



**PRESS RELEASE**

Milan, September 13, 2018

**INCREASE IN REVENUES DESPITE THE NEGATIVE EXCHANGE RATE EFFECT (-8.3%) AND SIGNIFICANT IMPROVEMENT OF THE OPERATING INDICATORS**

**STRONG INCREASE IN THE NET INCOME AND POSITIVE NET FINANCIAL POSITION (€249M), THANKS TO THE EXTRAORDINARY OPERATION FOR THE SALE OF THE GAS PURIFICATION BUSINESS**

- Consolidated revenues equal to €75.7 million, compared to €73.8 million in 1H 2017. Net of the negative exchange rate effect (-8.3%) organic growth equal to 10.8%
- Total revenues of the Group equal to €81.7 million, up by 1.4% compared to €80.6 million in 1H 2017
- Consolidated gross profit equal to €32.5 million (42.9% of revenues), up by 3.9% compared to €31.3 million (42.3% of revenues) in 1H 2017
- Consolidated operating income equal to €7.9 million, significantly increased (+56%) compared to €5.1 million in 1H 2017
- Consolidated EBITDA equal to €11.7 million (15.5% of revenues), up by 23.3% compared to €9.5 million (12.9% of revenues) in 1H 2017
- Net income from discontinued operations equal to €29.9 million (€13 million in 1H 2017), linked to the sale of the gas purification business
- Consolidated net income equal to €242.6 million, significantly increased when compared to €11 million in 1H 2017
- Consolidated net financial position positive and equal to €249 million, compared to a negative figure of -€16.5 million as at December 31, 2017

The Board of Directors of SAES Getters S.p.A., gathered today in Lainate (MI), approved the consolidated results of the first half of 2018 (January 1 - June 30).

“We are very satisfied with the results of the first half and the successful closing of the sale transaction regarding the purification business” – Mr **Massimo della Porta, President** of **SAES Getters S.p.A.** said. - “We expect a strong growth in the second half of the year, mainly driven by the continued success of our products for the medical sector in the market”.

The most relevant event affecting the first half of 2018 was the closing of the sale to the US company **Entegris, Inc.** of the **gas purification business** (*Systems for Gas Purification & Handling*), part of SAES® *Industrial Applications Business Unit*.

The actual sale price was equal to \$352.8<sup>1</sup> million, namely the contractually agreed price of \$355 million, after applying a negative adjustment equal to -\$2.2 million, calculated on the basis of the working capital, cash and debt at the closing date and that could be revised on the basis of the actual accounting values approved by both parties by the end of September 2018.

<sup>1</sup> The figure included \$0.3 million equivalent to the agreed price for the sale of the assets in Lainate, to be completed by the end of October 2018.

The accounting value of the net assets sold, denominated in euros, was equal to €34.1 million. The **net capital gain** generated by the operation was equal to €227.5 million, deriving from a gross capital gain equal to €261.4 million, less the costs related to transaction (especially legal fees, consultancy fees, incentives and fees, interests, exchange rate differences and taxes), equal to around €33.9 million. This net capital gain, together with the **net income generated by the purification business subject to sale until the date of June 25** (equal to €12.4 million) has been classified under the income statement item “**Results deriving from assets held for sale and discontinued operations**” (€239.9 million).

In the first half of 2018 the SAES Group achieved **consolidated net revenues** equal to €75.7 million, up by 2.5% compared to €73.8 million recorded in corresponding semester of 2017. The **exchange rate effect** was negative (-8.3%) mainly related to the depreciation of the US dollar against the euro in the first part of the current semester. By excluding the penalizing exchange rate effect, the **organic growth** was equal to +10.8%, mainly driven by the restarting of the investments in the security and defense sectors, as well as by the higher sales in the business of the vacuum pumps and both in the Nitinol for medical applications segment and in that of the SMAs for industrial applications (mainly, luxury goods and automotive).

By including within the Group’s revenues also the revenues of the joint ventures<sup>3</sup>, the **total revenues of the Group** were equal to €81.7 million, up by 1.4% thanks both to the increased consolidated revenues (+2.5%) and to the growth of sales of the joint venture SAES RIAL Vacuum S.r.l. In the joint venture Actuator Solutions, the growth of the automotive sector was more than absorbed by the decrease in revenues of the Taiwan-based subsidiary, mainly concentrated in the segment of autofocus (AF) for action cameras.

**Consolidated gross profit**<sup>4</sup> amounted to €32.5 million in the first semester of 2018, compared to €31.3 million in the first half of 2017. The growth (+3.9%), despite the negative exchange rate effect, was mainly driven by the higher sales in the security and defense sector, as well as in that of vacuum systems (both part of the Industrial Applications Business Unit). Also the **gross margin**<sup>5</sup> was slightly higher (from 42.3% in the first half of 2017 to 42.9% in the current period) again driven by the Industrial Applications Business Unit.

**Consolidated operating income** amounted to €7.9 million in the first half of 2018 (10.4% of consolidated revenues), strongly increased (+56%) compared to €5.1 million in the corresponding period of the previous year (6.8% of consolidated revenues): despite the penalizing exchange rate effect (-€2.4 million), the increase of the gross profit and the operating expenses substantially aligned with those of the first semester 2017, together with the non-repayable grant provided by the State of Connecticut (CT) to Memry Corporation (€1.1 million, recorded under the item "Other net income (losses)") allowed the strong improvement of the operating indicators.

**Consolidated EBITDA**<sup>6</sup> was equal to €11.7 million (15.5% of consolidated revenues) in the first half of 2018, compared to €9.5 million (12.9% of consolidated revenues) in the corresponding semester of 2017, with a growth (+23.2%), in line with that of the operating indicators.

**Consolidated net income** amounted to €242.6 million<sup>7</sup> (320.4% of the consolidated revenues), compared to a consolidated net income of €11 million in the corresponding semester of the previous year (14.9% of consolidated revenues).

**Consolidated net financial position** as at June 30, 2018 was positive and equal to €249 million, compared to a negative net financial position equal to -€16.5 million as at December 31, 2017.

The strong improvement in the net financial position was the result of the consideration received on June 25, 2018 against the sale of the gas purification business (€303.4 million), net of the cash of the company sold SAES Pure Gas, Inc. (€2.7 million) and of the financial debt (€1.1 million) related to the negative price adjustment estimated on the basis of the working capital, cash and tax payables at the date of the closing and that must yet be approved by both parties, as

<sup>2</sup> The item included revenues equal to €44.6 million, with an operating profit equal to €13.4 million (30.1% of revenues).

<sup>3</sup> Actuator Solutions (50%), SAES RIAL Vacuum S.r.l. (49%) and Flexterra (33.79%).

<sup>4</sup> Calculated as the difference between net sales and industrial costs directly and indirectly attributable to the products sold.

<sup>5</sup> Calculated as the ratio between gross profit and consolidated revenues.

<sup>6</sup> 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”.

<sup>7</sup> This amount includes the income from discontinued operations, amounting to €239.9 million in the first half of 2018 (€13 million as at June 30, 2017).

well as of the ancillary monetary charges for the extraordinary operation already paid at June 30, 2018 (€19.6 million<sup>8</sup>). Thus, the **net positive effect on the net financial position** was equal to **€280 million**

For further details, please refer to the following sections of this press release.

### **Relevant events occurred in the first half of 2018**

As mentioned before, the most relevant event affecting the first half of 2018 was the closing of the **sale** to the US company Entegris, Inc. **of the gas purification business** (*Systems for Gas Purification & Handling*), part of SAES *Industrial Applications Business Unit*, finalized on June 25, 2018. The operation provided for the sale of the US subsidiary SAES Pure Gas, Inc. and the commercial operations, located in Shanghai, of the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd., that provides commercial support to SAES Pure Gas, Inc. for its sales in the Asian market. The sale included also the assets of SAES Getter S.p.A. gas purification lab located in Lainate, the transfer of which is contractually scheduled by the end of October 2018.

This transaction is part of the strategy of the Group aimed at focusing its evolutionary strategy on the strengthening of those strategic sectors where SAES has made the largest investments in the last few years, enabling the Group to secure the financial resources necessary to start an important process of growth, not only inorganic, in the Nitinol business for medical applications and in the advanced packaging business. This operation, together with the future investments, is going to support the Group's growth, as well as to guarantee stability, with a smaller dependence on the exchange rate fluctuations.

