



PRESS RELEASE

Milan, November 14, 2018

DOUBLE-DIGIT INCREASE IN REVENUES COMPARED TO 3Q 2017 AND INCREASE IN MARGINS

- **Consolidated revenues equal to €42.1 million, up by 15.5% compared to €36.4 million in 3Q 2017**
- **Total revenues of the Group equal to €45.2 million, up by 12.4% compared to €40.2 million in 3Q 2017**
- **Consolidated gross profit equal to €19 million (45.2% of revenues), up by 30% compared to €14.6 million (40.1% of revenues) in 3Q 2017**
- **Consolidated operating income equal to €5.7 million, more than tripled compared to €1.7 million in 3Q 2017**
- **Consolidated EBITDA equal to €7.7 million (18.2% of revenues), more than doubled compared to €3.7 million (10.1% of revenues) in 3Q 2017**
- **Net income from continuing operations equal to €2.9 million, significantly increased compared to €0.1 million in 3Q 2017**
- **Consolidated net income equal to €2.3 million, decreased when compared to €5.7 million in 3Q 2017 exclusively due to the change in the scope of consolidation following the sale of the purification business**
- **Consolidated net financial position positive and equal to €234.6 million as at September 30, 2018**

The Board of Directors of SAES Getters S.p.A., gathered today in Lainate (MI), approved the consolidated results of the third quarter of 2018 (July 1 - September 30).

“We are very satisfied with the results of this quarter, in line with what was expected and already announced” – Mr **Massimo della Porta, President** of SAES Getters S.p.A. said.

In the third quarter of 2018 the SAES[®] Group achieved **consolidated net revenues** equal to €42.1 million, up by 15.5% compared to the corresponding period of 2017 (€36.4 million). The **exchange rate effect** was slightly positive and equal to +0.7%, net of which the **organic growth** was equal to +14.8%, 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 vacuum pumps and in the Nitinol for medical applications segment.

By including also the share of revenues of the joint ventures¹ within the Group’s ones, the **total revenues of the Group** were equal to €45.2 million, up by 12.4% compared to €40.2 million in the third quarter of 2017, mainly thanks to the increased consolidated revenues (+15.5%).

Consolidated gross profit² amounted to €19 million in the third quarter of 2018, strongly increased (+30%) compared to €14.6 million in the corresponding period of 2017; also the **gross margin**³ significantly increased (from 40.1% in the third quarter of 2017 to 45.2% in the current quarter). All the operating segments registered a growth. In particular,

¹ 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.

please note the growth in the Industrial Applications segment, mainly driven by the higher sales in the security and defense sector, as well as in that of vacuum systems; in the SMA segment, in addition to the increase in revenues, please note the strong improvement of the gross margin in the industrial segment.

Consolidated operating income amounted to €5.7 million in the third quarter of 2018, more than tripled when compared to €1.7 million in the corresponding period of the previous year, mainly thanks to the increase of the gross profit.

Consolidated EBITDA⁴ was equal to €7.7 million (18.2% of consolidated revenues) in the third quarter of 2018, more than doubled compared to €3.7 million (10.1% of consolidated revenues) in the corresponding period of 2017, with a growth in line with that of the operating indicators.

Net income from continuing operations amounted to €2.9 million (7% of consolidated revenues) in the third quarter of 2018, with a significant increase compared to €0.1 million euro (0.3% of consolidated revenues) in the third quarter of 2017.

Consolidated net income amounted to €2.3 million (5.5% of the consolidated revenues) in the third quarter of 2018, compared to a consolidated net income of €5.7 million (15.7% of consolidated revenues) in the third quarter of 2017. The decrease was exclusively attributable to the change in the scope of consolidation, following the sale of the gas purification business at the end of June 2018; that business had contributed to the net income for an amount of around €5.6 million in the third quarter of 2017, while in the current quarter the **result from discontinued operations** was negative for -€0.6 million, mainly comprising costs related to the completion of the sale of the purification business.

Consolidated net financial position was positive and equal to €234.6 million as at September 30, 2018, compared to €249 million as at June 30, 2018. The decrease was exclusively related to the residual disbursements related to the sale of the purification business, occurred after the closing date (June 25, 2018).

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

Relevant events occurred in the third quarter of 2018

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 cancelled as well.

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, 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.

Industrial Applications Business Unit

Consolidated revenues of the Industrial Applications Business Unit amounted to €18 million in the third quarter of 2018, up by 19.4% compared to €15.1 million in the corresponding quarter of 2017. The trend of the euro against the major foreign currencies generated a slightly positive exchange rate effect equal to +0.5%, net of which sales organically increased by 18.9%.

The organic growth was mainly driven by the security and defense sector (Security & Defense Business, +77%) thanks to higher investments in the defense sector, mainly in North America. Also the Solutions for Vacuum Systems Business showed a strong organic growth (+78.8%) thanks to the higher sales in the business of analytic devices (mainly electron microscopes and spectrometers, used both in research centers and in the R&D laboratories of the industry) in addition to new projects in the field of particle accelerators.

The sector of getters for healthcare applications (Healthcare Diagnostics Business) showed a slight organic growth (+11.5%) thanks to higher sales of getters for X-ray tubes used in medical diagnostics and in industrial inspection and surveillance applications, as well as the Sintered Components for Electronic Devices & Lasers

⁴ 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".

Business (+5.6%) favored by the sales of heat dissipation devices and laser application products, particularly in the defense sector.

Also the lamps business (Getters & Dispensers for Lamps Business) showed a slight organic increase (+5.2%), which in any case confirms, on year-to-date figures, the structural decrease attributable to the technological competition of LEDs.

The organic decrease was also confirmed in the sector of thermal insulation (Thermal Insulation Business, -14.8%), mainly in the refrigeration market, as well as in that of thermodynamic solar power plants.

In the Electronic Devices Business (organic decrease of -8.2%), the higher sales of getters in the infrared sensor market, especially in Asia, were not enough to offset the weakness in the sales of advanced materials for the electronic consumer market, related to seasonal factors.

Please note that the Systems for Gas Purification & Handling Business is now merely a residual one, including the sales of getter raw material and getter components made by the Parent Company, mainly for the purifications used in the semiconductor industry (€640 thousand in the third quarter of 2018).

The table below shows the revenues in the third 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	3 rd quarter 2018	3 rd quarter 2017	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	3,411	1,916	78.0%	77.0%	1.0%
Electronic Devices	6,031	6,570	-8.2%	-8.2%	0.0%
Healthcare Diagnostics	1,048	936	12.0%	11.5%	0.5%
Getters & Dispensers for Lamps	1,271	1,205	5.5%	5.2%	0.3%
Thermal Insulation	911	1,060	-14.1%	-14.8%	0.7%
Solutions for Vacuum Systems	2,879	1,604	79.5%	78.8%	0.7%
Sintered Components for Electronic Devices & Lasers	1,842	1,727	6.7%	5.6%	1.1%
Systems for Gas Purification & Handling	640	80	700.0%	700.0%	0.0%
Industrial Applications	18,033	15,098	19.4%	18.9%	0.5%

Gross profit of the Industrial Applications Business Unit was equal to €9.5 million in the third quarter of 2018, up by 31.7% compared to €7.2 million in the corresponding quarter of 2017, thanks to higher sales in the security and defense sector and in the vacuum systems one.

The **gross margin** increased from 47.6% to 52.5%, thanks to the increase in sales, mainly in the most profitable sectors.

