combination of Metalvuoto S.p.A., in compliance with the provisions of IFRS 3 revised.

Restatement of the income statement figures of the first quarter of 2017

Thousands of euro

	1 st quarter 2017	Restatement	1 st quarter 2017 restated
Total net sales	58,668		58,668
Cost of sales	(33,779)		(33,779)
Gross profit	24,889	0	24,889
R&D expenses	(3,837)	(73)	(3,910)
Selling expenses	(4,174)		(4,174)
G&A expenses	(7,253)		(7,253)
Total operating expenses	(15,264)	(73)	(15,337)
Other income (expenses), net	(78)		(78)
Operating income (loss)	9,547	(73)	9,474
Interest and other financial income, net	(282)		(282)
Income (loss) from equity method evaluated companies	(363)		(363)
Foreign exchange gains (losses), net	(104)		(104)
Income (loss) before taxes	8,798	(73)	8,725
Income taxes	(3,002)	20	(2,982)
Net income (loss) from continued operations	5,796	(53)	5,743
Income (loss) from assets held for sale and discontinued operations	0		0
Net income (loss) before minority interest	5,796	(53)	5,743
Net income (loss) pertaining to minority interest	0		0
Net income (loss) pertaining to the Group	5,796	(53)	5,743

Restatement of the income statement figures of the first quarter of 2017

Thousands of euro

	Industrial Applications	Shape Memory Alloys	Solutions for Advanced Packaging			Business Development & Corporate Costs	TOTAL		
	1 st quarter 2017	1 st quarter 2017	1 st quarter 2017	Restatement	1 st quarter 2017 restated	1 st quarter 2017	1 st quarter 2017	Restatement	1 st quarter 2017 restated
Total net sales	34,913	19,995	3,369	0	3,369	391	58,668	0	58,668
Cost of sales	(18,992)	(11,741)	(2,763)	0	(2,763)	(283)	(33,779)	0	(33,779)
Gross profit (loss)	15,921	8,254	606	0	606	108	24,889	0	24,889
Operating expenses and other income (expenses)	(6,021)	(3,497)	(622)	(73)	(695)	(5,202)	(15,342)	(73)	(15,415)
Operating income (loss)	9,900	4,757	(16)	(73)	(89)	(5,094)	9,547	(73)	9,474

Net Sales by Business and by Geographic Location of Customers

Industrial Applications Business Unit	
Security & Defense	Getters and metal dispensers for electronic vacuum devices
Electronic Devices	Getters for microelectronic, micromechanical systems (MEMS) and sensors
Healthcare Diagnostics	Getters for X-ray tubes used in image diagnostic systems
Thermal Insulation	Products for thermal insulation
Getters & Dispensers for Lamps	Getters and metal dispensers used in discharge lamps and fluorescent lamps
Solutions for Vacuum Systems	Pumps for vacuum systems
Sintered Components for Electronic Devices and Lasers	Cathodes and materials for thermal dissipation in electronic tubes and lasers
Systems for Gas Purification and Handling	Gas purifier systems for the semiconductor industry and other industries
Shape Memory Alloys (SMA) Business Unit	
Nitinol for Medical Devices	Nitinol raw material and components for the biomedical sector
SMA's for Thermal and Electro Mechanical Devices	Shape Memory Alloys actuator devices for the industrial sector (domotics, white goods industry, consumer electronics and automotive sector)
Solutions for Advanced Packaging	
Solutions for Advanced Packaging	Advanced plastic films for the food packaging sector
Business Development Unit	
Organic Electronics	Materials and components for organic electronics applications

Consolidated Net Sales by Business

Thousands of euro (except %)