In order to enable the operation, on June 15, 2018 SAES Getters USA, Inc., the controlling company of SAES Pure Gas, Inc., sold all of its assets and liabilities, excluding the above mentioned investment, to a newly established company, SAES Colorado, Inc., then renamed SAES Getters/U.S.A., Inc., that continues to be owned by the SAES Group. On June 25, 2018, SAES Getters USA, Inc., renamed Pure Gas Colorado, Inc., a vehicle controlling the stake in SAES Pure Gas, Inc., was sold to Entegris, together with the business unit based in Shanghai and operating in the purification business of SAES Getters (Nanjing) Co., Ltd., consisting of personnel, assets and inventory.

In order to complete the transaction, the above mentioned assets of the purification lab based in Lainate will have to be transferred to Entegris by the end of October 2018. Also, the lab will continue its operation for four months after the closing date, working exclusively for Entegris, based on a specifically signed service agreement. In addition, in the factory of Avezzano, the Parent Company will maintain a production line of getter materials for the purification market, aimed at meeting also the needs of Entegris, based on a specific supply agreement of the expected duration of 36 months.

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 during the first half of 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 €5 million.

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.** (then renamed SAES Coated films 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 a price of €75 thousand. 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. The acquisition of the entire shareholding of Metalvuoto S.p.A. provides SAES with the complete strategic autonomy in the advanced packaging business, for applications especially in the food sector.

<sup>8</sup> This figure does not include the non-monetary income related to the release into the income statement of the conversion reserve generated by the consolidation of the US companies sold (SAES Getters USA, Inc. and SAES Pure Gas, Inc.), equal to €1.8million, as well as the costs related to the strategic incentive plan called *Asset Transfer Plan* (€14.4 million) and current taxes (€1.7 million) not yet paid at June 30, 2018.

On April 5, 2018 the Shareholders' Meeting of Metalvuoto S.p.A., convened in an extraordinary session, approved the change of the company name Metalvuoto S.p.A. into **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 the production activities of **SAES Coated Films S.p.A.** are located was finalized. The purchase price was equal to €3.5 million.

On April 24, 2018 the new Board of Directors of SAES Getters S.p.A., 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 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 at the increase in the stock price at 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 reason; resignation for justified reason; 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 their retention and a better alignment of the performance with the interests of the shareholders and of the Company.

This plan will be submitted to the approval of the Shareholders' Meeting called on October 1, 2018. The Directors' Report on this incentive plan, together with the Information Document pursuant to article 84-*bis* of the Issuers' Regulation, had been made available to the public on July 19, 2018.

### **Industrial Applications Business Unit**

**Consolidated revenues** of the Industrial Applications Business Unit amounted to €29.4 million in the first half of 2018, up by 12.7% compared to €26.1 million in the corresponding semester of 2017. The trend of the euro against the major foreign currencies generated a negative exchange rate effect equal to -7.3%, net of which sales organically increased by 20%.

The organic growth was mainly driven by the security and defense sector (Security & Defense Business, +55.9%) thanks to the recovery of military investments in the US and in Europe. The Solutions for Vacuum Systems Business also showed a strong organic growth (+39.5%) 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. Finally, also the electronic devices sector showed an organic growth (Electronic Devices Business, +13.5%) thanks to the positive trend of the sales of infrared surveillance and industrial applications; the Sintered Components for Electronic Devices & Lasers Business also increased (+9.9%) driven by the sales of thermal dissipation devices and of products for laser applications, mainly in the defense sector. The sector of getters for healthcare applications (Healthcare Diagnostics Business, +13.3%) also showed an organic growth, thanks to the positive trend of the market of X-ray tubes for image diagnostics and surveillance applications.

In line with 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.

Please note that the Systems for Gas Purification & Handling Business included the sales of raw material and getter components made by the Parent Company, for the purifiers mainly addressed to the semiconductor industry, equal to €0.4 million as at June 30, 2018. Please consider that SAES Group sold to Entegris, Inc. the business related to the production and commercialization of advanced gas purification systems on June 25, 2018. Such sale did not include the Parent Company's manufacturing line of getter material for the purification market, located in Avezzano, that in the future will provide for the supply of such material also to Entegris, based on the supply agreement of the estimated duration of 36 months.

The table below shows the revenues in the first semester 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 <sup>st</sup> half 2018	1 <sup>st</sup> half 2017	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	6,147	4,202	46.3%	55.9%	-9.6%
Electronic Devices	7,323	6,779	8.0%	13.5%	-5.5%
Healthcare Diagnostics	2,162	2,002	8.0%	13.3%	-5.3%
Getters & Dispensers for Lamps	2,622	3,205	-18.2%	-14.2%	-4.0%
Thermal Insulation	1,791	2,048	-12.5%	-3.9%	-8.6%
Solutions for Vacuum Systems	5,419	4,097	32.3%	39.5%	-7.2%
Sintered Components for Electronic Devices & Lasers	3,554	3,615	-1.7%	9.9%	-11.6%
Systems for Gas Purification & Handling	412	159	159.1%	159.1%	0.0%
<b>Industrial Applications</b>	<b>29,430</b>	<b>26,107</b>	<b>12.7%</b>	<b>20.0%</b>	<b>-7.3%</b>

**Gross profit** of the Industrial Applications Business Unit was equal to €15.2 million in the first half of 2018, compared to €13.1 million in the first semester of 2017. The growth (+16.4%) was mainly related to the significant performance of the sales in the security and defense sector, in the vacuum systems one, as well as in that of electronic devices. The **gross margin** slightly increased from 50% to 51.6%: 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** of the Industrial Applications Business Unit was equal to €8 million, up by 31.8% compared to €6.1 million in the first semester of 2017; the **operating margin** increased from 23.4% to 27.3%.

#### **Shape Memory Alloys (SMA) Business Unit**

**Consolidated revenues** of the Shape Memory Alloys Business Unit were equal to €39.8 million in the first semester of 2018, down by -0.7% compared to €40 million in the corresponding period of 2017. The exchange rate effect was negative and equal to -10.3%, net of which the organic growth was equal to +9.6%.

More specifically, the segment of Nitinol for medical devices (Nitinol for Medical Devices Business) followed its organic growth trend (+7.8%) in line with the trend of the reference markets. The industrial SMAs segment (SMAs for Thermal and Electro Mechanical Devices Business) recorded a strong organic growth (+23.3%), driven by the continuing expansion in the field of luxury goods and by higher sales in the automotive sector.

The table below shows the revenues in the first semester 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 <sup>st</sup> half 2018	1 <sup>st</sup> half 2017	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Nitinol for Medical Devices	34,207	35,402	-3.4%	7.8%	-11.2%
SMAs for Thermal & Electro Mechanical Devices	5,547	4,630	19.8%	23.3%	-3.5%
<b>Shape Memory Alloys</b>	<b>39,754</b>	<b>40,032</b>	<b>-0.7%</b>	<b>9.6%</b>	<b>-10.3%</b>

**Gross profit** of the Shape Memory Alloys Business Unit was equal to €16.6 million in the first half of 2018, compared to €17 million in the corresponding period of 2017: this slight decrease (-€0.4 million) was exclusively due to the currency effect (mainly the dollar devaluation) on the revenues, while the gross margin was substantially stable (from 42.5% to 41.8%).

**Operating income** of the Shape Memory Alloys Business Unit amounted to €12.3 million in the first half of 2018, up by +19.5% compared to €10.3 million in the first semester of 2017. The **operating margin** increased from 25.7% to 30.9%. 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 €6 million in the first half of 2018, compared to €7 million in the first half of 2017. Sales are exclusively denominated in euro.

The decrease was partly due to the postponing of some deliveries after June 30, 2018 and partly to the still ongoing rationalization of the product portfolio, aimed at reducing the incidence of metalized products compared to lacquered ones (the latter having a greater margins).

**Gross profit** of the Solutions for Advanced Packaging Business Unit was equal to €0.6 million (10.5% of revenues) compared to €1.1 million (15.2% of revenues) in the corresponding period of 2017. The decrease was mainly due to the already mentioned decrease in sales and to the increase of the price of raw material that negatively affected the gross margins of this business unit.