Operating income of the Industrial Applications Business Unit was equal to €6.1 million, up by 52.5% compared to €4 million in the third quarter of 2017 and the **operating margin** increased from 26.3% to 33.6%, thanks to the increase in revenues and in the gross profit, with substantially equal operating expenses.

Shape Memory Alloys (SMA) Business Unit

Consolidated revenues of the Shape Memory Alloys Business Unit were equal to €20.8 million in the third quarter of 2018, showing an organic growth equal to +13.5% compared to €18.1 million in the corresponding period of 2017. The exchange rate effect was equal to +1%.

The segment of Nitinol for medical devices (Nitinol for Medical Devices Business) followed its organic growth trend (+13.4%) supported by products which are in end-market segments with a double-digit growth, such as neurovascular medical devices and devices for the treatment of atrial fibrillation.

The industrial SMA segment (SMA for Thermal and Electro Mechanical Devices Business) recorded an organic growth equal to +14.1%, 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 third 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	3 rd quarter 2018	3 rd quarter 2017	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Nitinol for Medical Devices	17,688	15,443	14.5%	13.4%	1.1%
SMAAs for Thermal & Electro Mechanical Devices	3,079	2,691	14.4%	14.1%	0.3%
Shape Memory Alloys	20,767	18,134	14.5%	13.5%	1.0%

Gross profit of the Shape Memory Alloys Business Unit was equal to €9.2 million (44.1% of consolidated revenues) in the third quarter of 2018, compared to €7.1 million (39.3% of consolidated revenues) in the corresponding period of 2017. The increase, equal to +28.6%, was related both to the increase in revenues and to the improvement in the gross margin, particularly in the industrial segment.

Operating income of the Shape Memory Alloys Business Unit amounted to €6.4 million (30.9% of consolidated revenues), compared to €4.5 million (24.7% of consolidated revenues) in the third quarter of 2017, thanks to the already mentioned increase in the gross profit.

Solutions for Advanced Packaging Business Unit

Consolidated revenues of the Solutions for Advanced Packaging Business Unit were equal to €3 million in the third quarter of 2018, up by 5.6% compared to €2.8 million in the third quarter of 2017. Sales are all denominated in euro.

The slight increase was mainly due to the higher contribution of lacquered products (having higher margins), that more than offset the reduction in the sales of metalized ones.

Gross profit of the Solutions for Advanced Packaging Business Unit was equal to €0.4 million (13% of revenues) compared to €0.3 million (10.9% of revenues), confirming the strategy of making the product portfolio evolve towards higher margins.

The third quarter of 2018 ended with an **operating loss** equal to -€0.6 million, compared to -€0.3 million in the third quarter of 2017, due to higher R&D expenses (in particular, R&D personnel and consultancy costs), as well as higher G&A expenses (strategic consultancy for the development of the business).

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 third quarter of 2018 **consolidated revenues** amounted to €0.3 million, compared to €0.4 million in the corresponding period of 2017. The exchange rate effect was positive and equal to 0.7%, while the organic decrease was equal to -23.1%. This decrease was mainly attributable both to the pricing effect related to an increased competition, as well as to lower sales in the passive matrix OLED sector, that is the main market for SAES' function chemicals.

Gross profit was equal to €3 thousand (1% of consolidated revenues) in the third quarter of 2018, compared to a gross profit of €12 thousand in the third quarter of 2017 (3.1% of consolidated revenues).

Operating result was negative and equal to -€6.2 million, compared to a negative figure of -€6.4 million in the third quarter of 2017: the improvement was due to the lower consultant fees and to the decrease of the personnel costs in the R&D area, only partially offset by the severance expenses related to the reduction of the staff personnel of the Parent Company.

Consolidated operating expenses were equal to €13.3 million (31.5% of revenues) in the third quarter of 2018, compared to €12.8 million in the corresponding period of 2017 (35.1% of revenues). The increase was concentrated in the **G&A expenses** and it was attributable to the severance expenses related to the reduction of the personnel of the Parent Company.

The net balance of the **other income (expenses)** was negative and equal to -€78 thousand; the net balance of the **financial income and expenses** was equal to +€74 thousand; the result deriving from the **evaluation with the equity method of the joint ventures** was negative and totally equal to -€0.3 million, almost exclusively attributable to the joint venture Flexterra; the **exchange rate differences** recorded a negative balance equal to -€0.2 million in the third quarter of 2018. There were no relevant changes in any of the items listed in this paragraph compared to the corresponding period of 2017.

Consolidated income before taxes amounted to €5.3 million in the third quarter of 2018, remarkably increased when compared to an income before taxes of €1.2 million in the third quarter of 2017.

Income taxes amounted to €2.3 million in the quarter, compared to €1.1 million in the corresponding period of the previous year.

Net income from continued operations was equal to €2.9 million in the third quarter of 2018 (7% of consolidated revenues), significantly increased compared to €0.1 million (0.3% of consolidated revenues) in the third quarter of 2017.

Consolidated net income amounted to €2.3 million (5.5% of consolidated revenues) in the third quarter of 2018, compared to a net income of €5.7 million (15.7% of consolidated revenues) in the third quarter of 2017. The decrease was exclusively due to the change in the scope of consolidation following the sale of the gas purification business at the end of June 2018; this business had contributed to the net result for an amount of around €5.6 million in the third quarter of 2017, while in the current quarter the **result from discontinued operations** was negative for -€0.6 million, mainly comprising costs related to the completion of the sale of the purification business.

Consolidated net financial position as at September 30, 2018 was positive and equal to €234.6 million, compared to €249 million as at June 30, 2018. The decrease was exclusively related to the residual disbursements related to the completion of the sale of the purification business, occurred after the closing date (June 25, 2018).

With regard to continuing operations, cash flows generated by operating activities in the third quarter of 2018 amounted to approximately €7 million; instead, the investment activities absorbed around €4 million.

January - September 2018

The most relevant event affecting the first nine months 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 \$352.9 million, namely the contractually agreed price of \$355 million after applying a negative adjustment equal to -\$2.1 million, calculated on the basis of the working capital, cash and tax debt at the closing date and that could be eventually revised on the basis of the actual accounting figures approved by both parties by the end of 2018.

The accounting value of the net assets sold, denominated in euro, was equal to €33.7 million. The net capital gain generated by the transaction was equal to €226.6 million, deriving from a gross capital gain equal to €261.8 million, less the costs related to the transaction (especially legal fees, consultancy fees, incentives and fees, interests, exchange rate differences and taxes) equal to around €35.2 million. This net capital gain, together with the net income generated by the purification business subject to sale until the date of June 25, 2018 (equal to €12.7⁵ million) has been classified under the income statement item “Results deriving from assets held for sale and discontinued operations” (€239.3 million).

Consolidated revenues amounted to €117.8 million in the first nine months of 2018, up by 6.8% compared to €110.3 million in the corresponding period of 2017. The **exchange rate effect** was negative and equal to -5.2%; the **organic growth** was equal to +12%, mainly driven by the security and defense sectors, by the business of solutions for vacuum systems and by both the two segments of the Shape Memory Alloys Business Unit (SMA).

The table below shows the revenues in the first nine months 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.

⁵ The item included revenues equal to €45.2 million, with an operating income equal to €13.4 million (29.7% of revenues).

