

The SAES[®] Group

First Half 2014 Consolidated Results

Conference Call – July 31, 2014



making **innovation happen**, together

- **Total revenues of the Group** equal to €66.9 million (including 50% of the revenues coming from the JV Actuator Solutions, which shows a strong growth [+45.8%] compared to H1 2013)
- **Consolidated revenues** equal to €63.6 million, down (-8%) compared to €69.1 million in H1 2013, but up (+6.9%) compared to €59.4 million in H2 2013
- **Consolidated gross margin** (42.7%) increased compared to H1 2013 (41%)
- **Consolidated operating income** equal to €5.2 million, up compared to €4.7 million in H1 2013, thanks to the significant reduction in operating expenses (-7.3%)
- **Consolidated EBITDA** equal to 14.9%, showing an improvement compared to 14% in H1 2013
- **Consolidated net income** equal to €1.3 million, down compared to H1 2013 (€1.7 million) penalized by a tax burden not comparable with that of the previous year

Total revenues of the Group

(achieved by incorporating the 50% joint venture Actuator Solutions with the proportional method instead of the equity method)

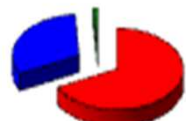
	1H 2014	1H 2013	Total difference	Difference %
Consolidated sales	63.6	69.1	-5.6	-8.0%
50% Actuator Solutions sales	3.5	2.4	1.1	45.8%
Eliminations	-0.2	-0.2	0.0	12.8%
Total revenues of the Group	66.9	71.3	-4.5	-6.3%

	1H 2014	2H 2013	Total difference	Difference %
Consolidated sales	63.6	59.4	4.1	6.9%
50% Actuator Solutions sales	3.5	2.7	0.8	27.8%
Eliminations	-0.2	-0.2	0.0	-9.3%
Total revenues of the Group	66.9	62.0	4.9	7.9%

All figures in M€, unless otherwise stated

Industrial Applications BU Sales

All figures in M€, unless otherwise stated



Industrial Applications

67.5%

	1H 2014	1H 2013	Total difference	Price-quantity effect	Exchange rate effect
Electronic & Photonic Devices	5.8	6.8	-15.5%	-12.9%	-2.6%
Sensors & Detectors	4.6	4.7	-1.7%	0.4%	-2.1%
Light Sources	6.2	6.5	-4.0%	-0.8%	-3.2%
Vacuum Systems	2.7	2.9	-6.7%	-3.4%	-3.3%
Thermal Insulation	3.5	2.6	36.5%	41.9%	-5.4%
Pure Gas Handling	20.0	24.2	-17.4%	-13.9%	-3.5%
Industrial Applications	42.9	47.8	-10.2%	-6.9%	-3.3%

	1H 2014	2H 2013	Total difference	Price-quantity effect	Exchange rate effect
Electronic & Photonic Devices	5.8	5.6	3.1%	4.6%	-1.5%
Sensors & Detectors	4.6	4.0	16.1%	17.3%	-1.2%
Light Sources	6.2	5.7	9.4%	11.1%	-1.7%
Vacuum Systems	2.7	3.7	-26.7%	-25.5%	-1.2%
Thermal Insulation	3.5	2.8	23.8%	26.2%	-2.4%
Pure Gas Handling	20.0	20.7	-3.4%	-1.4%	-2.0%
Industrial Applications	42.9	42.6	0.8%	2.6%	-1.8%

✓ **Compared to H1 2013**

- Significant growth only in the *Thermal Insulation Business* (+41.9% excluding the currency effect) thanks to higher sales of both getters for vacuum panels for the refrigeration industry and thermal insulation products for the consumer market (vacuum bottles)

✓ **Compared to H2 2013**

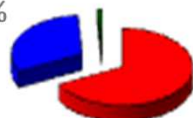
- Significant turnaround, showing a growth or stability in all segments, with the exception of the *Vacuum Systems Business* which continued to record a decrease, penalized by the cyclical nature of the research projects in which the SAES products are used

Shape Memory Alloys BU Sales

All figures in M€, unless otherwise stated

Shape Memory Alloys

31.6%



	1H 2014	1H 2013	Total difference	Price-quantity effect	Exchange rate effect
SMA Medical Applications	18.4	19.4	-4.9%	-1.1%	-3.8%
SMA Industrial Applications	1.6	1.2	30.5%	33.1%	-2.6%
Shape Memory Alloys	20.1	20.6	-2.7%	1.0%	-3.7%