The first semester of 2018 ended with an **operating loss** equal to -€1.3 million, compared to a loss of -€0.2 million in the previous year.

### **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 semester of 2018 **consolidated revenues** amounted to €0.6 million, compared to €0.7 million in the corresponding period of 2017. The exchange rate effect was negative and equal to -8.4%, while the organic decrease was equal to -14.1%. This decrease was mainly attributable to the price effect related to increased competition in the OLED sector, as well as to the time necessary for the introduction of the new SAES encapsulating products, currently in an advanced development phase.

**Gross profit** was equal to €0.1 million (11.1% of revenues) in the first semester of 2018, in line with the first half of 2017 (17% of revenues).

**Operating result** was negative and equal to -€11.1 million, unchanged compared to that of the first half of 2017.

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**Consolidated operating expenses** were equal to €25.7 million (33.9% of revenues), compared to €26.1 million in the corresponding semester of 2017 (35.4% of revenues). Excluding the exchange rate effect (+€0.7 million) the difference in the operating expenses was equal to +€0.2 million: the increase in the **selling expenses** (particularly, please note the increase in fixed and variable compensation to the employed personnel, together with higher consultancy fees) was almost completely offset by the decreased **research and development expenses** (lower costs for licenses and reduction both in the personnel costs and in the amortization costs mainly related to the decision of suspending the OLET research project at the end of 2017 and to the subsequent liquidation of E.T.C. S.r.l.). The **general and administrative expenses** were instead in line with the first semester of 2017 (the increase in fixed and variable compensation to employees employed in G&A activities at the Parent Company, together with higher legal, advisory and training costs, was offset by the savings related to the liquidation of the German subsidiary Memry GmbH and the lower variables compensation for the Executive Directors, following the suspension of the provision for the three-year monetary incentive plan).

The net balance of the **other income (expenses)** was positive and equal to €1.1 million, compared to a negative balance equal to -€0.1 million of the first semester of 2017. The difference was mainly attributable to the income recorded by the US subsidiary Memry Corporation, equal to €1.1 million, following the transformation of 50% of the loan granted by the State of Connecticut (CT) at the end of 2014 in a non-repayable grant.

The net balance of **financial income and expenses** was negative for -€0.3 million (compared to -€0.8 million in the corresponding period of 2017) and it mainly included interest expenses on long term loans granted to the Parent Company, to SAES Coated Films S.p.A. and to the US subsidiary Memry Corporation, as well as the bank fees related to the credit lines held by the Italian companies of the Group. The difference was attributable to the fact that in the first semester of 2017 such item included the cost for the early repayment of both tranches (one of which secured by SACE) of the loan for advanced R&D projects, signed in June 2015 by the Parent Company with EIB (European Investment Bank).

The result deriving from the **evaluation with the equity method** of the joint ventures was negative and equal to -€0.7 million, almost exclusively attributable to the joint venture Flexterra, compared to a cost equal to -€1.1 million in the corresponding period of the previous year. Please note that, in line with June 30, 2017, being the investment of SAES in Actuator Solutions already fully reduced to zero and since today there is no legal or implied obligation of its

recapitalization by the Group, in accordance with IAS 28, the share pertaining to SAES in the net loss of Actuator Solutions in the first half of 2018 (-€0.4 million) was not recognized by the Group (-€1.7 million then not recorded share pertaining to SAES as at June 30, 2017).

The sum of the **exchange rate differences** recorded a balance substantially equal to zero compared to a negative balance equal to -€0.7 million in the first six months of 2017. The negative balance of the previous semester was mainly attributable to foreign exchange losses on commercial transactions, also intercompany, generated by the devaluation of the dollar against the euro and only partially offset by the gains on forward contracts entered into to partially hedge such business transactions.

**Consolidated income before taxes** amounted to €6.9 million in the first half of 2018 almost tripled (+172%) when compared to an income before taxes of €2.5 million in the first half of 2017.

**Income taxes** amounted to €4.2 million in the first half of 2018 compared to €4.5 million in the corresponding period of the previous year. The Group's **tax rate** was equal to 60.6%, still significant despite the reduced rate applied by the US subsidiaries for the calculation of the Federal tax, since the Parent Company, excluding the capital gain realized on the sale of the investment in SAES Getters USA, Inc. (parent company of SAES Pure Gas, Inc.) and discontinued in the item "Income from discontinued operations", ended the current semester with a negative taxable income, which was not valued as a deferred tax asset.

**Income from assets held for sale and discontinued operations** was equal to € 239.9 million and was mainly composed of the gross capital gain (€ 261.4 million) generated by the sale of the gas purification business, from which costs related to the transaction were deducted, equal to €34 million (mainly legal expenses, consultancy fees and incentives for both the personnel transferred and the corporate employees involved in the definition of this extraordinary corporate transaction, as well as interest, exchange rate differences and taxes). Finally, this item included the net income generated by the purification business from January 1 to June 25, 2018 (effective date of the sale) equal to €12.4 million.

At 30 June 2017, the net income from discontinued operations amounted to €13 million, substantially coinciding with the net result of the purification segment in the first half of 2017.

**Consolidated net income** was equal to €242.6 million in the first half of 2018 (320.4% of revenues) compared to a consolidated net income of €11 million (14.9% of consolidated revenues) in the corresponding semester of the previous year.

The **net income per ordinary share and per savings share** amounted respectively to €10.9955 and €11.0122 in the first semester of 2018; these figures compare with a net income per ordinary share equal to €0.4929 and a net income per savings share equal to €0.5096 in the first half of 2017.

**Consolidated net financial position** as at June 30, 2018 was positive and equal to €249 million and compares to a negative net financial position equal to -€16.5 million as at December 31, 2017.

Compared to December 31, 2017, the increase in the net financial position (+€265.6 million) is the result of the extraordinary sale transaction of the purification business (+€280 million was the overall effect of this transaction on the net financial position). Disbursements for dividends paid at the beginning of May (-€15.4 million) and net investments in tangible and intangible assets (-€7.3 million) were partially offset by the cash flows generated by the operating activities, while the exchange rate effect was positive for €1.5 million, mainly attributable to the effect on cash and cash equivalents in dollars of the revaluation of the US dollar as at June 30, 2018, compared to the end of the year 2017.

### **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 €1.7 million in the first semester of 2018, decreased by 14.5% when compared to €13.7 million in the first semester of 2017. These revenues were almost entirely attributable to the German business of the seat comfort, which continued to record a progressive growth (+9.6%), against a decrease in the sales of the autofocus (AF) for action cameras of the Taiwanese subsidiary (sales equal to €23 thousand as at June 30, 2018, compared to €2.8 million in the corresponding period of the previous year).

The net result of the period was negative and equal to -€0.7 million, compared to a loss of -€3.4 million as at June 30, 2017: the improvement was 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, subsequent to 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 research and development activities.

Finally, please note that the loss at June 30, 2018 includes extraordinary charges of approximately €07 million (extraordinary charges of €1.2 million as at June 30, 2017), related to the continuation of the process of the production outsourcing also at the Chinese subsidiary, net of which Actuator Solutions ended the current semester at break-even.

Thousands of euro

<b>Actuator Solutions</b> (100%)	<b>1<sup>st</sup> half 2018</b>	<b>1<sup>st</sup> half 2017</b>
Total net sales	11,735	13,727
Cost of sales	(9,451)	(12,941)
<b>Gross profit</b>	<b>2,284</b>	<b>786</b>
Total operating expenses	(2,253)	(2,636)
Other income (expenses), net	(144)	(1,008)
<b>Operating income (loss)</b>	<b>(113)</b>	<b>(2,858)</b>
Interests and other financial income, net	(242)	(338)
Foreign exchange gains (losses), net	(82)	(235)
Income taxes	(280)	38
<b>Net income (loss)</b>	<b>(717)</b>	<b>(3,393)</b>

The share of the SAES Group in the result of this joint venture in the first half of 2018 amounted to -€0.4 million (-€1.7 million in the first half of 2017). In line with June 30, 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 June 30, 2018 was not recognized by the Group as a liability.