Business	1 st quarter 2018	1 st quarter 2017	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	2,974	2,169	37.1%	48.2%	-11.1%
Electronic Devices	3,134	2,609	20.1%	29.2%	-9.1%
Healthcare Diagnostics	1,023	1,037	-1.4%	4.1%	-5.5%
Getters & Dispensers for Lamps	1,430	1,819	-21.4%	-16.4%	-5.0%
Thermal Insulation	916	1,271	-27.9%	-18.6%	-9.3%
Solutions for Vacuum Systems	3,174	2,105	50.8%	62.1%	-11.3%
Sintered Components for Electronic Devices & Lasers	1,759	1,735	1.4%	17.0%	-15.6%
Systems for Gas Purification & Handling	25,844	22,168	16.6%	34.5%	-17.9%
Industrial Applications	40,254	34,913	15.3%	30.2%	-14.9%
Nitinol for Medical Devices	16,328	17,853	-8.5%	5.5%	-14.0%
SMA's for Thermal & Electro Mechanical Devices	2,838	2,142	32.5%	38.1%	-5.6%
Shape Memory Alloys	19,166	19,995	-4.1%	9.0%	-13.1%
Solutions for Advanced Packaging	3,478	3,369	100.0%	100.0%	0.0%
Business Development	338	391	-13.6%	-1.4%	-12.2%
Total Net Sales	63,236	58,668	7.8%	21.2%	-13.4%

Consolidated Net Sales by Geographic Location of Customer

Thousands of euro

Geographic Area	1st quarter 2018	1st quarter 2017
Italy	1,277	1,659
European countries	11,516	10,326
North America	22,130	25,036
Japan	1,702	1,543
South Korea	4,821	2,442
China	16,087	12,083
Rest of Asia	3,642	5,232
Rest of the World	2,061	347
Total Net Sales	63,236	58,668

In the first quarter of 2018 the SAES Group achieved **consolidated net revenues** equal to €63.2 million, up by 7.8% compared to the figure of the first quarter of 2017, equal to €58.7 million. Net of the **negative exchange rate effect** (-13.4%) the Group recorded a strong **organic growth**, equal to +21.2%.

The organic growth was mainly concentrated in the gas purification sector (**Systems for Gas Purification & Handling Business**), driven by the investments in China for new semiconductor fabs, in the segment of pumps for vacuum systems (**Solutions for Vacuum Systems Business**), thanks to the new contracts in the sector of particle accelerators, as well as in that of devices for security and defense (**Security & Defense Business**), favored by the recovery of investments in the military sector in the USA.

Total revenues of the Group were equal to €66.2 million, up by 6.6% compared to €62.1 million in the first quarter of 2017: the growth was exclusively attributable to the increase in consolidated revenues, while in the joint venture Actuator Solutions the growth of the automotive sector was absorbed by the decrease in revenues in the segment of autofocus (AF) for action cameras of the Taiwan-based company.

Total revenues of the Group

Thousands of euro

	1st quarter 2018	1st quarter 2017	Difference
Consolidated sales	63,236	58,668	4,568
50% sales of the joint venture Actuator Solutions	2,813	3,495	(682)
49% sales of the joint venture SAES RIAL Vacuum S.r.l.	280	142	138
33.79% sales of the joint venture Flexterra	2	0	2
Intercompany eliminations	(160)	(159)	(1)
Other adjustments	(10)	(78)	68
Total revenues of the Group	66,161	62,068	4,093

Industrial Applications Business Unit

Consolidated revenues of the Industrial Applications Business Unit amounted to €40.3 million in the first quarter of 2018, up by 15.3% compared to €34.9 million in the corresponding quarter of 2017.

This growth, although significant, was penalized by the trend of the euro against the major foreign currencies (-14.9%) net of which revenues organically increased by 30.2%.

The growth was mainly driven by the gas purification sector (Systems for Gas Purification & Handling Business), that recorded an organic growth of 34.5%, thanks to the investments in new semiconductors and displays fabs in Asia. The Solutions for Vacuum Systems Business also showed a strong organic growth (+62.1%) thanks to the higher sales to the manufacturers of analytic devices, that are more and more expanding the use of NEG pumps in their systems, in addition to new orders in the field of particle accelerators. An organic growth was recorded also by the Security & Defense Business (+48.2%), thanks to the recovery of the US military investments; the Electronic Devices Business (+29.2%), thanks to the positive trend of the sales of infrared surveillance and industrial applications; the Sintered Components for Electronic Devices & Lasers Business (+17%), driven both by the sales of cathodes and by those of thermal dissipation devices, mainly in the defense sector.

The sector of getters for healthcare applications (Healthcare Diagnostics Business) also showed a slight organic growth (+4.1%), thanks to the positive trend of the market of X-ray tubes for image diagnostics applications.