	1H 2014	2H 2013	Total difference	Price-quantity effect	Exchange rate effect
SMA Medical Applications	18.4	14.9	23.4%	25.8%	-2.4%
SMA Industrial Applications	1.6	1.5	11.7%	12.8%	-1.1%
Shape Memory Alloys	20.1	16.4	22.4%	24.7%	-2.3%

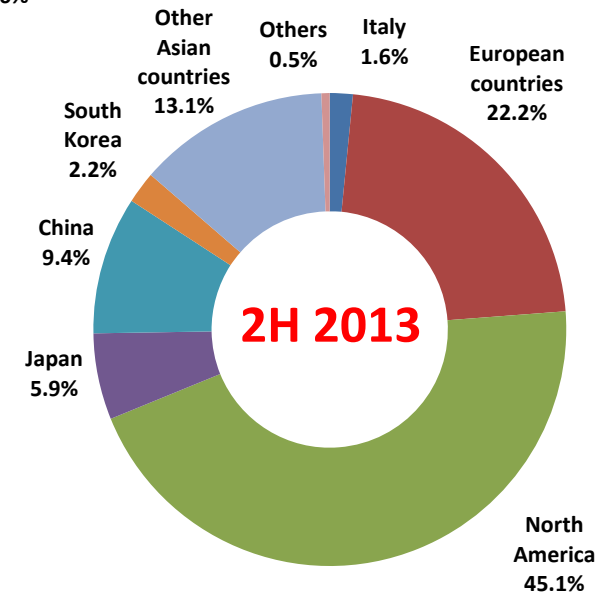
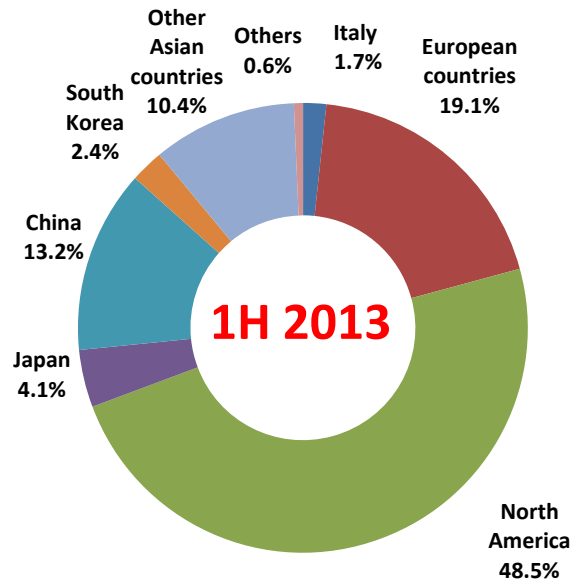
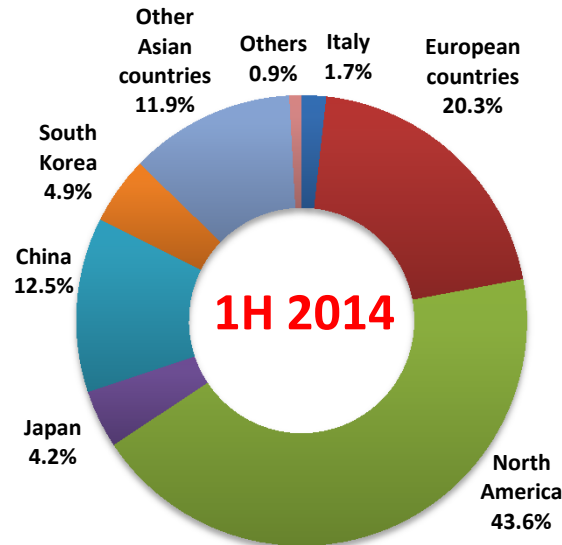
✓ Compared to H1 2013

- *Medical SMAs*: substantial stable revenues (-1.1% excluding the currency effect) thanks to a new product in ramp-up production phase, which offsets the continued low revenues from a major customer waiting for the FDA qualification
- *Industrial SMAs*: higher sales of SMA springs for engine cooling systems in automotive applications and of educated wires for the production of actuators for the consumer electronic market