### **SAES RIAL Vacuum S.r.l.**

SAES RIAL Vacuum S.r.l., established at the end of 2015, is jointly controlled by SAES Getters S.p.A (49%) and Rodofil s.n.c. (51%). The company is specialized in the design and manufacturing of vacuum chambers for accelerators, synchrotrons and colliders and combines at the highest level the competences of SAES in the field of materials, vacuum applications and innovation, with the experience of Rodofil in the design, assembling and fine mechanical productions, with the aim of offering absolutely excellent quality products and of successfully competing in the international markets.

SAES RIAL Vacuum S.r.l. ended the first half of 2018 with sales equal to €1 million, almost doubled (+79.7%) compared to €0.6 million in the corresponding period of 2017. The semester ended at break-even (-€2 thousand), compared to a net loss of -€0.2 million as at June 30, 2017: the increase in sales and the related economies of scale, together with the overtaking of the initial production inefficiencies, allowed the strong improvement in the gross margin and the subsequent achievement of the break-even.

Thousands of euro

<b>SAES RIAL Vacuum S.r.l.</b> (100%)	<b>1<sup>st</sup> half 2018</b>	<b>1<sup>st</sup> half 2017</b>
Total net sales	1,023	569
Cost of sales	(767)	(727)
<b>Gross profit</b>	<b>256</b>	<b>(158)</b>
Total operating expenses	(185)	(127)
Other income (expenses), net	(41)	107
<b>Operating income (loss)</b>	<b>30</b>	<b>(178)</b>
Interests and other financial income, net	(13)	(8)
Foreign exchange gains (losses), net	0	0
Income taxes	(19)	0
<b>Net income (loss)</b>	<b>(2)</b>	<b>(186)</b>



The share of the SAES Group in the result of this joint venture amounted to -€1 thousand in the first half of 2018 (-€91 thousand in the first half of 2017).

### **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 capital stock of the joint venture Flexterra, Inc. equal to 33.79%.

Please note that, at the end of May 2018, Flexterra, in cooperation with E Ink, an important manufacturer of electrophoretic screens, presented at SID in Los Angeles the first fully flexible electrophoretic display, which uses technology and materials developed by Flexterra, and which aroused considerable interest from the market. In the coming months, Flexterra and E Ink will start the industrialization phase of the product that will see the SAES Group, in its capacity as an industrial partner, committed in the production and supply of chemical formulations.

The development start-up joint venture ended the first half of 2018 with a net loss equal to -€2.2 million, compared to a loss of -€2.8 million in the corresponding period of 2017 (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). The containment of the loss was mainly attributable to lower personnel costs, as a result of the progressively more efficient use of the resources, together with the reduction in consultancy, which were higher in the first year of life of the company being related with the start of operations.

Thousands of euro		
<b>Flexterra (100%)</b>	<b>1<sup>st</sup> half 2018</b>	<b>1st half 2017</b>
Total net sales	19	19
Cost of sales	(2)	(1)
<b>Gross profit</b>	<b>17</b>	<b>18</b>
Total operating expenses	(2,137)	(2,782)
Other income (expenses), net	(4)	(157)
<b>Operating income (loss)</b>	<b>(2,124)</b>	<b>(2,921)</b>
Interests and other financial income, net	(11)	5
Foreign exchange gains (losses), net	(60)	59
Income taxes	30	14
<b>Net income (loss)</b>	<b>(2,165)</b>	<b>(2,843)</b>

The share of the SAES Group in the result of the joint venture in the first half of 2018 amounted to -€0.7 million (-€1 million as at June 30, 2017).

### **Restatement of the 2017 figures**

The income statement balances at June 30, 2017, presented for comparative purposes, have been **restated** to reflect the effects deriving from the completion of the provisional valuation of the business combination of SAES Coated Films SpA. (formerly Metalvuoto S.p.A.) and the completion of the process of identifying the fair value of the intangible assets contributed by some shareholders at the time of the establishment of the joint venture Flexterra, Inc., in compliance with the provisions of IFRS 3 revised.

Furthermore, following the completion of the sale of the gas purification business at the end of June 2018, the costs and revenues for the first half of 2017 relating to the business being sold, together with the consultancy costs related to this extraordinary transaction, had been **reclassified** under the specific income statement item "Income from assets held for sale and discontinued operations".

### **Significant events occurred after the end of the semester**

At the end of 2016 SAES, through its subsidiary SAES Getters International Luxembourg SA, underwrote a commitment to confer \$4.5 million of capital in Flexterra, Inc., in addition to tangible and intangible assets (IP) for an estimated value of approx. \$3 million, subject to the achievement by the latter of pre-established technical and commercial objectives (milestone) no later than March 31, 2018. Flexterra, Inc. has recently proposed to its

Shareholders a revision of the original agreement in order to extend this deadline and has notified the achievement of the milestone. The Shareholders will be able to proceed with the aforementioned transfer within 30 days from the formal notification (expected within the next few days) and, at the end of this operation, the shareholding of SAES in Flexterra is destined to rise up to about 45%, in the case of complete adhesion.

On July 31, 2018 the residual portion of the long-term loan signed with Banca Intesa Sanpaolo S.p.A. in mid 2015 was paid back in advance by the Parent Company (initial nominal value of €8 million). No penalty was paid for this operation. At the same time, the Interest Rate Swap contract on this loan was also cancelled.

On July 31, 2018 the residual portion of the long-term loan signed at the beginning of 2009 by Memry Corporation with Unicredit. was repaid in advance. The breakage costs amounted to about \$30 thousand, based on the agreement initially signed between the parties.

On August 1, 2018 the residual portion of the long-term loan signed with Unicredit S.p.A. was repaid in advance by the Parent Company (initial nominal value of €7 million). No penalty was paid for this operation.

### **Business outlook**

A strong growth is expected in the second part of the year, mainly driven by the continued success of our products for the medical sector in the market.

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The figures are drawn from the Interim consolidated financial statements as at June 30, 2018 (including the interim condensed consolidated financial statements, the interim management report and the certification required by article 154-bis, paragraph 5 of TUF) that was approved by the Board of Directors of SAES Getters S.p.A. today and already transmitted to the auditing firm to perform the related legal requirements.

This document, together with the results of the audit check, will be available to the public both on the Company's website ([www.saesgetters.com/investor-relations/financial-reports](http://www.saesgetters.com/investor-relations/financial-reports)) and on the centralized storage mechanism IInfo ([www.Iinfo.it](http://www.Iinfo.it)) starting from September 13, 2018.

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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*  
*Michele Di Marco*

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### **SAES Group**

*A pioneer in the development of getter technology, the SAES® Group is the world leader in a variety of scientific and industrial applications where stringent vacuum conditions are required. In more than 70 years of activity, the Group's getter solutions have been supporting innovation in the information display and lamp industries, in sophisticated high vacuum systems and in vacuum thermal insulation, in technologies spanning from large vacuum power tubes to miniaturized silicon-based microelectronic and micromechanical devices.*

*Starting in 2004, by leveraging the core competencies in special metallurgy and in the materials science, the SAES Group has expanded its business into the advanced material markets, in particular the market of shape memory alloys, a family of materials characterized by super elasticity and by the property of assuming predefined forms when subjected to heat treatment. These special alloys, which today are mainly applied in the biomedical sector, are also perfectly suited to the realization of actuator devices for the industrial sector (domotics, white goods industry, consumer electronics and automotive sector).*

*More recently, SAES has expanded its business by developing a technological platform that integrates getter materials in a polymeric matrix. These products, initially developed for OLED displays, are currently used in new application sectors, among which implantable medical devices and solid-state diagnostics imaging. Among the new applications, the advanced food packaging is a significantly strategic one, in which SAES aims to compete with an offering of new solutions for active packaging.*

*A total production capacity distributed in ten facilities, a worldwide-based sale & service network and almost 1,000 employees allow the Group to combine multicultural skills and expertise to form a truly global enterprise.*

*SAES Group is headquartered in the Milan area (Italy).*

*SAES Getters S.p.A. is listed on the Italian Stock Exchange Market, STAR segment, since 1986.*

*More information on the SAES Group are available in the website [www.saesgetters.com](http://www.saesgetters.com).*