Thousands of euro (except %)

Business	September 2018	September 2017	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	9,558	6,118	56.2%	62.5%	-6.3%
Electronic Devices	13,354	13,349	0.0%	2.5%	-2.5%
Healthcare Diagnostics	3,210	2,938	9.3%	12.6%	-3.3%
Getters & Dispensers for Lamps	3,893	4,410	-11.7%	-8.8%	-2.9%
Thermal Insulation	2,702	3,108	-13.1%	-7.8%	-5.3%
Solutions for Vacuum Systems	8,298	5,701	45.6%	50.1%	-4.5%
Sintered Components for Electronic Devices & Lasers	5,396	5,342	1.0%	8.3%	-7.3%
Systems for Gas Purification & Handling	1,052	239	340.2%	341.0%	-0.8%
Industrial Applications	47,463	41,205	15.2%	19.5%	-4.3%
Nitinol for Medical Devices	51,895	50,845	2.1%	9.3%	-7.2%
SMA's for Thermal & Electro Mechanical Devices	8,626	7,321	17.8%	20.1%	-2.3%
Shape Memory Alloys	60,521	58,166	4.0%	10.7%	-6.7%
Solutions for Advanced Packaging	8,921	9,773	-8.7%	-8.7%	0.0%
Business Development	875	1,129	-22.5%	-17.4%	-5.1%
Total Net Sales	117,780	110,273	6.8%	12.0%	-5.2%

Total revenues of the Group were equal to €126.8 million in the first nine months of 2018, compared to €120.7 million in the first nine months of 2017. The increase (+5%) was attributable both to the increase in consolidated revenues (+6.8%) and to the increase in the sales of the joint venture SAES RIAL Vacuum S.r.l. (+28.1%). In the joint venture Actuator Solutions the growth in the automotive sector was more than offset by the decrease of the Taiwanese subsidiary, mainly concentrated in the sector of the autofocus (AF) for action cameras.

Consolidated gross profit amounted to €51.5 million in the first nine months of 2018, up by +12.2% compared to €45.9 million in the corresponding period of 2017. Also the **gross margin** recorded an increase (from 41.6% to 43.7%). Please note, in particular, the growth of the Industrial Applications segment, mainly driven by the increase in revenues in the security and defense sector and in that of vacuum pumps; in the SMA segment, in addition to the increase in revenues, please note the improvement in the gross margin of the industrial sector.

Consolidated operating income amounted to €13.5 million (11.5% of consolidated revenues) in the first nine months of 2018, almost doubled compared to €6.8 million (62% of consolidated revenues) in the corresponding period of the previous year. The improvement in the gross profit and the decrease in the operating expenses as a percentage of revenues (from 35.3% to 33.1%), together with the non-repayable grant by the State of Connecticut to Memry Corporation (€1.2 million, recorded under the item "Other net income (expenses)") had made possible the significant improvement in the operating indicators.

Consolidated operating expenses were equal to €38.9 million in the first nine months of 2018, aligned with €38.9 million in the corresponding period of 2017. The decrease in the **research and development expenses** (lower costs for the management of patents and reduction of both personnel costs and amortization related to the suspension of the research project in the OLET field and the consequent liquidation of the subsidiary E.T.C. S.r.l. at the end of 2017) was offset by the increase in the **general and administrative expenses** as well as in the **selling expenses** (in particular, severance expenses related to the reduction of the personnel of the Parent Company).

Consolidated EBITDA amounted to €19.4 million in the first nine months of 2018 (16.4% of revenues) compared to €13.2 million in the corresponding period of 2017 (equal to 11.9% of revenues), mainly driven by the security and defense sector, by the results of the vacuum pumps business and by the segment of Nitinol for medical devices.

The net balance of **other income and expenses** was positive for €1 million, compared to a negative balance of -€0.2 million in the first nine months of 2017. The change is mainly attributable to revenue, equal to 1.2 million euro, accounted by the US subsidiary Memry Corporation following the transformation of 50% of the loan granted by the State of Connecticut (CT) at the end of 2014 in a grant contribution.

The net balance of **financial income and expenses** was negative and equal to -€0.2 million (compared to -€0.9 million in the corresponding period of 2017) mainly including the 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, in addition to the bank commissions on credit lines held by the Group's Italian companies. The decrease was mainly attributable to the fact that, in 2017, this figure included the costs related to the early repayment of the loan signed in June 2015 by the Parent

Company with EIB (European Investment Bank), to support advanced R&D projects, as well as the higher interests on the loan itself.

The result deriving from the **evaluation with the equity method of the joint ventures** was negative and equal to -€1.1 million, almost exclusively attributable to the joint venture Flexterra, compared to a cost equal to -€1.3 million in the corresponding period of the previous year. Please note that, in line with September 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 nine months of 2018 (-€0.4 million) was not recognized by the Group (compared to the share not recorded of -€1.8 million pertaining to SAES at September 30, 2017).

The sum of the **exchange rate differences** recorded a negative balance equal to -€0.1 million in the first nine months of 2018, compared to a negative balance equal to -€0.8 million in the corresponding period of 2017. The negative balance of the previous nine months was mainly attributable to foreign exchange losses on commercial transactions, 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 €12.1 million in the first nine months of 2018, more than tripled when compared to an income before taxes of €3.7 million in the corresponding period of 2017.

Income taxes amounted to €6.5 million in the first nine months of 2018, compared to €5.6 million in the corresponding period of the previous year. The Group's **tax rate** was equal to 53.3%, still high 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 first nine months of 2018 with a negative taxable income, that was not valorized as a deferred tax asset.

Net income from continuing operations was equal to €5.7 million (4.8% of consolidated revenues) in the first nine months of 2018, compared to a net loss from continuing operations of -€1.9 million in the first nine months of 2017.

Income from assets held for sale and discontinued operations was equal to €239.3 million and was mainly composed of the gross capital gain (€ 261.8 million) generated by the sale of the gas purification business net of the deduction of the costs related to the transaction, equal to €35.2 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 interests, 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 €12.7 million.

As at September 30, 2017, the net income from discontinued operations amounted to €18.6 million, substantially coinciding with the net result of the purification segment in the first nine months of 2017.

Consolidated net income amounted to €244.9 million in the first nine months of 2018, compared to a net income of €16.7 million in the first nine months of 2017.

In the first nine months of 2018 the **net income per ordinary share** amounted to €11.1013, while that per savings share was equal to €11.1179; in the first nine months of the previous year the net income amounted to €0.7521 per ordinary share and €0.7687 per savings share.

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 €17.8 million in the first nine months of 2018, decreased by 15.5% when compared to €21 million in the corresponding period of 2017. These revenues were almost entirely attributable to the German business of the seat comfort, which continued to record a progressive growth (+3.9%), against a decrease in the sales of autofocus (AF) for action cameras of the Taiwanese subsidiary (sales equal to €0.3 million as at September 30, 2018, compared to €4.2 million in the corresponding period of the previous year).

The net result of the first nine months of 2018 was negative and equal to -€0.7 million, compared to a loss of -€3.6 million as at September 30, 2017: the improvement was mainly due to the recovery of the margins 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 as at September 30, 2018 included extraordinary charges of approximately €0.7 million (extraordinary charges of €1.4 million as at September 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 period at break-even.

Thousands of euro

Actuator Solutions	(100%)	September 2018	September 2017
Total net sales		17,774	21,022
Cost of sales		(14,656)	(19,236)
Gross profit		3,118	1,786
Total operating expenses		(3,323)	(4,154)
Other income (expenses), net		310	(96)
Operating income (loss)		105	(2,464)
Interests and other financial income, net		(390)	(532)
Foreign exchange gains (losses), net		(52)	(530)
Income taxes		(368)	(76)
Net income (loss)		(705)	(3,602)

The share of the SAES Group in the result of this joint venture in the first nine months of 2018 amounted to -€0.4 million (-€1.8 million in the first nine months of 2017). In line with September 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 September 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 nine months of 2018 with sales equal to €1.6 million, increased by 28.1% compared to €1.3 million in the corresponding period of 2017. The period ended with a net income equal to €40 thousand, compared to €26 thousand as at September 30, 2017. Please note the increase in the gross margin from 10.6% to 24.2%, only partially offset by higher G&A expenses.