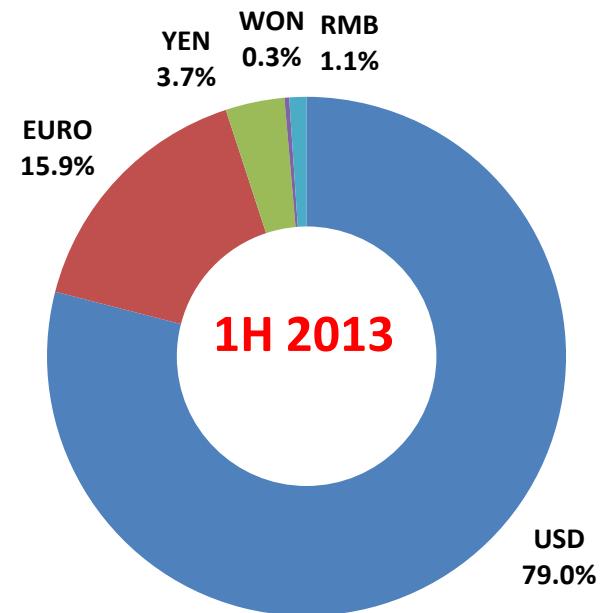
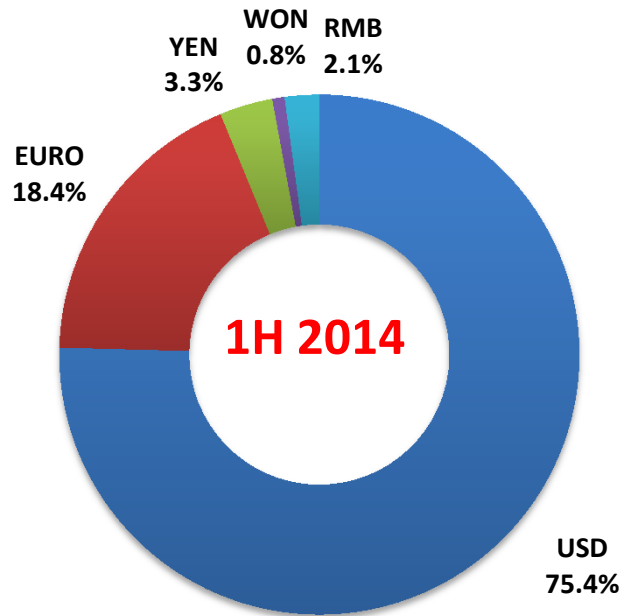
✓ Compared to H2 2013

- *Medical SMAs*: significant increase (+25.8% excluding the currency effect) thanks to the contribution of new products and the growth of demand by some customers who had reduced their volumes in the second half of 2013
- *Industrial SMAs*: consolidation of the trend of growth (+12.8% net of the exchange rate effect)

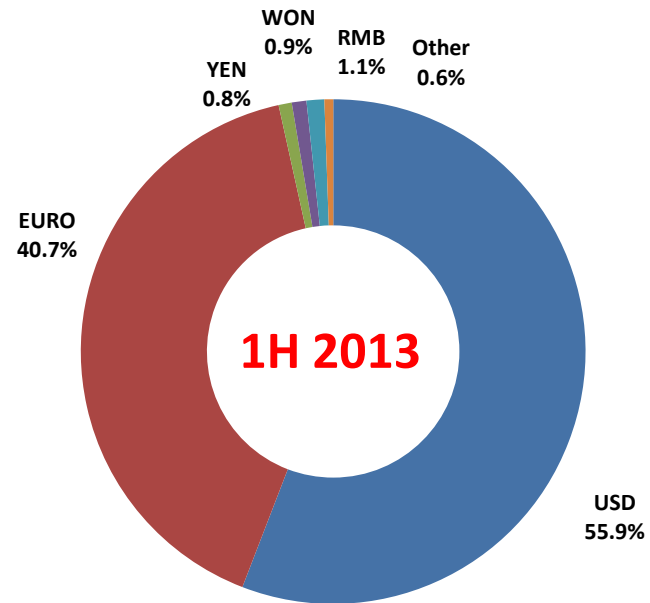
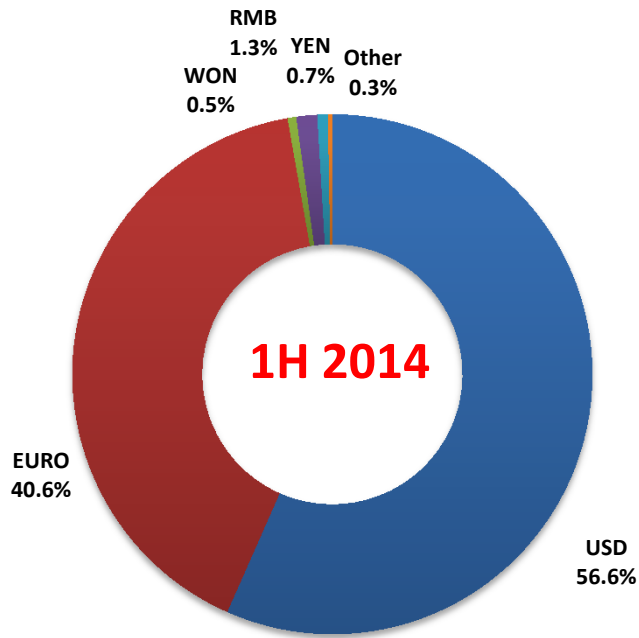
Consolidated Sales by Geographic Area