In line with the full year 2017, the sectors of thermal insulation (Thermal Insulation Business) and of lamps (Getters & Dispensers for Lamps Business) decreased. In the former, the decrease was mainly due to the weakness of the sales of insulating panels for the refrigeration market, in addition to the delay of some projects in China in the construction of thermodynamic solar power plants. In the latter, the structural decline continued due to the persistent technological competition of LEDs towards fluorescent lamps and discharge intensity lamps.

The table below shows the revenues in the first quarter of 2018 related to the various business areas, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2017.

Thousands of euro (except %)

Business	1 st quarter 2018	1 st quarter 2017	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	2,974	2,169	37.1%	48.2%	-11.1%
Electronic Devices	3,134	2,609	20.1%	29.2%	-9.1%
Healthcare Diagnostics	1,023	1,037	-1.4%	4.1%	-5.5%
Getters & Dispensers for Lamps	1,430	1,819	-21.4%	-16.4%	-5.0%
Thermal Insulation	916	1,271	-27.9%	-18.6%	-9.3%
Solutions for Vacuum Systems	3,174	2,105	50.8%	62.1%	-11.3%
Sintered Components for Electronic Devices	1,759	1,735	1.4%	17.0%	-15.6%
Systems for Gas Purification & Handling	25,844	22,168	16.6%	34.5%	-17.9%
Industrial Applications	40,254	34,913	15.3%	30.2%	-14.9%

Gross profit of the Industrial Applications Business Unit was equal to €18.2 million in the first quarter of 2018, up by 14.2% compared to €159 million in the first quarter of 2017, mainly thanks to the significant performance of the sales in the gas purification sector, in the vacuum systems one, as well as in the security and defense sector.

As a percentage of revenues, the **gross margin** slightly decreased from 45.6% to 45.2%: the slight decrease of the margin in the purification sector, together with the decrease of the gross margin in the lamps and the thermal insulation sectors (those being consistent with the already mentioned decrease in revenues), was offset by the increase of the margins in all the other segments.

Operating income of the Industrial Applications Business Unit was equal to €11.9 million, up by 19.9% compared to €9.9 million in the first quarter of 2017; the **operating margin** increased from 28.4% to 29.5%. The improvement was mainly related to the increase in

revenues, while the operating expenses, in absolute value, were substantially in line with those of the previous year.

Shape Memory Alloys (SMA) Business Unit

Consolidated revenues of the Shape Memory Alloys Business Unit were equal to €19.2 million in the first quarter of 2018, showing a decrease (-4.1%) compared to €20 million in the corresponding period of 2017; this decrease was totally due to the negative exchange rate effect (-13.1%), net of which the organic growth was equal to +9%.

Compared to the first quarter of the previous year, the industrial SMAs segment (SMAs for Thermal and Electro Mechanical Devices Business) registered a strong organic growth (+38.1%), mainly due to the expansion in the field of luxury goods, facing an automotive sector which was substantially stable. The Nitinol for Medical Devices Business recorded an organic growth of 5.5%, in line with the trend of the reference market.

The table below shows the revenues in the first quarter of 2018 related to the various business areas, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2017.

Thousands of euro (except %)

Business	1st quarter 2018	1st quarter 2017	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Nitinol for Medical Devices	16,328	17,853	-8.5%	5.5%	-14.0%
SMAs for Thermal & Electro Mechanical	2,838	2,142	32.5%	38.1%	-5.6%
Shape Memory Alloys	19,166	19,995	-4.1%	9.0%	-13.1%

Gross profit of the Shape Memory Alloys Business Unit was equal to €7.8 million (40.8% of consolidated revenues) in the first quarter of 2018, compared to €8.3 million (41.3% as a percentage of revenues) in the corresponding period of 2017: this decrease was exclusively due to the currency effect (mainly the dollar devaluation), while the gross margin was substantially stable (from 41.3% to 40.8%).

Operating income of the Shape Memory Alloys Business Unit amounted to €6.1 million in the first quarter of 2018, up by +29.1% compared to €4.8 million in the first quarter of 2017. The **operating margin** increased from 23.8% to 32%. Both the increases are mainly due to the already mentioned contribution granted by the State of Connecticut to the subsidiary Memry Corporation, equal to around €1.1 million.