Thousands of euro

SAES RIAL Vacuum S.r.l.	(100%)	September 2018	September 2017
Total net sales		1,633	1,275
Cost of sales		(1,237)	(1,140)
Gross profit		396	135
Total operating expenses		(258)	(201)
Other income (expenses), net		(45)	107
Operating income (loss)		93	41
Interests and other financial income, net		(16)	(15)
Foreign exchange gains (losses), net		0	0
Income taxes		(37)	0
Net income (loss)		40	26

The share of the SAES Group in the result of this joint venture amounted to +€19 thousand in the first nine months of 2018 (+€13 thousand as at September 30, 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 September 30, 2018, SAES owned 33.79% of the share capital of the joint venture Flexterra, Inc.

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 the technology and the 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.

This development start-up, a joint venture of the Group, ended the first nine months of 2018 with a net loss equal to -€3.2 million, compared to a loss of -€3.9 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 those related with the start of the operations. On the other hand, please note the higher costs for the management of patents in the current period.

Thousands of euro

Flexterra (100%)	September 2018	September 2017
Total net sales	26	19
Cost of sales	(4)	(1)
Gross profit	22	18
Total operating expenses	(3,164)	(3,886)
Other income (expenses), net	0	(93)
Operating income (loss)	(3,142)	(3,961)
Interests and other financial income, net	(11)	4
Foreign exchange gains (losses), net	(60)	61
Income taxes	40	21
Net income (loss)	(3,173)	(3,875)

The share of the SAES Group in the result of this joint venture in the first nine months of 2018 amounted to -€1.1 million (-€1.3 million as at September 30, 2017).

Restatement of the 2017 figures

The income statement balances at September 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 S.p.A. (former Metalvuoto S.p.A.) and the completion of the accounting process defining 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 nine months 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 quarter

On October 1, 2018 the Shareholders' Meeting of SAES Getters S.p.A. pursuant to and for the purposes of article 114-*bis* of the TUF, approved the adoption of a long-term incentive plan based on phantom shares, for some executives directors and strategic managers, 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 office of director 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 the retirement age; permanent disability; death; delisting. The plan aims to remunerate 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. On October 17, 2018, the Board of Directors of SAES Getters S.p.A. started the implementation of the plan, by identifying, on the proposal of the Remuneration and Appointment Committee, the beneficiaries of the plan by name and determining the number of phantom shares to be assigned free of charge to each beneficiary. In compliance with the criteria established by the plan regulations, the assignment value of each phantom share was determined in the amount of €16.451, equal to the weighted average of the official prices of the Company's ordinary shares recorded in the Italian Stock Exchange (*Mercato Telematico Azionario*) organized and managed by Borsa Italiana S.p.A., in the trading days which fall within the 36 (thirty-six) months prior to the date of October 17, 2018.

On October 5, 2018, SAES, through its subsidiary SAES Getter International Luxembourg S.A., has **conferred \$4.5 million of share capital in Flexterra, Inc.**, following the achievement by the latter of the pre-established commercial milestone. Following this payment, the shareholding of SAES in Flexterra rose to 42.23%, a percentage that may slightly vary, once payments have been finalized by third-party shareholders.

On October 23, 2018 the company **SAES Investments S.A.** was formally established, with its registered office in Luxembourg and wholly owned by SAES Getters S.p.A. The company, with a share capital of €40 million, is managing the liquidity deriving from the sale of the purification business, with the objective of preserving the capital in view of any possible future uses.

Business outlook

Results are expected in line with current ones in the coming months.

The figures are drawn from the Additional periodic financial information as at September 30, 2018, not subject to audit. This document will be available to the public both on the Company's website (www.saesgetters.com/investor-relations/financial-reports) and on the centralized storage mechanism IInfo (www.Iinfo.it) within today.

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
Giulio Canale⁶

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

⁶ On October 17, 2018 the Board of Directors of SAES Getters S.p.A. has approved the appointment of Dr Giulio Canale to the Officer responsible for the preparation of corporate financial reports, replacing Dr Michele Di Marco.

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.

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Legend:

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	Getters and other components used in the gas purifier systems for 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	3 rd quarter 2018	3 rd quarter 2017	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	3,411	1,916	78.0%	77.0%	1.0%
Electronic Devices	6,031	6,570	-8.2%	-8.2%	0.0%
Healthcare Diagnostics	1,048	936	12.0%	11.5%	0.5%
Getters & Dispensers for Lamps	1,271	1,205	5.5%	5.2%	0.3%
Thermal Insulation	911	1,060	-14.1%	-14.8%	0.7%
Solutions for Vacuum Systems	2,879	1,604	79.5%	78.8%	0.7%
Sintered Components for Electronic Devices & Lasers	1,842	1,727	6.7%	5.6%	1.1%
Systems for Gas Purification & Handling	640	80	700.0%	700.0%	0.0%
Industrial Applications	18,033	15,098	19.4%	18.9%	0.5%
Nitinol for Medical Devices	17,688	15,443	14.5%	13.4%	1.1%
SMA's for Thermal & Electro Mechanical Devices	3,079	2,691	14.4%	14.1%	0.3%
Shape Memory Alloys	20,767	18,134	14.5%	13.5%	1.0%
Solutions for Advanced Packaging	2,970	2,813	5.6%	5.6%	0.0%
Business Development	301	388	-22.4%	-23.1%	0.7%
Total Net Sales	42,071	36,433	15.5%	14.8%	0.7%

Consolidated Net Sales by Geographic Location of Customer

Thousands of euro

Geographic Area	3rd quarter 2018	3rd quarter 2017
Italy	1,008	849
European countries	9,935	8,359
North America	21,960	18,674
Japan	1,323	1,119
South Korea	247	398
China	5,623	5,204
Rest of Asia	1,550	1,632
Rest of the World	425	198
Total Net Sales	42,071	36,433

Total revenues of the Group

Thousands of euro

	3rd quarter 2018	3rd quarter 2017	Difference
Consolidated sales	42,071	36,433	5,638
50% sales of the joint venture Actuator Solutions	3,019	3,647	(628)
49% sales of the joint venture SAES RIAL Vacuum S.r.l.	299	346	(47)
33.79% sales of the joint venture Flexterra	3	0	3
Intercpany eliminations	(220)	(230)	10
Other adjustments	(7)	(8)	1
Total revenues of the Group	45,165	40,188	4,977

Consolidated statement of profit or loss

Thousands of euro

	3 rd quarter 2018	3 rd quarter 2017 restated (*)
Total net sales	42,071	36,433
Cost of sales	(23,063)	(21,806)
Gross profit	19,008	14,627
	R&D expenses	(2,651)
	Selling expenses	(2,948)
	G&A expenses	(7,669)
Total operating expenses	(13,268)	(12,799)
Other income (expenses), net	(78)	(86)
Operating income (loss)	5,662	1,742
Interest and other financial income, net	74	(173)
Income (loss) from equity method evaluated companies	(320)	(265)
Foreign exchange gains (losses), net	(163)	(103)
Income (loss) before taxes	5,253	1,201
Income taxes	(2,303)	(1,077)
Net income (loss) from continued operations	2,950	124
Income (loss) from assets held for sale and discontinued operations	(618)	5,590
Net income (loss) before minority interest	2,332	5,714
Net income (loss) pertaining to minority interest	0	0
Net income (loss) pertaining to the Group	2,332	5,714