Consolidated Sales by Invoicing Currency



Consolidated Costs by Currency



Industrial Applications Margins

All figures in M€, unless otherwise stated

	1H 2014	1H 2013	Total difference	1Q 2014	2Q 2014
NET SALES	42.9	47.8	-4.9	23.3	19.6
GROSS PROFIT	21.0	21.9	-0.8	11.3	9.7
<i>Gross Margin</i>	<i>49.1%</i>	<i>45.8%</i>		<i>48.7%</i>	<i>49.5%</i>
OPERATING INCOME	12.0	12.6	-0.7	6.6	5.4
<i>Operating Margin</i>	<i>27.9%</i>	<i>26.5%</i>		<i>28.2%</i>	<i>27.5%</i>

- ✓ **Gross margin** increased from 45.8% to 49.1%
- ✓ Growth in the gross margin of all segments, thanks both to the shift in the sales mix towards products with higher margins and as a result of the rationalization of the production structure implemented in the second half of 2013
- ✓ **Operating margin** increased from 26.5% to 27.9%

Shape Memory Alloys Margins

All figures in M€, unless otherwise stated

	1H 2014	1H 2013	Total difference	1Q 2014	2Q 2014
NET SALES	20.1	20.6	-0.6	9.6	10.5
GROSS PROFIT	6.0	6.7	-0.6	2.6	3.5
<i>Gross Margin</i>	<i>30.0%</i>	<i>32.3%</i>		<i>26.8%</i>	<i>32.9%</i>
OPERATING INCOME	1.9	1.8	0.0	0.5	1.4
<i>Operating Margin</i>	<i>9.4%</i>	<i>8.9%</i>		<i>5.4%</i>	<i>13.0%</i>

- ✓ Lower **gross margin** compared to H1 2013 due to increased incidence of manufacturing fixed costs and of start-up costs related to the start of new productions both in the medical and in the industrial segments
- ✓ Gradual increase in 2014 gross margin: from 26.8% in Q1 2014 to 32.9% in Q2 2014
- ✓ **Operating margin** increased from 8.9% to 9.4%

Income Statement

All figures in M€, unless otherwise stated

	1H 2014	1H 2013	Total difference	1Q 2014	2Q 2014
NET SALES	63.6	69.1	-5.6	33.2	30.4
GROSS PROFIT	27.2	28.3	-1.1	14.0	13.2
<i>Gross Margin</i>	<i>42.7%</i>	<i>41.0%</i>		<i>42.1%</i>	<i>43.4%</i>
R&D expenses	-7.3	-7.9	0.6	-3.5	-3.8
Selling expenses	-6.1	-6.3	0.2	-3.2	-2.9
G&A expenses	-9.6	-10.6	1.0	-4.9	-4.6
Total operating expenses	-22.9	-24.7	1.8	-11.7	-11.3
Royalties	1.0	1.1	0.0	0.4	0.6
Other income (expenses), net	-0.1	0.1	-0.2	-0.1	0.0
OPERATING INCOME	5.2	4.7	0.4	2.6	2.6
<i>Operating Margin</i>	<i>8.2%</i>	<i>6.9%</i>		<i>7.8%</i>	<i>8.5%</i>
Interest and other financial income (expenses), net	-0.9	-0.5	-0.4	-0.4	-0.5
Income (loss) from equity method evaluated companies	-0.6	-0.4	-0.2	-0.2	-0.3
Foreign exchange gains (losses), net	0.1	0.0	0.1	0.0	0.0
INCOME BEFORE TAXES	3.8	3.9	-0.1	2.0	1.8
Income Taxes	-2.8	-1.8	-1.0	-1.7	-1.1
NET INCOME from continued operations	1.1	2.2	-1.1	0.3	0.8
<i>Net Margin</i>	<i>1.7%</i>	<i>3.1%</i>		<i>1.0%</i>	<i>2.5%</i>
Net income (loss) from discontinued operations	0.2	-0.5	0.7	0.2	0.1
NET INCOME before minority interests	1.3	1.7	-0.3	0.5	0.8
<i>Net Margin</i>	<i>2.1%</i>	<i>2.4%</i>		<i>1.5%</i>	<i>2.8%</i>
Minority interests	0.0	0.0	0.0	0.0	0.0
GROUP NET INCOME	1.3	1.7	-0.3	0.5	0.8
<i>Net Margin</i>	<i>2.1%</i>	<i>2.4%</i>		<i>1.5%</i>	<i>2.8%</i>