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**Legend:**

<b>Industrial Applications Business Unit</b>	
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	Getters and other components used in the gas purifier systems for semiconductor industry and other industries
<b>Shape Memory Alloys (SMA) Business Unit</b>	
Nitinol for Medical Devices	Nitinol raw material and components for the biomedical sector
SMA for Thermal and Electro Mechanical Devices	Shape Memory Alloys actuator devices for the industrial sector (domotics, white goods industry, consumer electronics and automotive sector)
<b>Solutions for Advanced Packaging</b>	
Solutions for Advanced Packaging	Advanced plastic films for the food packaging sector
<b>Business Development Unit</b>	
Organic Electronics	Materials and components for organic electronics applications

**Consolidated Net Sales by Business**

Thousands of euro (except %)

Business	1 <sup>st</sup> half 2018	1 <sup>st</sup> half 2017	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	6,147	4,202	46.3%	55.9%	-9.6%
Electronic Devices	7,323	6,779	8.0%	13.5%	-5.5%
Healthcare Diagnostics	2,162	2,002	8.0%	13.3%	-5.3%
Getters & Dispensers for Lamps	2,622	3,205	-18.2%	-14.2%	-4.0%
Thermal Insulation	1,791	2,048	-12.5%	-3.9%	-8.6%
Solutions for Vacuum Systems	5,419	4,097	32.3%	39.5%	-7.2%
Sintered Components for Electronic Devices & Lasers	3,554	3,615	-1.7%	9.9%	-11.6%
Systems for Gas Purification & Handling	412	159	159.1%	159.1%	0.0%
<b>Industrial Applications</b>	<b>29,430</b>	<b>26,107</b>	<b>12.7%</b>	<b>20.0%</b>	<b>-7.3%</b>
Nitinol for Medical Devices	34,207	35,402	-3.4%	7.8%	-11.2%
SMA's for Thermal & Electro Mechanical Devices	5,547	4,630	19.8%	23.3%	-3.5%
<b>Shape Memory Alloys</b>	<b>39,754</b>	<b>40,032</b>	<b>-0.7%</b>	<b>9.6%</b>	<b>-10.3%</b>
<b>Solutions for Advanced Packaging</b>	<b>5,951</b>	<b>6,960</b>	<b>-14.5%</b>	<b>-14.5%</b>	<b>0.0%</b>
<b>Business Development</b>	<b>574</b>	<b>741</b>	<b>-22.5%</b>	<b>-14.1%</b>	<b>-8.4%</b>
<b>Total Net Sales</b>	<b>75,709</b>	<b>73,840</b>	<b>2.5%</b>	<b>10.8%</b>	<b>-8.3%</b>

**Consolidated Net Sales by Geographic Location of Customer**

Thousands of euro

Geographic Area	1 <sup>st</sup> half 2018	1 <sup>st</sup> half 2017
Italy	2,233	2,520
European countries	19,578	18,432
North America	40,871	41,408
Japan	3,276	2,483
South Korea	654	660
China	5,401	4,624
Rest of Asia	2,929	3,156
Rest of the World	767	557
<b>Total Net Sales</b>	<b>75,709</b>	<b>73,840</b>

**Total revenues of the Group**

Thousands of euro

	1 <sup>st</sup> half 2018	1 <sup>st</sup> half 2017	Difference
<b>Consolidated sales</b>	<b>75,709</b>	<b>73,840</b>	<b>1,869</b>
50% sales of the joint venture Actuator Solutions	5,868	6,864	(996)
49% sales of the joint venture SAES RIAL Vacuum S.r.l.	501	279	222
33.79% sales of the joint venture Flexterra	6	6	0
Intercompany eliminations	(406)	(316)	(90)
Other adjustments	(26)	(118)	92
<b>Total revenues of the Group</b>	<b>81,652</b>	<b>80,555</b>	<b>1,097</b>

**Consolidated statement of profit or loss**

Thousands of euro

	1 <sup>st</sup> half 2018	1 <sup>st</sup> half 2017 restated (*)
<b>Total net sales</b>	<b>75,709</b>	<b>73,840</b>
Cost of sales	(43,219)	(42,579)
<b>Gross profit</b>	<b>32,490</b>	<b>31,261</b>
	R&D expenses	(5,970)
	Selling expenses	(5,938)
	G&A expenses	(14,233)
Total operating expenses	(25,665)	(26,141)
Other income (expenses), net	1,057	(66)
<b>Operating income (loss)</b>	<b>7,882</b>	<b>5,054</b>
Interest and other financial income, net	(305)	(760)
Income (loss) from equity method evaluated companies	(733)	(1,051)
Foreign exchange gains (losses), net	17	(721)
<b>Income (loss) before taxes</b>	<b>6,861</b>	<b>2,522</b>
Income taxes	(4,157)	(4,505)
<b>Net income (loss) from continued operations</b>	<b>2,704</b>	<b>(1,983)</b>
Income (loss) from assets held for sale and discontinued operations	239,870	12,975
<b>Net income (loss) before minority interest</b>	<b>242,574</b>	<b>10,992</b>
Net income (loss) pertaining to minority interest	0	0
<b>Net income (loss) pertaining to the Group</b>	<b>242,574</b>	<b>10,992</b>

**Consolidated statement of other comprehensive income**

Thousands of euro

	1 <sup>st</sup> half 2018	1 <sup>st</sup> half 2017 restated (*)
<b>Net income (loss) for the period</b>	<b>242,574</b>	<b>10,992</b>
Exchange differences on translation of foreign operations	1,908	(8,250)
Exchange differences on equity method evaluated companies	149	(564)
Total exchange differences	2,057	(8,814)
Equity transaction costs related to equity method evaluated companies	0	(8)
<b>Total components that will be reclassified to the profit (loss) in the future</b>	<b>2,057</b>	<b>(8,822)</b>
Reversal of currency conversion reserve after the disposal of the subsidiaries	(1,827)	0
<b>Total components that have been reclassified to the profit (loss)</b>	<b>(1,827)</b>	<b>0</b>
<b>Other comprehensive income (loss), net of taxes</b>	<b>230</b>	<b>(8,822)</b>
<b>Total comprehensive income (loss), net of taxes</b>	<b>242,804</b>	<b>2,170</b>
<i>attributable to:</i>		
- Equity holders of the Parent Company	242,804	2,170
- Minority interests	0	0

(\*) Some amounts shown in the column reflect the adjustments deriving from the completion of the provisional valuation of the business combination of SAES Coated Films S.p.A. (formerly Metalvuoto S.p.A.) and from the completion of the process of identifying the fair value of the intangible assets contributed by some shareholders at the time of the establishment of the Flexterra, Inc. joint venture, in compliance with the provisions of IFRS 3 revised. These adjustments are added to the reclassifications related to the sale of the gas purification business, finalized on 25 June 2018; in particular, the costs and revenues of the first half of 2017 for the business to be sold, together with the consulting costs related to this extraordinary transaction, had been reclassified to the specific income statement item "Result from discontinued operations and discontinued operations".

## 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 <sup>st</sup> half 2018	1 <sup>st</sup> half 2017	1 <sup>st</sup> half 2018	1 <sup>st</sup> half 2017	1 <sup>st</sup> half 2018	1 <sup>st</sup> half 2017	1 <sup>st</sup> half 2018	1 <sup>st</sup> half 2017	1 <sup>st</sup> half 2018	1 <sup>st</sup> half 2017
Total net sales	29,430	26,107	39,754	40,032	5,951	6,960	574	741	75,709	73,840
Cost of sales	(14,230)	(13,053)	(23,150)	(23,010)	(5,329)	(5,901)	(510)	(615)	(43,219)	(42,579)
<b>Gross profit (loss)</b>	<b>15,200</b>	<b>13,054</b>	<b>16,604</b>	<b>17,022</b>	<b>622</b>	<b>1,059</b>	<b>64</b>	<b>126</b>	<b>32,490</b>	<b>31,261</b>
Operating expenses and other income (expenses)	(7,151)	(6,947)	(4,317)	(6,742)	(1,961)	(1,277)	(11,179)	(11,241)	(24,608)	(26,207)
<b>Operating income (loss)</b>	<b>8,049</b>	<b>6,107</b>	<b>12,287</b>	<b>10,280</b>	<b>(1,339)</b>	<b>(218)</b>	<b>(11,115)</b>	<b>(11,115)</b>	<b>7,882</b>	<b>5,054</b>