Solutions for Advanced Packaging Business Unit

Consolidated revenues of the Solutions for Advanced Packaging Business Unit were equal to €3.5 million in the first quarter of 2018, up by 32% compared to €3.4 million in the first quarter of 2017.

Sales are exclusively denominated in euro.

The growth was fully attributable to the traditional product portfolio, while a contribution from the innovative products recently introduced is expected in the second half of 2018.

Gross profit of the Solutions for Advanced Packaging Business Unit was equal to €0.4 million in the first quarter of 2018, compared to €0.6 million in the corresponding period of 2017.

The gross margin was equal to 12.8%, decreased when compared to 18% in the first quarter of 2017, but in line with that of the full year 2017 (13.2%).

The first quarter of 2018 ended with an **operating loss** equal to €0.5 million, compared to a loss of €0.1 million in the previous year: the worsening was mainly due to the increase in operating expenses (in particular, higher costs for personnel employed in development activities and higher consultancy fees).

Business Development Unit & Corporate Costs

The Business Development Unit & Corporate Costs includes projects of basic research or in a developing phase, aimed at diversifying into innovative businesses, in addition to corporate costs (costs that cannot be directly attributed or reasonably allocated to any business sector, but that refer to the Group as a whole).

In the first quarter of 2018 **consolidated revenues** amounted to €0.3 million, compared to €0.4 million in the corresponding period of 2017 (-13.6%). The exchange rate effect was negative and equal to -12.2%, while the organic decrease was equal to -1.4%. The decrease was mainly attributable to the price effect related to increased competition in the OLED sector.

Gross profit was equal to €0.1 million in the first quarter of 2018, in line with the first quarter of 2017.

Operating result was negative and equal to -€6.1 million, compared to a negative figure equal to -€5.1 million in the first quarter of 2017. This worsening was due to higher general and administrative expenses of the Parent Company (namely, higher consultancy fees and higher variable remunerations to the Executive Directors).

Consolidated gross profit amounted to €26.5 million in the first quarter of 2018, up by 6.6% compared to €24.9 million in the first quarter of 2017, mainly thanks to higher sales in the sectors of gas purification, of pumps for vacuum systems and of components for security and defense applications.

As a percentage of revenues, the **gross margin** (42% in the first quarter of 2018, compared to 42.4% in the corresponding period of 2017) was substantially stable, both for the Industrial Applications Business Unit and for the Shape Memory Alloys Business Unit; only the Advanced Packaging Solutions Business Unit showed a decreased margin, but still so small in absolute values that it did not had any effect on the consolidated gross margin.

Consolidated operating income amounted to €11.4 million (18% of consolidated revenues) compared to €9.5 million (16.1% of consolidated revenues) in the first quarter of 2017: the strong growth (+20.1%) was mainly attributable to the increase in the gross profit, made possible by the increase in revenues. The already mentioned non-repayable grant provided by the State of Connecticut (CT) to Memry Corporation (approximately €1.1 million, recorded under the item "**Other net income (losses)**") more than absorbed the increase in corporate general and administrative expenses (in particular, increase in consultancy costs of the Parent Company and higher variable remunerations for Executive Directors).

Consolidated EBITDA amounted to €13.5 million (21.3% of consolidated revenues) compared to €11.8 million in the corresponding quarter of 2017 (20.1% of consolidated revenues), showing a growth which was in line with that of the operating indicators.

EBITDA

Thousands of euro

	1 st quarter 2018	1 st quarter 2017
Operating income (loss)	11,376	9,474
Depreciation & amortization	1,988	2,313
Write-down of assets	80	0
Bad debt provision accrual (release)	24	13
EBITDA	13,468	11,800
<i>% on sales</i>	<i>21.3%</i>	<i>20.1%</i>

The net balance of the **financial expenses** was negative and equal to -€0.2 million, in line with the figure of the first quarter of 2017 (-€0.3 million) Also the sum of the **exchange rate differences** was in line with the previous year (-€0.2 million, compared to -€0.1 million in the first quarter of 2017)

The result deriving from the **evaluation with the equity method** of the joint ventures totally amounted to -€0.2 million (-€0.4 million in the first quarter of 2017), almost exclusively attributable to the joint venture Flexterra. Please note that, being the investment of SAES in Actuator Solutions already fully reduced to zero as at December 31, 2017 and since today there is no legal or implied obligation of recapitalization by the Group, in accordance with IAS 28, the share pertaining to SAES in the net loss of Actuator Solutions as at March 31, 2018 (equal to -€31 thousand) was not recognized by the Group.