Consolidated statement of other comprehensive income

Thousands of euro

	3 rd quarter 2018	3 rd quarter 2017 restated (*)
Net income (loss) for the period	2,332	5,714
Exchange differences on translation of foreign operations	840	(3,498)
Exchange differences on equity method evaluated companies	35	(218)
Total exchange differences	875	(3,716)
Equity transaction costs related to equity method evaluated companies	0	1
Total components that will be reclassified to the profit (loss) in the future	875	(3,716)
Reversal of currency conversion reserve after the disposal of the subsidiaries	(281)	0
Total components that have been reclassified to the profit (loss)	(281)	0
Total other comprehensive income (loss), net of taxes	594	(3,716)
Total comprehensive income (loss), net of taxes	2,926	1,998
<i>attributable to:</i>		
- Equity holders of the Parent Company	2,926	1,998
- 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 third quarter 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	
	3 rd quarter 2018	3 rd quarter 2017	3 rd quarter 2018	3 rd quarter 2017	3 rd quarter 2018	3 rd quarter 2017	3 rd quarter 2018	3 rd quarter 2017	3 rd quarter 2018	3 rd quarter 2017
Total net sales	18,033	15,098	20,767	18,134	2,970	2,813	301	388	42,071	36,433
Cost of sales	(8,566)	(7,909)	(11,614)	(11,015)	(2,585)	(2,506)	(298)	(376)	(23,063)	(21,806)
Gross profit (loss)	9,467	7,189	9,153	7,119	385	307	3	12	19,008	14,627
Operating expenses and other income (expenses)	(3,405)	(3,215)	(2,744)	(2,631)	(1,001)	(644)	(6,196)	(6,395)	(13,346)	(12,885)
Operating income (loss)	6,062	3,974	6,409	4,488	(616)	(337)	(6,193)	(6,383)	5,662	1,742

EBITDA

Thousands of euro

	3 rd quarter 2018	3 rd quarter 2017
Operating income (loss)	5,662	1,742
Depreciation & amortization	(1,946)	(1,962)
Write-down	(57)	51
Bad debt provision (accrual)/release	3	(19)
EBITDA	7,662	3,672
% on sales	18.2%	10.1%

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	3 rd quarter 2018	Consolidated statement of profit or loss - gas purification business	Capital gain on purification business disposal, net of the related costs	3 rd quarter 2017
Total net sales	603		603	16,107		16,107
Cost of sales	(351)	(18)	(369)	(7,770)	0	(7,770)
Gross profit	252	(18)	234	8,337	0	8,337
R&D expenses	(37)	(11)	(48)	(833)	0	(833)
Selling expenses	(98)	(13)	(111)	(1,050)	0	(1,050)
G&A expenses	(134)	(1,471)	(1,605)	(455)	0	(455)
Total operating expenses	(269)	(1,495)	(1,764)	(2,338)	0	(2,338)
Other income	0	396	396	0	0	0
Other expenses	1	0	1	(11)	0	(11)
Operating income (loss)	(16)	(1,117)	(1,133)	5,988	0	5,988
Financial income	0	0	0	0	0	0
Financial expenses	0	0	0	(28)	0	(28)
Foreign exchange gains (losses), net	0	194	194	1	0	1
Income (loss) before taxes	(16)	(923)	(939)	5,961	0	5,961
Income taxes	305	16	321	(371)	0	(371)
Income (loss) from assets held for sale and discontinued operations	289	(907)	(618)	5,590	0	5,590

Consolidated Net Sales by Business

Thousands of euro (except %)

Business	September 2018	September 2017	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	9,558	6,118	56.2%	62.5%	-6.3%
Electronic Devices	13,354	13,349	0.0%	2.5%	-2.5%
Healthcare Diagnostics	3,210	2,938	9.3%	12.6%	-3.3%
Getters & Dispensers for Lamps	3,893	4,410	-11.7%	-8.8%	-2.9%
Thermal Insulation	2,702	3,108	-13.1%	-7.8%	-5.3%
Solutions for Vacuum Systems	8,298	5,701	45.6%	50.1%	-4.5%
Sintered Components for Electronic Devices & Lasers	5,396	5,342	1.0%	8.3%	-7.3%
Systems for Gas Purification & Handling	1,052	239	340.2%	341.0%	-0.8%
Industrial Applications	47,463	41,205	15.2%	19.5%	-4.3%
Nitinol for Medical Devices	51,895	50,845	2.1%	9.3%	-7.2%
SMA's for Thermal & Electro Mechanical Devices	8,626	7,321	17.8%	20.1%	-2.3%
Shape Memory Alloys	60,521	58,166	4.0%	10.7%	-6.7%
Solutions for Advanced Packaging	8,921	9,773	-8.7%	-8.7%	0.0%
Business Development	875	1,129	-22.5%	-17.4%	-5.1%
Total Net Sales	117,780	110,273	6.8%	12.0%	-5.2%

Consolidated Net Sales by Geographic Location of Customer

Thousands of euro

Geographic Area	September 2018	September 2017
Italy	3,241	3,369
European countries	29,513	26,791
North America	62,831	60,082
Japan	4,599	3,602
South Korea	901	1,058
China	11,024	9,828
Rest of Asia	4,479	4,788
Rest of the World	1,192	755
Total Net Sales	117,780	110,273

Total revenues of the Group

Thousands of euro

	September 2018	September 2017	Difference
Consolidated sales	117,780	110,273	7,507
50% sales of the joint venture Actuator Solutions	8,887	10,511	(1,624)
49% sales of the joint venture SAES RIAL Vacuum S.r.l.	800	625	175
33.79% sales of the joint venture Flexterra	9	6	3
Intercompany eliminations	(626)	(546)	(80)
Other adjustments	(33)	(126)	93
Total revenues of the Group	126,817	120,743	6,074

Consolidated statement of profit or loss

Thousands of euro

	September 2018	September 2017 restated (*)	
Total net sales	117,780	110,273	
Cost of sales	(66,282)	(64,385)	
Gross profit	51,498	45,888	
	R&D expenses	(8,106)	(8,716)
	Selling expenses	(9,009)	(8,736)
	G&A expenses	(21,818)	(21,488)
Total operating expenses	(38,933)	(38,940)	
Other income (expenses), net	979	(152)	
Operating income (loss)	13,544	6,796	
Interest and other financial income, net	(231)	(933)	
Income (loss) from equity method evaluated companies	(1,053)	(1,316)	
Foreign exchange gains (losses), net	(146)	(824)	
Income (loss) before taxes	12,114	3,723	
Income taxes	(6,460)	(5,582)	
Net income (loss) from continued operations	5,654	(1,859)	
Income (loss) from assets held for sale and discontinued operations	239,252	18,565	
Net income (loss) before minority interest	244,906	16,706	
Net income (loss) pertaining to minority interest	0	0	
Net income (loss) pertaining to the Group	244,906	16,706	