## EBITDA

Thousands of euro

	1 <sup>st</sup> half 2018	1 <sup>st</sup> half 2017
<b>Operating income (loss)</b>	<b>7,882</b>	<b>5,054</b>
Depreciation & amortization	(3,713)	(4,166)
Write-down	(91)	(294)
Bad debt provision (accrual)/release	(16)	12
<b>EBITDA</b>	<b>11,702</b>	<b>9,502</b>
<b>% on sales</b>	<b>15.5%</b>	<b>12.9%</b>

## Consolidated income (loss) per share

Euro

	1 <sup>st</sup> half 2018	1 <sup>st</sup> half 2017
Net income (loss) per ordinary share	10.9955	0.4929
Net income (loss) per savings share	11.0122	0.5096

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## Consolidated Statement of Financial Position

Thousands of euro

	June 30, 2018	December 31, 2017 reclassified (*)
Property, plant and equipment, net	50,312	46,098
Intangible assets	47,346	46,783
Other non current assets	23,898	20,332
Current assets	349,435	71,966
Assets held for sale	235	53,873
<b>Total Assets</b>	<b>471,226</b>	<b>239,052</b>
Shareholders' equity	349,510	122,141
Minority interest in consolidated subsidiaries	0	0
<b>Total Shareholders' Equity</b>	<b>349,510</b>	<b>122,141</b>
Non current liabilities	38,272	44,378
Current liabilities	83,444	54,914
Liabilities held for sale	0	17,619
<b>Total Liabilities and Shareholders' Equity</b>	<b>471,226</b>	<b>239,052</b>

(\*) Some amounts shown in the column reflect the reclassifications of assets and liabilities relating to the gas purification business, which was sold on June 25, 2018, respectively under the items "Assets held for sale" and "Liabilities held for sale".

**Consolidated Net Financial Position**

Thousands of euro

	<b>June 30, 2018</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Cash on hands	11	11	13
Cash equivalents	302,633	24,080	27,551
<b>Cash and cash equivalents</b>	<b>302,644</b>	<b>24,091</b>	<b>27,564</b>
Related parties financial assets	897	877	936
<b>Current financial assets</b>	<b>897</b>	<b>877</b>	<b>936</b>
Bank overdraft	(28,381)	(11,549)	(12,254)
Current portion of long term debt	(10,358)	(10,458)	(10,478)
Other current financial liabilities (*)	(1,882)	(1,739)	(1,777)
<b>Current financial liabilities</b>	<b>(40,621)</b>	<b>(23,746)</b>	<b>(24,509)</b>
<b>Current net financial position</b>	<b>262,920</b>	<b>1,222</b>	<b>3,991</b>
<b>Related parties non current financial assets</b>	<b>8,049</b>	<b>8,049</b>	<b>7,549</b>
Long term debt, net of current portion	(21,981)	(24,808)	(28,057)
Other non current financial liabilities (*)	0	0	0
<b>Non current liabilities</b>	<b>(21,981)</b>	<b>(24,808)</b>	<b>(28,057)</b>
<b>Non current net financial position</b>	<b>(13,932)</b>	<b>(16,759)</b>	<b>(20,508)</b>
<b>Net financial position</b>	<b>248,988</b>	<b>(15,537)</b>	<b>(16,517)</b>

(\*) The "Other financial liabilities" of SAES Pure Gas, Inc. open as of December 31, 2017 and March 31, 2018 have been reclassified to the item "Liabilities held for sale", as this subsidiary had been sold on June 25, 2018.



**Consolidated Cash Flows Statement**

Thousands of euro

	1 <sup>st</sup> half 2018	1 <sup>st</sup> half 2017 restated (*)
Net income (loss) from continued operations	2,704	(1,983)
Net income (loss) from discontinued operations	239,870	12,975
Current income taxes	10,408	6,664
Change in deferred income taxes	(5,265)	46
Depreciation, amortization and write down of non current assets	4,178	4,847
Net loss (gain) on disposal of assets	9	(49)
Net gain on purification business disposal	(227,463)	185
Interests and other financial income, net	1,038	1,892
Other non-monetary costs	(2,599)	355
	<b>22,880</b>	<b>24,932</b>
Change in operating assets and liabilities	(6,512)	(675)
Payments of termination indemnities and similar obligations	(121)	(209)
Financial income received, net of payment of interests	(163)	(206)
Payment of income taxes	(9,422)	(6,226)
<b>Net cash flows from operating activities</b>	<b>6,662</b>	<b>17,616</b>
Purchase of tangible and intangible assets, net of proceeds from sales	(7,251)	(3,752)
Consideration for the acquisition of minority interests in subsidiaries	(75)	0
Adjustment on price paid for the acquisition of shareholding in subsidiaries	0	29
Price paid for the acquisition of businesses	(139)	(219)
Consideration for the purification business disposal, net of the disposed cash	300,752	0 (**)
Ancillary monetary charges for the purification business disposal	(19,613)	(185) (***)
<b>Net cash flows from investing activities</b>	<b>273,674</b>	<b>(4,127)</b>
Proceeds from debts, net of repayments	9,672	11,227
Financing receivables from related parties	(225)	(3,300)
Dividends payment	(15,435)	(12,250)
Other financial liabilities	11	5
Interests and other expenses paid on loans	(346)	(597)
<b>Net cash flows from financing activities</b>	<b>(6,323)</b>	<b>(4,915)</b>
Effect of exchange rate differences	640	(1,638)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>274,653</b>	<b>6,936</b>
Cash and cash equivalents at the beginning of the period	27,312	13,997
<b>Cash and cash equivalents at the end of the period</b>	<b>301,965</b>	<b>20,933</b>

(\*) Some amounts shown in the column reflect the adjustments deriving from the completion of the provisional valuation of the business combination of SAES Coated Films S.p.A. (formerly Metalvuoto S.p.A.) and from the completion of the process of identifying the fair value of the intangible assets contributed by some shareholders at the time of the establishment of the Flexterra, Inc. joint venture, in compliance with the provisions of IFRS 3 revised. These adjustments are added to the reclassifications related to the sale of the gas purification business, finalized on 25 June 2018.

(\*\*) Consideration equal to €303,409 thousand and cash sold equal to €2,657 thousand.

(\*\*\*) The figure of the first half 2018 does not include the non-monetary income related to the release into the income statement of the conversion reserve generated by the consolidation of the US companies sold (SAES Getters USA, Inc. and SAES Pure Gas, Inc.), equal to €1,827 thousand, as well as the costs related to the strategic incentive plan called *Asset Transfer Plan* (€14,442 thousand) and current taxes (€1,736 thousand), not yet paid as at June 30, 2018

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**Result from assets held for sale and discontinued operations - detail**

Thousands of euro

	Consolidated statement of profit or loss - gas purification business	Capital gain on purification business disposal, net of the related costs	1 <sup>st</sup> half 2018	Consolidated statement of profit or loss - gas purification business	Capital gain on purification business disposal, net of the related costs	1 <sup>st</sup> half 2017
<b>Total net sales</b>	<b>44,553</b>		<b>44,553</b>	<b>43,443</b>		<b>43,443</b>
Cost of sales	(25,860)	(1,300)	(27,160)	(23,115)		(23,115)
<b>Gross profit</b>	<b>18,693</b>	<b>(1,300)</b>	<b>17,393</b>	<b>20,328</b>	<b>0</b>	<b>20,328</b>
R&D expenses	(1,852)	(861)	(2,713)	(1,661)		(1,661)
Selling expenses	(2,533)	(970)	(3,503)	(2,251)		(2,251)
G&A expenses	(869)	(25,101)	(25,970)	(969)	(185)	(1,154)
<b>Total operating expenses</b>	<b>(5,254)</b>	<b>(26,932)</b>	<b>(32,186)</b>	<b>(4,881)</b>	<b>(185)</b>	<b>(5,066)</b>
Other income	23	261,427	261,450	127		127
Other expenses	(35)	(51)	(86)	(123)		(123)
<b>Operating income (loss)</b>	<b>13,427</b>	<b>233,144</b>	<b>246,571</b>	<b>15,451</b>	<b>(185)</b>	<b>15,266</b>
Financial income			0			0
Financial expenses	(34)	(229)	(263)	(82)		(82)
Foreign exchange gains (losses), net	0	(3,716)	(3,716)	(4)		(4)
<b>Income (loss) before taxes</b>	<b>13,393</b>	<b>229,199</b>	<b>242,592</b>	<b>15,365</b>	<b>(185)</b>	<b>15,180</b>
Income taxes	(986)	(1,736)	(2,722)	(2,205)		(2,205)
<b>Income (loss) from assets held for sale and discontinued operations</b>	<b>12,407</b>	<b>227,463</b>	<b>239,870</b>	<b>13,160</b>	<b>(185)</b>	<b>12,975</b>