Consolidated income before taxes amounted to €10.7 million in the first quarter of 2018, increased by 23.1% when compared to an income before taxes of €8.7 million in the first quarter of 2017.

The Group's **tax rate** was equal to 17.3%, showing a strong decrease compared to the pro-forma⁶ figure related to the full year 2017 (31%), mainly thanks to the reduced rate applied by the US subsidiaries for the calculation of the Federal tax.

Consolidated net income was equal to €8.9 million in the first quarter of 2018, strongly increased (+54.7%) compared to a consolidated net income of €5.7 million in the corresponding quarter of the previous year, thanks both to the improvement of the operating result, as well as to the strong reduction of the Group's tax rate.

The net income per ordinary share and per savings share amounted respectively to €0.3973 and €0.4139 in the first quarter of 2018; these figures compare with a net income per ordinary share equal to €0.2549 and a net income per savings share equal to €0.2715 in the first quarter of 2017.

Consolidated income (loss) per share

Euro

	1 st quarter 2018	1 st quarter 2017 restated
Net income (loss) per ordinary share	0.3973	0.2549
Net income (loss) per savings share	0.4139	0.2715

⁶ Excluding the write off, equal to €1.8 million, for deferred tax assets on tax losses carried forward of the Parent Company.

The **consolidated net financial position** was equal to -€16.7 million as at March 31, 2018, showing a slight improvement compared to the end of 2017 (-€17.7 million): the self-financing of the quarter was almost entirely absorbed by the increase in the net working capital recorded in the gas purification sector (in particular, increase in commercial receivables, also related to the higher sales in the first quarter of 2018).

The investment activities absorbed cash for an amount of -€1.8 million (-€2 million in the first quarter of 2017).

Consolidated Net Financial Position

Thousands of euro

	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017
Cash on hands	11	13	12	18	20
Cash equivalents	24,080	27,551	22,981	21,317	21,214
Cash and cash equivalents	24,091	27,564	22,993	21,335	21,234
Related parties financial assets	877	936	865	797	665
Other current financial assets	0	0	108	81	1
Current financial assets	877	936	973	878	666
Bank overdraft	(11,549)	(12,254)	(15,224)	(18,905)	(9,388)
Current portion of long term debt	(10,458)	(10,478)	(9,557)	(9,572)	(8,542)
Other current financial liabilities	(2,084)	(2,152)	(1,682)	(1,327)	(1,220)
Current financial liabilities	(24,091)	(24,884)	(26,463)	(29,804)	(19,150)
Current net financial position	877	3,616	(2,497)	(7,591)	2,750
Related parties non current financial assets	8,049	7,549	8,549	8,549	8,149
Long term debt, net of current portion	(24,808)	(28,057)	(31,364)	(33,592)	(34,302)
Other non current financial liabilities	(817)	(838)	(976)	(1,009)	(1,812)
Non current liabilities	(25,625)	(28,895)	(32,340)	(34,601)	(36,114)
Non current net financial position	(17,576)	(21,346)	(23,791)	(26,052)	(27,965)
Net financial position	(16,699)	(17,730)	(26,288)	(33,643)	(25,215)

Actuator Solutions

Actuator Solutions GmbH is based in Gunzenhausen (Germany) and is 50% jointly owned by SAES and Alfmeier Präzision, a German group operating in the fields of electronics and advanced plastic materials. This joint venture, which consolidates its wholly owned subsidiaries Actuator Solutions Taiwan Co., Ltd. and Actuator Solutions (Schenzen) Co., Ltd., is focused on the development, production and commercialization of actuators using shape memory alloys in place of the engine.