Consolidated statement of other comprehensive income

Thousands of euro

	September 2018	September 2017 restated (*)
Net income (loss) for the period	244,906	16,706
Exchange differences on translation of foreign operations	2,748	(11,748)
Exchange differences on equity method evaluated companies	184	(782)
Total exchange differences	2,932	(12,530)
Equity transaction costs related to equity method evaluated companies	0	(7)
Total components that will be reclassified to the profit (loss) in the future	2,932	(12,537)
Reversal of currency conversion reserve after the disposal of the subsidiaries	(2,108)	0
Total components that have been reclassified to the profit (loss)	(2,108)	0
Other comprehensive income (loss), net of taxes	824	(12,537)
Total comprehensive income (loss), net of taxes	245,730	4,169
<i>attributable to:</i>		
- Equity holders of the Parent Company	245,730	4,169
- 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 as at September 30, 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	
	September 2018	September 2017	September 2018	September 2017	September 2018	September 2017	September 2018	September 2017	September 2018	September 2017
Total net sales	47,463	41,205	60,521	58,166	8,921	9,773	875	1,129	117,780	110,273
Cost of sales	(22,796)	(20,962)	(34,764)	(34,025)	(7,914)	(8,407)	(808)	(991)	(66,282)	(64,385)
Gross profit (loss)	24,667	20,243	25,757	24,141	1,007	1,366	67	138	51,498	45,888
Operating expenses and other income (expenses)	(10,556)	(10,162)	(7,061)	(9,373)	(2,962)	(1,921)	(17,375)	(17,636)	(37,954)	(39,092)
Operating income (loss)	14,111	10,081	18,696	14,768	(1,955)	(555)	(17,308)	(17,498)	13,544	6,796

EBITDA

Thousands of euro

	September 2018	September 2017
Operating income (loss)	13,544	6,796
Depreciation & amortization	(5,659)	(6,128)
Write-down	(148)	(243)
Bad debt provision (accrual)/release	(13)	(7)
EBITDA	19,364	13,174
% on sales	16.4%	11.9%

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	September 2018	Consolidated statement of profit or loss - gas purification business	Capital gain on purification business disposal, net of the related costs	September 2017
Total net sales	45,156		45,156	59,550		59,550
Cost of sales	(26,211)	(1,318)	(27,529)	(30,885)	0	(30,885)
Gross profit	18,945	(1,318)	17,627	28,665	0	28,665
R&D expenses	(1,889)	(872)	(2,761)	(2,493)	0	(2,493)
Selling expenses	(2,631)	(983)	(3,614)	(3,299)	0	(3,299)
G&A expenses	(1,003)	(26,572)	(27,575)	(1,426)	(185)	(1,611)
Total operating expenses	(5,523)	(28,427)	(33,950)	(7,218)	(185)	(7,403)
Other income	23	261,823	261,846	127	0	127
Other expenses	(34)	(51)	(85)	(135)	0	(135)
Operating income (loss)	13,411	232,027	245,438	21,439	(185)	21,254
Financial income	0	0	0	0	0	0
Financial expenses	(34)	(229)	(263)	(109)	0	(109)
Foreign exchange gains (losses), net	0	(3,522)	(3,522)	(4)	0	(4)
Income (loss) before taxes	13,377	228,276	241,653	21,326	(185)	21,141
Income taxes	(681)	(1,720)	(2,401)	(2,576)	0	(2,576)
Income (loss) from assets held for sale and discontinued operations	12,696	226,556	239,252	18,750	(185)	18,565

Consolidated income (loss) per share

Euro

	September 2018	September 2017
Net income (loss) per ordinary share	11.1013	0.7521
Net income (loss) per savings share	11.1179	0.7687

Consolidated Statement of Financial Position

Thousands of euro

	September 30, 2018	December 31, 2017 reclassified (*)
Property, plant and equipment, net	52,334	46,098
Intangible assets	47,700	46,783
Other non current assets	23,669	20,123
Current assets	325,647	72,874
Assets held for sale	145	53,174
Total Assets	449,495	239,052
Shareholders' equity	352,436	122,141
Minority interest in consolidated subsidiaries	0	0
Total Shareholders' Equity	352,436	122,141
Non current liabilities	31,284	44,378
Current liabilities	65,775	54,914
Liabilities held for sale	0	17,619
Total Liabilities and Shareholders' Equity	449,495	239,052

(*) 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

	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Cash on hands	8	11	11	13
Cash equivalents	275,039	302,633	24,080	27,551
Cash and cash equivalents	275,047	302,644	24,091	27,564
Related parties financial assets	1,019	897	877	936
Other current financial assets	0	0	0	0
Current financial assets	1,019	897	877	936
Bank overdraft	(27,508)	(28,381)	(11,549)	(12,254)
Current portion of long term debt	(5,477)	(10,358)	(10,458)	(10,478)
Other current financial liabilities	(1,253)	(1,882)	(1,739)	(1,777)
Current financial liabilities	(34,238)	(40,621)	(23,746)	(24,509)
Current net financial position	241,828	262,920	1,222	3,991
Related parties non current financial assets	8,049	8,049	8,049	7,549
Long term debt, net of current portion	(15,231)	(21,981)	(24,808)	(28,057)
Other non current financial liabilities (*)	0	0	0	0
Non current liabilities	(15,231)	(21,981)	(24,808)	(28,057)
Non current net financial position	(7,182)	(13,932)	(16,759)	(20,508)
Net financial position	234,646	248,988	(15,537)	(16,517)

(*) 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 - detail

Thousands of euro	September 30, 2018	September 30, 2018 - from discontinued operations			September 30, 2018 - from continued operations
		gas purification business	disposal	total	
Net income (loss) from continued operations	5,654				5,654
Net income (loss) from discontinued operations	239,252	12,696	226,556	239,252	0
Current income taxes	11,477	678		678	10,799
Change in deferred income taxes	(4,117)	10		10	(4,127)
Depreciation, amortization and write down of non current assets	6,202	393		393	5,809
Net loss (gain) on disposal of assets	7				7
Net gain on purification business disposal	(225,899)		(226,556)	(226,556)	657
Interests and other financial income, net	188				188
Other non-monetary costs	(692)	(362)		(362)	(330)
	32,072	13,415	0	13,415	18,657
Change in operating assets and liabilities	(7,111)	(959)		(959)	(6,152)
Payments of termination indemnities and similar obligations	(252)				(252)
Financial income received, net of payment of interests	(110)				(110)
Payment of income taxes	(11,021)	(991)		(991)	(10,030)
Net cash flows from operating activities	13,578	11,465	0	11,465	2,113
Purchase of tangible and intangible assets, net of proceeds from sales	(11,243)	(185)		(185)	(11,058)
Consideration for the acquisition of minority interests in subsidiaries	(75)				(75)
Price paid for the acquisition of businesses	(141)	(141)		(141)	0
Consideration for the purification business disposal, net of the disposed cash	300,793		300,793	300,793	0
Ancillary monetary charges for the purification business disposal	(36,611)		(36,611)	(36,611)	0
Net cash flows from investing activities	252,723	(326)	264,182	263,856	(11,133)
Proceeds from debts, net of repayments	(2,856)				(2,856)
Dividends payment	(15,435)				(15,435)
Interests and other expenses paid on loans	(471)				(471)
Financing receivables from related parties	(225)				(225)
Other financial liabilities	13				13
Net cash flows from financing activities	(18,974)	0	0	0	(18,974)
Effect of exchange rate differences	404	(1,117)	0	(1,117)	1,521
Increase (decrease) in cash and cash equivalents	247,731	10,022	264,182	274,204	(26,473)