**Consolidated Cash Flows Statement - discontinued operations**

Thousands of euro

	gas purification business	disposal	1 <sup>st</sup> half 2018	gas purification business	disposal	1 <sup>st</sup> half 2017
Net income (loss) from discontinued operations	12,407	227,463	239,870	13,160	(185)	12,975
Current income taxes	883		883	2,257		2,257
Change in deferred income taxes	103		103	(52)		(52)
Depreciation, amortization and write down of non current assets	374		374	387		387
Net gain on purification business disposal		(227,463)	(227,463)	0	185	185
Other non-monetary costs	(357)		(357)	78		78
	<b>13,410</b>	<b>0</b>	<b>13,410</b>	<b>15,830</b>	<b>0</b>	<b>15,830</b>
Change in operating assets and liabilities	(840)		(840)	2,599		2,599
Payment of income taxes	(978)		(978)	(2,585)		(2,585)
<b>Net cash flows from operating activities</b>	<b>11,592</b>	<b>0</b>	<b>11,592</b>	<b>15,844</b>	<b>0</b>	<b>15,844</b>
Purchase of tangible and intangible assets, net of proceeds from sales	(183)		(183)	(107)		(107)
Price paid for the acquisition of businesses	(139)		(139)	(219)		(219)
Consideration for the purification business disposal, net of the disposed cash		300,752	300,752			0
Ancillary monetary charges for the purification business disposal		(19,613)	(19,613)		(185)	(185)
<b>Net cash flows from investing activities</b>	<b>(322)</b>	<b>281,139</b>	<b>280,817</b>	<b>(326)</b>	<b>(185)</b>	<b>(511)</b>
<b>Net cash flows from financing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Effect of exchange rate differences	(926)		(926)	1,681		1,681
<b>Increase (decrease) in cash and cash equivalents</b>	<b>10,344</b>	<b>281,139</b>	<b>291,483</b>	<b>17,199</b>	<b>(185)</b>	<b>17,014</b>

**Consolidated Cash Flows Statement - detail**

Thousands of euro

	1 <sup>st</sup> half 2018	1 <sup>st</sup> half 2018 - from discontinued operations			1 <sup>st</sup> half 2018 - from continued operations
		gas purification business	disposal	total	
Net income (loss) from continued operations	2,704				2,704
Net income (loss) from discontinued operations	239,870	12,407	227,463	239,870	0
Current income taxes	10,408	883		883	9,525
Change in deferred income taxes	(5,265)	103		103	(5,368)
Depreciation, amortization and write down of non current assets	4,178	374		374	3,804
Net loss (gain) on disposal of assets	9				9
Net gain on purification business disposal	(227,463)		(227,463)	(227,463)	0
Interests and other financial income, net	1,038				1,038
Other non-monetary costs	(2,599)	(357)		(357)	(2,242)
	<b>22,880</b>	<b>13,410</b>	<b>0</b>	<b>13,410</b>	<b>9,470</b>
Change in operating assets and liabilities	(6,512)	(840)		(840)	(5,672)
Payments of termination indemnities and similar obligations	(121)				(121)
Financial income received, net of payment of interests	(163)				(163)
Payment of income taxes	(9,422)	(978)		(978)	(8,444)
<b>Net cash flows from operating activities</b>	<b>6,662</b>	<b>11,592</b>	<b>0</b>	<b>11,592</b>	<b>(4,930)</b>
Purchase of tangible and intangible assets, net of proceeds from sales	(7,251)	(183)		(183)	(7,068)
Consideration for the acquisition of minority interests in subsidiaries	(75)				(75)
Price paid for the acquisition of businesses	(139)	(139)		(139)	0
Consideration for the purification business disposal, net of the disposed cash	300,752		300,752	300,752	0
Ancillary monetary charges for the purification business disposal	(19,613)		(19,613)	(19,613)	0
<b>Net cash flows from investing activities</b>	<b>273,674</b>	<b>(322)</b>	<b>281,139</b>	<b>280,817</b>	<b>(7,143)</b>
Proceeds from debts, net of repayments	9,672				9,672
Dividends payment	(15,435)				(15,435)
Interests and other expenses paid on loans	(346)				(346)
Financing receivables from related parties	(225)				(225)
Other financial liabilities	11				11
<b>Net cash flows from financing activities</b>	<b>(6,323)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(6,323)</b>
Effect of exchange rate differences	640	(926)	0	(926)	1,566
<b>Increase (decrease) in cash and cash equivalents</b>	<b>274,653</b>	<b>10,344</b>	<b>281,139</b>	<b>291,483</b>	<b>(16,830)</b>

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**Actuator Solutions - SAES Group interest (50%)**

Thousands of euro

Statement of financial position	June 30, 2018	December 31, 2017
Non current assets	4,383	5,491
Current assets	1,674	1,908
<b>Total Assets</b>	<b>6,057</b>	<b>7,399</b>
Non current liabilities	4,712	4,982
Current liabilities	2,692	3,409
<b>Total Liabilities</b>	<b>7,404</b>	<b>8,391</b>
Capital Stock, Reserves and Retained Earnings	(992)	815
Net income (loss) for the period	(359)	(2,047)
Other comprehensive income (loss) for the period	4	240
<b>Total Equity</b>	<b>(1,347)</b>	<b>(992)</b>

  

Statement of profit or loss	1 <sup>st</sup> half 2018	1 <sup>st</sup> half 2017
Total net sales	5,868	6,864
Cost of sales	(4,726)	(6,471)
<b>Gross profit</b>	<b>1,142</b>	<b>393</b>
Total operating expenses	(1,127)	(1,318)
Other income (expenses), net	(72)	(504)
<b>Operating income (loss)</b>	<b>(57)</b>	<b>(1,429)</b>
Interests and other financial income, net	(121)	(169)
Foreign exchange gains (losses), net	(41)	(118)
Income taxes	(140)	19
<b>Net income (loss)</b>	<b>(359)</b>	<b>(1,697)</b>
Exchange differences	4	141
<b>Total comprehensive income (loss) for the period</b>	<b>(355)</b>	<b>(1,556)</b>

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

Thousands of euro

<b>Statement of financial position</b>	<b>June 30, 2018</b>	<b>December 31, 2017</b>
Non current assets	156	145
Current assets	803	731
<b>Total Assets</b>	<b>959</b>	<b>876</b>
Non current liabilities	147	150
Current liabilities	581	494
<b>Total Liabilities</b>	<b>728</b>	<b>644</b>
Capital Stock, Reserves and Retained Earnings	232	82
Net income (loss) for the period	(1)	158
Other comprehensive income (loss) for the period	0	(8)
<b>Total Equity</b>	<b>231</b>	<b>232</b>

<b>Statement of profit or loss</b>	<b>1<sup>st</sup> half 2018</b>	<b>1<sup>st</sup> half 2017</b>
Total net sales	501	279
Cost of sales	(376)	(356)
<b>Gross profit</b>	<b>125</b>	<b>(77)</b>
Total operating expenses	(91)	(62)
Other income (expenses), net	(20)	52
<b>Operating income (loss)</b>	<b>14</b>	<b>(87)</b>
Interests and other financial income, net	(6)	(4)
Foreign exchange gains (losses), net	0	0
Income taxes	(9)	0
<b>Net income (loss)</b>	<b>(1)</b>	<b>(91)</b>
Actuarial gain (loss) on defined benefit plans, net of taxes	0	0
<b>Total comprehensive income (loss) for the period</b>	<b>(1)</b>	<b>(91)</b>