Actuator Solutions recorded net revenues equal to €5.6 million in the first quarter of 2018, decreased if compared to €7 million in the first quarter of 2017. These revenues were almost entirely attributable to the German business of seat comfort, which continued to record a progressive growth, facing a decrease in sales of the autofocus (AF) for action cameras of the Taiwanese subsidiary.

The net result of the period was substantially at break-even, compared to a loss of -€1.2 million in the first quarter of 2017, thanks to the recovery of the margin in the German business, as well as to the strong reduction of costs of the Taiwanese subsidiary, both being the result of the restructuring made in the previous year.

Thousands of euro

Actuator Solutions (100%)	1st quarter 2018	1st quarter 2017
Total net sales	5,626	6,991
Cost of sales	(4,412)	(7,135)
Gross profit	1,214	(144)
Total operating expenses	(1,100)	(1,264)
Other income (expenses), net	215	(121)
Operating income (loss)	329	(1,529)
Interests and other financial income, net	(129)	(151)
Foreign exchange gains (losses), net	(92)	430
Income taxes	(169)	79
Net income (loss)	(61)	(1,171)

The share of the SAES Group in the result of this joint venture in the first quarter of 2018 amounted to -€31 thousand (-€0.6 million in the first quarter of 2017). In line with the figure as at March 31, 2017, being the investment of SAES in Actuator Solutions already fully reduced to zero and since there is today no legal or implied obligation of recapitalization by the Group, in accordance with IAS 28, the share pertaining to SAES in the net loss of Actuator Solution as at March 31, 2018 was not recognized by the Group as a liability.

Actuator Solutions - SAES Group interest (50%)

Thousands of euro

Statement of financial position	March 31, 2018	December 31, 2017
Non current assets	4,803	5,491
Current assets	1,422	1,908
Total Assets	6,225	7,399
Non current liabilities	4,683	4,982
Current liabilities	2,520	3,409
Total Liabilities	7,203	8,391
Capital Stock, Reserves and Retained Earnings	(992)	815
Net income (loss) for the period	(31)	(2,047)
Other comprehensive income (loss) for the period	45	240
Total Equity	(978)	(992)

Statement of profit or loss	1st quarter 2018	1st quarter 2017
Total net sales	2,813	3,495
Cost of sales	(2,206)	(3,567)
Gross profit	607	(72)
Total operating expenses	(550)	(632)
Other income (expenses), net	108	(61)
Operating income (loss)	165	(765)
Interests and other financial income, net	(65)	(76)
Foreign exchange gains (losses), net	(46)	215
Income taxes	(85)	40
Net income (loss)	(31)	(586)
Exchange differences	45	(197)
Total comprehensive income (loss) for the period	14	(783)

Flexterra

Flexterra, Inc., based in Skokie (close to Chicago, Illinois, USA), is a development start-up established at the end of 2016 whose objective is the design, manufacturing and commercialization of materials and components for the manufacturing of truly flexible displays, with an enormous application potential in different market sectors.

From January 10, 2017 Flexterra, Inc. fully controls the newly established company Flexterra Taiwan Co., Ltd.

At present, SAES owns a share in the share capital of Flexterra, Inc. equal to 33.79%.

The development start-up ended the first quarter of 2018 with a net loss equal to -€0.8 million, compared to a loss of -€1 million in the corresponding period of 2017 (mainly, costs for personnel employed in research activities and general and administrative activities).

Thousands of euro

Flexterra (100%)	1st quarter 2018	1st quarter 2017
Total net sales	7	0
Cost of sales	(1)	0
Gross profit	6	0
Total operating expenses	(844)	(995)
Other income (expenses), net	0	(51)
Operating income (loss)	(838)	(1,046)
Interests and other financial income, net	(12)	(9)
Foreign exchange gains (losses), net	27	62
Income taxes	0	0
Net income (loss)	(823)	(993)

The share of the SAES Group in the result of the joint venture Flexterra in the first quarter of 2018 amounted to -€0.3 million (in line with the first quarter of 2017).