Consolidated Cash Flows Statement - detail

Thousands of euro	3 rd quarter 2018	3 rd quarter 2018 - from discontinued operations			3 rd quarter 2018 - from continued operations
		gas purification business	disposal	total	
Net income (loss) from continued operations	2,950				2,950
Net income (loss) from discontinued operations	(618)	289	(907)	(618)	0
Current income taxes	1,069	(205)		(205)	1,274
Change in deferred income taxes	1,148	(93)		(93)	1,241
Depreciation, amortization and write down of non current assets	2,024	19		19	2,005
Net loss (gain) on disposal of assets	(2)				(2)
Net gain on purification business disposal	1,564		907	907	657
Interests and other financial income, net	182				182
Other non-monetary costs	875	(5)		(5)	880
	9,192	5	0	5	9,187
Change in operating assets and liabilities	(599)	(119)		(119)	(480)
Payments of termination indemnities and similar obligations	(131)				(131)
Financial income received, net of payment of interests	53				53
Payment of income taxes	(1,599)	(13)		(13)	(1,586)
Net cash flows from operating activities	6,916	(127)	0	(127)	7,043
Purchase of tangible and intangible assets, net of proceeds from sales	(3,992)	(2)		(2)	(3,990)
Consideration for the acquisition of minority interests in subsidiaries	0				0
Price paid for the acquisition of businesses	(2)	(2)		(2)	0
Consideration for the purification business disposal, net of the disposed cash	41		41	41	0
Ancillary monetary charges for the purification business disposal	(16,998)		(16,998)	(16,998)	0
Net cash flows from investing activities	(20,951)	(4)	(16,957)	(16,961)	(3,990)
Proceeds from debts, net of repayments	(12,528)				(12,528)
Dividends payment	0				0
Interests and other expenses paid on loans	(125)				(125)
Financing receivables from related parties	0				0
Other financial liabilities	2				2
Net cash flows from financing activities	(12,651)	0	0	0	(12,651)
Effect of exchange rate differences	(236)	(191)	0	(191)	(45)
Increase (decrease) in cash and cash equivalents	(26,922)	(322)	(16,957)	(17,279)	(9,643)

Actuator Solutions - SAES Group interest (50%)

Thousands of euro

Statement of profit or loss	3rd quarter 2018	3rd quarter 2017
Total net sales	3,019	3,647
Cost of sales	(2,601)	(3,147)
Gross profit	418	500
Total operating expenses	(535)	(759)
Other income (expenses), net	227	456
Operating income (loss)	110	197
Interests and other financial income, net	(74)	(97)
Foreign exchange gains (losses), net	15	(147)
Income taxes	(44)	(57)
Net income (loss)	7	(104)
Exchange differences	(20)	137
Total comprehensive income (loss) for the period	(13)	33

Actuator Solutions - SAES Group interest (50%)

Thousands of euro

Statement of financial position	September 30, 2018	December 31, 2017
Non current assets	4,287	5,491
Current assets	1,789	1,908
Total Assets	6,076	7,399
Non current liabilities	4,740	4,982
Current liabilities	2,697	3,409
Total Liabilities	7,437	8,391
Capital Stock, Reserves and Retained Earnings	(993)	815
Net income (loss) for the period	(352)	(2,047)
Other comprehensive income (loss) for the period	(16)	240
Total Equity	(1,361)	(992)

Statement of profit or loss	September 2018	September 2017
Total net sales	8,887	10,511
Cost of sales	(7,327)	(9,618)
Gross profit	1,560	893
Total operating expenses	(1,662)	(2,077)
Other income (expenses), net	155	(48)
Operating income (loss)	53	(1,232)
Interests and other financial income, net	(195)	(266)
Foreign exchange gains (losses), net	(26)	(265)
Income taxes	(184)	(38)
Net income (loss)	(352)	(1,801)
Exchange differences	(16)	278
Total comprehensive income (loss) for the period	(368)	(1,523)

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

Thousands of euro

Statement of profit or loss	3rd quarter 2018	3rd quarter 2017
Total net sales	299	346
Cost of sales	(231)	(203)
Gross profit	68	143
Total operating expenses	(36)	(36)
Other income (expenses), net	(2)	0
Operating income (loss)	30	107
Interests and other financial income, net	(1)	(3)
Foreign exchange gains (losses), net	0	0
Income taxes	(9)	0
Net income (loss)	20	104
Actuarial gain (loss) on defined benefit plans, net of taxes	0	0
Total comprehensive income (loss) for the period	20	104

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

Thousands of euro

Statement of financial position	September 30, 2018	December 31, 2017
Non current assets	157	145
Current assets	825	731
Total Assets	982	876
Non current liabilities	147	150
Current liabilities	584	494
Total Liabilities	731	644
Capital Stock, Reserves and Retained Earnings	232	82
Net income (loss) for the period	19	158
Other comprehensive income (loss) for the period	0	(8)
Total Equity	251	232

Statement of profit or loss	September 2018	September 2017
Total net sales	800	625
Cost of sales	(607)	(559)
Gross profit	193	66
Total operating expenses	(127)	(98)
Other income (expenses), net	(22)	52
Operating income (loss)	44	20
Interests and other financial income, net	(7)	(7)
Foreign exchange gains (losses), net	0	0
Income taxes	(18)	0
Net income (loss)	19	13
Actuarial gain (loss) on defined benefit plans, net of taxes	0	0
Total comprehensive income (loss) for the period	19	13

Flexterra - SAES Group interest (33.79%)

Thousands of euro

Statement of profit or loss	3rd quarter 2018	3rd quarter 2017
Total net sales	3	0
Cost of sales	0	0
Gross profit	3	0
Total operating expenses	(347)	(390)
Other income (expenses), net	1	3
Operating income (loss)	(343)	(387)
Interests and other financial income, net	0	(1)
Foreign exchange gains (losses), net	0	1
Income taxes	3	3
Net income (loss)	(340)	(384)
Exchange differences & equity transaction costs	35	(217)
Total comprehensive income (loss) for the period	(305)	(601)

Flexterra - SAES Group interest (33.79%)

Thousands of euro

Statement of financial position	September 30, 2018	December 31, 2017
Non current assets	4,486	4,616
Current assets	442	1,206
Total Assets	4,928	5,822
Non current liabilities	0	0
Current liabilities	127	154
Total Liabilities	127	154
Capital Stock, Reserves and Retained Earnings	5,554	8,064
Reserve for stock option plans	135	114
Net income (loss) for the period	(1,072)	(1,626)
Other comprehensive income (loss) for the period	184	(884)
Total Equity	4,801	5,668

Statement of profit or loss	September 2018	September 2017
Total net sales	9	6
Cost of sales	(1)	0
Gross profit	8	6
Total operating expenses	(1,069)	(1,330)
Other income (expenses), net	0	(50)
Operating income (loss)	(1,061)	(1,374)
Interests and other financial income, net	(4)	1
Foreign exchange gains (losses), net	(20)	21
Income taxes	13	8
Net income (loss)	(1,072)	(1,344)
Exchange differences & equity transaction costs	184	(789)
Total comprehensive income (loss) for the period	(888)	(2,133)

SAES Group – Press Release

Total statement of profit or loss of the Group

Thousands of euro

	3 rd quarter 2018							
	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 profit or loss of the Group
Total net sales	42,071	3,019	(200)	299	(27)	3		45,165
Cost of sales	(23,063)	(2,601)	200	(231)	27	0		(25,668)
Gross profit	19,008	418	0	68	0	3	0	19,497
Total operating expenses	(13,268)	(535)		(36)	0	(347)		(14,186)
Other income (expenses), net	(78)	227		(2)		1		148
Operating income (loss)	5,662	110	0	30	0	(343)	0	5,459
Interest and other financial income, net	74	(74)		(1)		0		(1)
Income (loss) from equity method evaluated companies	(320)		0		(20)		340	0
Foreign exchange gains (losses), net	(163)	15				0		(148)
Income (loss) before taxes	5,253	51	0	29	(20)	(343)	340	5,310
Income taxes	(2,303)	(44)		(9)		3		(2,353)
Net income (loss) from continued operations	2,950	7	0	20	(20)	(340)	340	2,957
Income (loss) from assets held for sale and discontinued operations	(618)							(618)
Net income (loss) before minority interest	2,332	7	0	20	(20)	(340)	340	2,339
Net income (loss) pertaining to minority interest	0							0
Net income (loss) pertaining to the Group	2,332	7	0	20	(20)	(340)	340	2,339