Actuator Solutions - Income Statement (50%)

All figures in M€, unless otherwise stated

	1H 2014	1H 2013	Total difference
NET SALES	3.5	2.4	1.1
Cost of goods sold	-3.3	-2.3	-1.0
Operating expenses	-0.9	-0.7	-0.2
Other income (expenses), net	0.1	0.1	0.0
OPERATING INCOME	-0.7	-0.6	-0.1
Interest and other financial income (expenses), net	0.0	0.0	0.0
INCOME BEFORE TAXES	-0.7	-0.5	-0.1
Income Taxes	0.1	0.2	-0.1
NET INCOME (LOSS)	-0.6	-0.4	-0.2

	1Q 2013	2Q 2013	3Q 2013	4Q 2013	1Q 2014	2Q 2014
	1.2	1.2	1.4	1.3	1.6	1.8
	-1.1	-1.2	-1.2	-1.3	-1.5	-1.8
	-0.4	-0.4	-0.5	-0.3	-0.4	-0.5
	0.0	0.1	0.1	0.2	0.0	0.0
	-0.3	-0.3	-0.3	-0.2	-0.3	-0.4
	0.0	0.0	0.0	0.0	0.0	0.0
	-0.3	-0.3	-0.3	-0.2	-0.3	-0.4
	0.1	0.1	0.1	0.0	0.1	0.1
	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3

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

Total Income Statement of the Group

(achieved by incorporating the 50% joint venture Actuator Solutions with the proportional method instead of the equity method)

	1H 2014 IS	50% Actuator Solutions	Eliminations	1H 2014 Total IS of the Group
NET SALES	63.6	3.5	-0.2	66.9
GROSS PROFIT	27.2	0.2	0.0	27.3
<i>Gross Margin</i>	42.7%	4.9%		40.9%
Total operating expenses	-22.9	-0.9	0.0	-23.8
Royalties	1.0			1.0
Other income (expenses), net	-0.1	0.1		0.0
OPERATING INCOME	5.2	-0.7	0.0	4.5
<i>Operating Margin</i>	8.2%	-19.4%		6.8%
Interest and other financial income (expenses), net	-0.9	0.0		-0.9
Income (loss) from equity method evaluated companies	-0.6		0.6	0.0
Foreign exchange gains (losses), net	0.1			0.1
INCOME BEFORE TAXES	3.8	-0.7	0.6	3.7
Income Taxes	-2.8	0.1		-2.6
NET INCOME from continued operations	1.1	-0.6	0.6	1.1
<i>Net Margin</i>	1.7%	-15.9%		1.6%
Net income (loss) from discontinued operations	0.2			0.2
NET INCOME before minority interests	1.3	-0.6	0.6	1.3
<i>Net Margin</i>	2.1%	-15.9%		2.0%
Minority interests	0.0			0.0
GROUP NET INCOME	1.3	-0.6	0.6	1.3
<i>Net Margin</i>	2.1%	-15.9%		2.0%

All figures in M€, unless otherwise stated

Net Financial Position

All figures in M€, unless otherwise stated

	Jun 30, 2014	Mar 31, 2014	Dec 31, 2013	Sep 30, 2013	Jun 30, 2013
Cash and cash equivalents	17.5	19.2	20.3	14.0	15.8
Current financial assets	1.2	0.5	0.0	1.2	0.1
Current financial liabilities	(57.2)	(42.3)	(54.1)	(53.5)	(51.5)
Current net financial position	(38.6)	(22.5)	(33.8)	(38.3)	(35.6)
Non current financial liabilities	(1.3)	(13.7)	(2.8)	(3.0)	(3.1)
NET FINANCIAL POSITION	(39.9)	(36.3)	(36.5)	(41.3)	(38.7)

- ✓ Compared to Dec. 31, 2013, the operating cash flows covered the outflows for investment activities (-€1.6 million) and the cash-out related to the restructuring plan, but not the payment of dividends (-€3.4 million)

Business Outlook

- Further consolidation of the recovery in the second half of 2014
- Improvement of all the economic and financial indicators

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

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Thanks for your attention



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