Flexterra - SAES Group interest

Thousands of euro

Statement of financial position	March 31, 2018 (33.79%)	December 31, 2017 (33.79%)
Non current assets	4,475	4,616
Current assets	895	1,206
Total Assets	5,370	5,822
Non current liabilities	0	0
Current liabilities	121	154
Total Liabilities	121	154
Capital Stock, Reserves and Retained Earnings	5,554	8,064
Reserve for stock options plan	128	114
Net income (loss) for the period	(278)	(1,626)
Other comprehensive income (loss) for the period	(155)	(884)
Total Equity	5,249	5,668

Statement of profit or loss	1st quarter 2018 (33.79%)	1st quarter 2017 (34.66%)
Total net sales	2	0
Cost of sales	0	0
Gross profit	2	0
Total operating expenses	(285)	(345)
Other income (expenses), net	0	(17)
Operating income (loss)	(283)	(362)
Interests and other financial income, net	(4)	(3)
Foreign exchange gains (losses), net	9	21
Income taxes	0	0
Net income (loss)	(278)	(344)

SAES RIAL Vacuum S.r.l.**SAES RIAL Vacuum S.r.l. - SAES Group interest (49%)**

Thousands of euro

Statement of profit or loss	1st quarter 2018	1st quarter 2017
Total net sales	280	142
Cost of sales	(193)	(176)
Gross profit	87	(34)
Total operating expenses	(38)	(41)
Other income (expenses), net	(1)	59
Operating income (loss)	48	(16)
Interests and other financial income, net	(3)	(3)
Foreign exchange gains (losses), net	0	0
Income taxes	(13)	0
Net income (loss)	32	(19)
Actuarial gain (loss) on defined benefit plans, net of taxes	0	0
Totale comprehensive income (loss) for the period	32	(19)

The following table shows the **Total Group's statement of profit or loss**, achieved by incorporating with the proportional method, instead of the equity method, the joint ventures of the Group (Actuator Solutions [50%], SAES RIAL Vacuum S.r.l. [49%] and Flexterra [33.79%]).

Total statement of profit or loss of the Group
Thousands of euro

	1 st quarter 2018							Total profit or loss of the Group
	Consolidated profit or loss	50% Actuator Solutions	Intercoy eliminations & other adjustments	49% SAES RIAL Vacuum S.r.l.	Intercoy eliminations & other adjustments	33.79% Flexterra	Intercoy eliminations & other adjustments	
Total net sales	63,236	2,813	(156)	280	(14)	2		66,161
Cost of sales	(36,701)	(2,206)	156	(193)	14	0		(38,930)
Gross profit	26,535	607	0	87	0	2	0	27,231
Total operating expenses	(16,202)	(550)		(38)		(285)		(17,075)
Other income (expenses), net	1,043	108		(1)		0		1,150
Operating income (loss)	11,376	165	0	48	0	(283)	0	11,306
Interest and other financial income, net	(152)	(65)		(3)		(4)		(224)
Income (loss) from equity method evaluated companies	(246)		0		(32)		278	0
Foreign exchange gains (losses), net	(235)	(46)		0		9		(272)
Income (loss) before taxes	10,743	54	0	45	(32)	(278)	278	10,810
Income taxes	(1,860)	(85)		(13)		0		(1,958)
Net income (loss) from continued operations	8,883	(31)	0	32	(32)	(278)	278	8,852
Income (loss) from assets held for sale and discontinued operations	0							0
Net income (loss) before minority interest	8,883	(31)	0	32	(32)	(278)	278	8,852
Net income (loss) pertaining to minority interest	0							0
Net income (loss) pertaining to the Group	8,883	(31)	0	32	(32)	(278)	278	8,852

Significant events occurred after the end of the quarter

On April 5, 2018 the Ordinary Shareholders' Meeting of Metalvuoto S.p.A., called to approve the Financial Statement as at December 31, 2017, approved the establishment of an extraordinary reserve of around €3 million to cover any future losses and in view of future planned investments, by means of a capital contribution by the Sole Shareholder SAES Getters S.p.A.

On the same day, the Shareholders' Meeting, convened also in an extraordinary session, deliberated on the change of the Metalvuoto S.p.A.'s company name in SAES Coated Films S.p.A., for the purpose of a greater recognition in the market.