Total statement of profit or loss of the Group

Thousands of euro

	September 2018							
	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 profit or loss of the Group
Total net sales	117,780	8,887	(565)	800	(94)	9		126,817
Cost of sales	(66,282)	(7,327)	565	(607)	94	(1)		(73,558)
Gross profit	51,498	1,560	0	193	0	8	0	53,259
Total operating expenses	(38,933)	(1,662)		(127)	0	(1,069)		(41,791)
Other income (expenses), net	979	155		(22)		0		1,112
Operating income (loss)	13,544	53	0	44	0	(1,061)	0	12,580
Interest and other financial income, net	(231)	(195)		(7)		(4)		(437)
Income (loss) from equity method evaluated companies	(1,053)		0		(19)		1,072	0
Foreign exchange gains (losses), net	(146)	(26)				(20)		(192)
Income (loss) before taxes	12,114	(168)	0	37	(19)	(1,085)	1,072	11,951
Income taxes	(6,460)	(184)		(18)		13		(6,649)
Net income (loss) from continued operations	5,654	(352)	0	19	(19)	(1,072)	1,072	5,302
Income (loss) from assets held for sale and discontinued operations	239,252							239,252
Net income (loss) before minority interest	244,906	(352)	0	19	(19)	(1,072)	1,072	244,554
Net income (loss) pertaining to minority interest	0							0
Net income (loss) pertaining to the Group	244,906	(352)	0	19	(19)	(1,072)	1,072	244,554

Consolidated statement of profit or loss, restated - 3rd quarter 2017

Thousands of euro

	3 rd quarter 2017	Restated arising from the process of identifying the fair value	Reclassifications for the sale of the gas purification business	3 rd quarter 2017 restated
Total net sales	52,540	0	(16,107)	36,433
Cost of sales	(29,576)	0	7,770	(21,806)
Gross profit	74,553	0	(8,337)	14,627
R&D expenses	(3,505)	(74)	833	(2,746)
Selling expenses	(3,848)	0	1,050	(2,798)
G&A expenses	(7,710)	0	455	(7,255)
Total operating expenses	(15,063)	(74)	2,338	(12,799)
Other income (expenses), net	(97)	0	11	(86)
Operating income (loss)	59,393	(74)	(5,988)	1,742
Interest and other financial income, net	(201)	0	28	(173)
Income (loss) from equity method evaluated companies	(180)	(85)	0	(265)
Foreign exchange gains (losses), net	(102)	0	(1)	(103)
Income (loss) before taxes	25,355	(159)	(5,961)	1,201
Income taxes	(1,468)	20	371	(1,077)
Net income (loss) from continued operations	23,887	(139)	(5,590)	124
Income (loss) from assets held for sale and discontinued operations	0	0	5,590	5,590
Net income (loss) before minority interest	23,887	(139)	0	5,714
Net income (loss) pertaining to minority interest	0	0	0	0
Net income (loss) pertaining to the Group	17,136	(139)	0	5,714

Consolidated statement of profit or loss, restated - 3rd quarter 2017

Thousands of euro

	3 rd quarter 2017	Restated arising from the process of identifying the fair value	Reclassifications for the sale of the gas purification business	3 rd quarter 2017 restated
Net income (loss) for the period	23,887	(139)	0	5,714
Exchange differences on translation of foreign operations	(3,498)	0	0	(3,498)
Exchange differences on equity method evaluated companies	(224)	6	0	(218)
Total exchange differences	(3,722)	6	0	(3,716)
Equity transaction costs related to equity method evaluated companies	1	0	0	1
Total components that will be reclassified to the profit (loss) in the future	(3,721)	6	0	(3,715)
Other comprehensive income (loss), net of taxes	(3,721)	6	0	(3,715)
Total comprehensive income (loss), net of taxes	20,166	(133)	0	1,999
<i>attributable to:</i>				
- Equity holders of the Parent Company	20,166	(133)	0	1,999
- Minority interests	0	0	0	0

Consolidated statement of profit or loss, restated - September 30, 2017

Thousands of euro

	September 2017	Restated arising from the process of identifying the fair value	Reclassifications for the sale of the gas purification business	September 2017 restated
Total net sales	169,823	0	(59,550)	110,273
Cost of sales	(95,270)	0	30,885	(64,385)
Gross profit	74,553	0	(28,665)	45,888
R&D expenses	(10,989)	(220)	2,493	(8,716)
Selling expenses	(12,035)	0	3,299	(8,736)
G&A expenses	(23,099)	0	1,611	(21,488)
Total operating expenses	(46,123)	(220)	7,403	(38,940)
Other income (expenses), net	(160)	0	8	(152)
Operating income (loss)	28,270	(220)	(21,254)	6,796
Interest and other financial income, net	(1,042)	0	109	(933)
Income (loss) from equity method evaluated companies	(1,045)	(271)	0	(1,316)
Foreign exchange gains (losses), net	(828)	0	4	(824)
Income (loss) before taxes	25,355	(491)	(21,141)	3,723
Income taxes	(8,219)	61	2,576	(5,582)
Net income (loss) from continued operations	17,136	(430)	(18,565)	(1,859)
Income (loss) from assets held for sale and discontinued operations	0	0	18,565	18,565
Net income (loss) before minority interest	17,136	(430)	0	16,706
Net income (loss) pertaining to minority interest	0	0	0	0
Net income (loss) pertaining to the Group	17,136	(430)	0	16,706

Consolidated statement of other comprehensive income, restated - September 30, 2017

Thousands of euro

	September 2017	Restated arising from the process of identifying the fair value	Reclassifications for the sale of the gas purification business	September 2017 restated
Net income (loss) for the period	17,136	(430)	0	16,706
Exchange differences on translation of foreign operations	(11,748)	0	0	(11,748)
Exchange differences on equity method evaluated companies	(797)	15	0	(782)
Total exchange differences	(12,545)	15	0	(12,530)
Equity transaction costs related to equity method evaluated companies	(7)	0	0	(7)
Total components that will be reclassified to the profit (loss) in the future	(12,552)	15	0	(12,537)
Other comprehensive income (loss), net of taxes	(12,552)	15	0	(12,537)
Total comprehensive income (loss), net of taxes	4,584	(415)	0	4,169
<i>attributable to:</i>				
- Equity holders of the Parent Company	4,584	(415)	0	4,169
- Minority interests	0	0	0	0

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

Thousands of euro

	December 31, 2017	Reclassifications for the sale of the gas purification business	December 31, 2017 reclassified
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	(828)	20,123
Current assets	115,434	(42,560)	72,874
Assets held for sale	0	53,174	53,174
Total Assets	239,052	0	239,052
Shareholders' equity	122,141	0	122,141
Minority interest in consolidated subsidiaries	0	0	0
Total Shareholders' Equity	122,141	0	122,141
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
Total Liabilities and Shareholders' Equity	239,052	0	239,052