**Flexterra - SAES Group interest (33.79%)**

Thousands of euro

<b>Statement of financial position</b>	<b>June 30, 2018</b>	<b>December 31, 2017</b>
Non current assets	4,551	4,616
Current assets	674	1,206
<b>Total Assets</b>	<b>5,225</b>	<b>5,822</b>
Non current liabilities	0	0
Current liabilities	123	154
<b>Total Liabilities</b>	<b>123</b>	<b>154</b>
Capital Stock, Reserves and Retained Earnings	5,554	8,064
Reserve for stock option plans	131	114
Net income (loss) for the period	(732)	(1,626)
Other comprehensive income (loss) for the period	149	(884)
<b>Total Equity</b>	<b>5,102</b>	<b>5,668</b>

<b>Statement of profit or loss</b>	<b>1<sup>st</sup> half 2018</b>	<b>1<sup>st</sup> half 2017</b>
Total net sales	6	6
Cost of sales	(1)	(0)
<b>Gross profit</b>	<b>5</b>	<b>6</b>
Total operating expenses	(722)	(940)
Other income (expenses), net	(1)	(53)
<b>Operating income (loss)</b>	<b>(718)</b>	<b>(987)</b>
Interests and other financial income, net	(4)	2
Foreign exchange gains (losses), net	(20)	20
Income taxes	10	5
<b>Net income (loss)</b>	<b>(732)</b>	<b>(960)</b>
Exchange differences & equity transaction costs	149	(572)
<b>Total comprehensive income (loss) for the period</b>	<b>(583)</b>	<b>(1,532)</b>

SAES Group – Press Release

Total statement of profit or loss of the Group

Thousands of euro

	1 <sup>st</sup> half 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	75,709	5,868	(365)	501	(67)	6		81,652
Cost of sales	(43,219)	(4,726)	365	(376)	67	(1)		(47,890)
<b>Gross profit</b>	<b>32,490</b>	<b>1,142</b>	<b>0</b>	<b>125</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>33,762</b>
Total operating expenses	(25,665)	(1,127)		(91)	0	(722)		(27,605)
Other income (expenses), net	1,057	(72)		(20)		(1)		964
<b>Operating income (loss)</b>	<b>7,882</b>	<b>(57)</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>(718)</b>	<b>0</b>	<b>7,121</b>
Interest and other financial income, net	(305)	(121)		(6)		(4)		(436)
Income (loss) from equity method evaluated companies	(733)		0		1		732	0
Foreign exchange gains (losses), net	17	(41)		0		(20)		(44)
<b>Income (loss) before taxes</b>	<b>6,861</b>	<b>(219)</b>	<b>0</b>	<b>8</b>	<b>1</b>	<b>(742)</b>	<b>732</b>	<b>6,641</b>
Income taxes	(4,157)	(140)		(9)		10		(4,296)
<b>Net income (loss) from continued operations</b>	<b>2,704</b>	<b>(359)</b>	<b>0</b>	<b>(1)</b>	<b>1</b>	<b>(732)</b>	<b>732</b>	<b>2,345</b>
Income (loss) from assets held for sale and discontinued operations	239,870			0		0		239,870
<b>Net income (loss) before minority interest</b>	<b>242,574</b>	<b>(359)</b>	<b>0</b>	<b>(1)</b>	<b>1</b>	<b>(732)</b>	<b>732</b>	<b>242,215</b>
Net income (loss) pertaining to minority interest	0							0
<b>Net income (loss) pertaining to the Group</b>	<b>242,574</b>	<b>(359)</b>	<b>0</b>	<b>(1)</b>	<b>1</b>	<b>(732)</b>	<b>732</b>	<b>242,215</b>

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Consolidated statement of profit or loss, restated - 1<sup>st</sup> half 2017

Thousands of euro

	1 <sup>st</sup> half 2017	Restated arising from the process of identifying the fair value	Reclassifications for the sale of the gas purification business	1 <sup>st</sup> half 2017 restated		
<b>Total net sales</b>	<b>117,283</b>	<b>0</b>	<b>(43,443)</b>	<b>73,840</b>		
Cost of sales	(65,694)	0	23,115	(42,579)		
<b>Gross profit</b>	<b>51,589</b>	<b>0</b>	<b>(20,328)</b>	<b>31,261</b>		
		R&D expenses	(7,484)	(146)	1,660	(5,970)
		Selling expenses	(8,187)	0	2,249	(5,938)
		G&A expenses	(15,389)	0	1,156	(14,233)
Total operating expenses	(31,060)	(146)	5,065	(26,141)		
Other income (expenses), net	(63)	0	(3)	(66)		
<b>Operating income (loss)</b>	<b>20,466</b>	<b>(146)</b>	<b>(15,266)</b>	<b>5,054</b>		
Interest and other financial income, net	(841)	0	81	(760)		
Income (loss) from equity method evaluated companies	(865)	(186)	0	(1,051)		
Foreign exchange gains (losses), net	(726)	0	5	(721)		
<b>Income (loss) before taxes</b>	<b>18,034</b>	<b>(332)</b>	<b>(15,180)</b>	<b>2,522</b>		
Income taxes	(6,751)	41	2,205	(4,505)		
<b>Net income (loss) from continued operations</b>	<b>11,283</b>	<b>(291)</b>	<b>(12,975)</b>	<b>(1,983)</b>		
Income (loss) from assets held for sale and discontinued operations	0	0	12,975	12,975		
<b>Net income (loss) before minority interest</b>	<b>11,283</b>	<b>(291)</b>	<b>0</b>	<b>10,992</b>		
Net income (loss) pertaining to minority interest	0	0	0	0		
<b>Net income (loss) pertaining to the Group</b>	<b>11,283</b>	<b>(291)</b>	<b>0</b>	<b>10,992</b>		

Consolidated statement of other comprehensive income, restated - 1<sup>st</sup> half 2017

Thousands of euro

	1 <sup>st</sup> half 2017	Restated arising from the process of identifying the fair value	Reclassifications for the sale of the gas purification business	1 <sup>st</sup> half 2017 restated
<b>Net income (loss) for the period</b>	<b>11,283</b>	<b>(291)</b>	<b>0</b>	<b>10,992</b>
Exchange differences on translation of foreign operations	(8,250)	0	0	(8,250)
Exchange differences on equity method evaluated companies	(573)	9	0	(564)
Total exchange differences	(8,823)	9	0	(8,814)
Equity transaction costs related to equity method evaluated companies	(8)	0	0	(8)
<b>Total components that will be reclassified to the profit (loss) in the future</b>	<b>(8,831)</b>	<b>9</b>	<b>0</b>	<b>(8,822)</b>
<b>Other comprehensive income (loss), net of taxes</b>	<b>(8,831)</b>	<b>9</b>	<b>0</b>	<b>(8,822)</b>
<b>Total comprehensive income (loss), net of taxes</b>	<b>2,452</b>	<b>(282)</b>	<b>0</b>	<b>2,170</b>
<i>attributable to:</i>				
- Equity holders of the Parent Company	2,452	(282)	0	2,170
- Minority interests	0	0	0	0

**Consolidated Statement of Financial Position, reclassified - December 31, 2017**

Thousands of euro

	<b>December 31, 2017</b>	<b>Reclassifications for the sale of the gas purification business</b>	<b>December 31, 2017 reclassified</b>
Property, plant and equipment, net	49,492	(3,394)	46,098
Intangible assets	53,175	(6,392)	46,783
Other non current assets	20,951	(619)	20,332
Current assets	115,434	(43,468)	71,966
Assets held for sale	0	53,873	53,873
<b>Total Assets</b>	<b>239,052</b>	<b>0</b>	<b>239,052</b>
Shareholders' equity	122,141	0	122,141
Minority interest in consolidated subsidiaries	0	0	0
<b>Total Shareholders' Equity</b>	<b>122,141</b>	<b>0</b>	<b>122,141</b>
Non current liabilities	45,585	(1,207)	44,378
Current liabilities	71,326	(16,412)	54,914
Liabilities held for sale	0	17,619	17,619
<b>Total Liabilities and Shareholders' Equity</b>	<b>239,052</b>	<b>0</b>	<b>239,052</b>