On April 6, 2018 the purchase by SAES Getters S.p.A. of the property where the headquarters and production facilities of Metalvuoto S.p.A. are located was finalized. The purchase price was equal to €3.5 million.

In order to protect the results and the profitability from the fluctuation of the exchange rates, on April 3, 2018 some forward contracts on the US dollar were signed for a total notional value of USD 2.7 million; such contracts provide for an average forward exchange rate equal to 1.2416 against the euro and will be in force for the entire 2018. Similar contracts, for a notional value of JPY 207 million, were underwritten at the same date, with an average forward exchange rate equal to 131.0222 against the euro. Also these contracts will be in force for the entire 2018.

At the end of 2016, SAES, through its subsidiary SAES Getters International Luxembourg S.A., committed to transfer a contribution of \$4.5 million in capital to Flexterra, Inc., in addition to tangible and intangible assets (IP) for an estimated value of approximately \$3 million, to be finalized upon the achievement by Flexterra of technical and commercial objectives as set out in the agreement (milestone) no later than March 31, 2018. Flexterra, Inc. is currently negotiating a revision of the original agreement with its shareholders, in order to extend this deadline until the end of July 2018, to allow the expected milestone to be achieved. If the objective is reached, following the aforementioned transfer, the shareholding of SAES in Flexterra is expected to rise to around 45%.

On April 24, 2018 the new Board of Directors, following a proposal from the Remuneration and Appointment Committee and with the favorable opinion of the Board of Statutory Auditors, approved a long-term incentive plan for the Executives Directors, as well as for managers holding a strategic role within the Company, called "2018 Phantom Shares Plan".

The beneficiaries of the plan are, in a first phase, the Chairman and the Deputy Chairman of the Board of Directors (in charge, also considering any renewals, for at least three years from the approval date of the plan) and the Directors identified by the Board among the members of the *Corporate Management Committee* (a committee established by the Company, where the Executive Directors provide guidelines and share objectives with their direct hierarchical subordinates). At a later stage, this plan may also be extended to other executives that the Board deems to hold strategic organizational roles. In both cases, those managers must have been in charge of a global service for at least three years.

The plan recognizes in favor of the beneficiaries only the right to receive the provision of a cash incentive and it does not recognize or entail the assignment of financial instruments or rights on the Company's shares. In fact, the phantom shares are virtual units of measurement, which virtually represent the Company's ordinary shares and reflect their value over time. The plan is based on the free assignment to the beneficiaries of a certain number of phantom shares that, under the terms and conditions of the plan, give the right to receive the provision of a cash incentive, parameterized according to the increase in the stock price on the date when certain predetermined events occur, with respect to the assignment value. The events that may give rise to the provision of the incentive are, for example: change of control of the Company; failure to renew the director office upon expiry of the mandate; revocation from the position of director or substantial change in the related proxies or role without the occurrence of a justified cause; resignation for justified cause; dismissal for justified objective reasons (for Strategic Executives only); reaching of the retirement age; permanent disability; death; delisting.

The plan aims at remunerating the beneficiaries in relation to the growth of the Company's capitalization, with the purpose of retention and better alignment of the performances with the interests of the shareholders and of the Company.

This plan will be submitted to the approval of the Shareholders' Meeting to be called by the end of October 2018. The Directors' Report on this incentive plan, together with the Information Document pursuant to article 84-*bis* of the Issuers' Regulation, will be made available to the public pursuant to the law.

Business outlook

In the next months the Group expects to maintain the current positive trend. The efforts will mainly be concentrated on the most recent businesses, in particular the advanced packaging sector.

Consob regulatory simplification process

Please note that, on November 13, 2012, the Board of Directors has approved, pursuant to article no. 3 of Consob resolution no.18079/2012, to adhere to the opt-out provisions as envisaged by article no.70, paragraph 8, and no. 71, paragraph 1-*bis* of the Consob Regulation related to Issuer Companies, and it therefore avails itself of the right of making exceptions to the obligations to publish information documents required in connection with significant mergers, spin-offs and capital increases by contributions in kind, acquisitions and disposals.

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*

Lainate, Milan - Italy, May 15, 2018

On behalf of the Board of Directors
Dr Ing. Massimo della Porta
President