



PRESS RELEASE

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SAES Group: THE SHAREHOLDERS' MEETING APPROVED THE 2016 FINANCIAL STATEMENTS

- **Consolidated revenues equal to €189 million, up by 13.3% compared to €166.9 million in FY 2015**
- **Total revenues of the Group equal to €198.4 million, up by 13.4% compared to €175 million in FY 2015**
- **Consolidated gross profit: €85.1 million (45.0% of revenues), up by 18.1% compared to €72.1 million (43.2% of revenues) in FY 2015**
- **Consolidated operating income: €26.2 million, significantly increased (+27.6%) compared to €20.5 million in FY 2015**
- **Adjusted operating income equal to €27.9 million (14.7% of consolidated revenues) in FY 2016**
- **Consolidated EBITDA: €35.5 million (18.8% of revenues), compared to €29.4 million (17.6% of revenues) in FY 2015**
- **Adjusted EBITDA equal to €37.2 million (19.7% of consolidated revenues) in FY 2016**
- **Consolidated net income: €14.1 million, strongly increased (+59.7%) compared to €8.8 million in FY 2015**
- **Consolidated net financial position equal to -€33.8 million, significantly influenced by the investments in support of future growth**
- **Approved a dividend of €0.55 per ordinary share and of €0.566626 per savings share**
- **The Ordinary Shareholders' Meeting approved, with an advisory vote, the first section of the Report on remuneration, renewed the authorization for the purchase and sale of treasury shares and approved the modification of the Directors' Termination Indemnity**
- **The Ordinary Shareholders' Meeting confirmed Dr Angelo Rivolta as Effective Statutory Auditor, as well as Chairman of the Board of Statutory Auditors and appointed the new Deputy Statutory Auditor**
- **The Special Meeting appointed the Common Representative of the Holders of Savings Shares for the three-year period 2017-2019**

The Shareholders' Meeting of SAES Getters S.p.A., gathered today in Lainate (MI) and chaired by Eng. Massimo della Porta, approved the Financial Statements as at 31 December, 2016.

In 2016 the SAES® Group achieved **consolidated net revenues** equal to €189 million, up by 13.3% compared to €166.9 million achieved in the corresponding period of 2015. The **exchange rate effect** was slightly positive (+0.4%), due to the strengthening both of the US dollar and of the Japanese yen against the euro, while the **organic growth** amounted to +11.1%, mainly driven by the shape memory alloys (SMAs) business both for medical and industrial applications, by the gas purification segment and by the recovery of the security and defense market (Sensors and Detectors Business and Electronic & Photonic Devices Business). Finally, please note that the **change in the scope of consolidation** following the acquisition of Metalvuoto S.p.A., has generated an increase in revenues equal to +1.8% (€3.1 million in absolute terms).

Total revenues of the Group¹ were equal to €198.4 million in 2016, up by 13.4% compared to €175 million in 2015: the growth was attributable, in addition to the increase in consolidated revenues (+13.3%), also to the increased revenues of the joint venture Actuator Solutions (+7.9%) and to the consolidation of the new joint venture SAES RIAL Vacuum S.r.l. not yet operating at the end of the previous year.

Consolidated gross profit² was equal to €85.1 million in 2016, showing a strong increase (+18.1%) compared to €72.1 million in 2015. The growth was mainly attributable to the increase in revenues, as well as to the improvement in the gross margin³ (up from 43.2% in 2015 to 45% in 2016), mainly driven by the gas purification business and the Shape Memory Alloys Business Unit.

Consolidated operating income amounted to €26.2 million in 2016 (13.8% of consolidated revenues), showing an increase (+27.6%) compared to €20.5 million in the previous year (12.3% of consolidated revenues). The increase in revenues and in the gross margin enabled the improvement in the operating indicators compared to the previous year, despite the increase of operating expenses (increased consultant fees for corporate extraordinary projects developed during the year, in addition to the higher accrual for the variable remuneration of the Executive Directors, as well as higher costs for employed personnel).

By excluding the cost following the signature of a settlement agreement for the definition of the environmental dispute regarding the compensation for the environmental damages and the water and below sediment purification of the Onondaga Lake (€0.4 million), as well as the extraordinary costs for severance and for the strategic employees' retention plan, related to the transfer of the production activities of Memry GmbH and the subsequent liquidation of the German subsidiary (€1.3 million), the **adjusted operating income**⁴ was equal to €27.9 million (14.7% of consolidated revenues).

Consolidated EBITDA⁵ was equal to €35.5 million (18.8% as a percentage of revenues) in 2016, up by 20.7% compared to €29.4 million (17.6% of consolidated revenues) in 2015, mainly driven by the gas purification sector and by the medical SMAs segment. By excluding the already mentioned non-recurring expenses (the cost related to the settlement agreement for the definition of the environmental dispute regarding the Onondaga Lake and the costs for severance and for retention plan dedicated to the strategic employees of Memry GmbH), the **adjusted EBITDA**⁶ was equal to €37.2 million in 2016, equal to 19.7% of the consolidated revenues.

Consolidated net income amounted to €14.1 million (7.4% of consolidated revenues) in 2016, strongly increased (+59.7%) compared to a consolidated net income of €8.8 million (5.3% of consolidated revenues) in 2015.

The **consolidated net financial position** as at December 31, 2016 was negative for €33.8 million, compared to -€17.3 million as at December 31, 2015. The net financial position was strongly influenced by the investments in support of future growth, including both the extraordinary operations undertaken during the year (in particular, the acquisition of Metalvuoto S.p.A. and the investment in the newco Flexterra, Inc.), as well as the *capex* for the expansion of the production capacity.

As at December 31, 2016, please note the strong increase in the net working capital. In fact, the self-financing was partially offset by the increase in trade receivables, as well as in the inventory of the gas purification sector, the former related to the sales increase recorded in the last period of 2016, while the latter in anticipation of the sales of the beginning of 2017. The operating cash flows still supported both the payment of dividends and the above mentioned disbursement for investment activities.

The Shareholders' Meeting approved the distribution of a dividend equal to €0.550000 per ordinary share (compared to €0.380000 in the previous year) and €0.566626 per savings share (compared to €0.396626 in the previous year), through the distribution of the distributable net income of the year of SAES Getters S.p.A. (€6.2 million) and part of the net

¹ Total revenues of the Group are achieved by incorporating with the proportional method, instead of with the equity method, the 50% joint venture Actuator Solutions, as well as the new joint venture SAES RIAL Vacuum S.r.l., of which SAES currently owns 49% of the share capital.

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 the gross profit and the consolidated sales.

⁴ Adjusted operating income is the operating income itself, further adjusted by excluding non-recurring amounts, not considered as indicators of the current operating performance by the Management. As its calculation is not ruled by the IFRS principles, the method applied by the Group may be not homogeneous, and so far not comparable, with the ones applied by other Groups.

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

⁶ Adjusted EBITDA is meant to be the EBITDA itself, further adjusted to exclude non recurring items or anyway considered as not indicating the current operating performance by the Management. As its calculation is not ruled by the IFRS principles, the method applied by the Group may be not homogeneous, and so far not comparable, with the ones applied by other Groups.

income carried forward from previous years (€6.1 million). The dividend will be paid on May 4, 2017; the share will trade ex-dividend starting from May 2, 2017 following the detachment of the coupon no. 33, while the record date related to the dividend payment is May 3, 2017.

The Shareholders' Meeting also approved, with a non-binding vote, the first section of the Report on remuneration prepared pursuant to article 123-ter of the D.Lgs. no. 58/1998 and according to article 84-*quater* and the related Appendix 3A, Scheme 7-*bis* of Consob resolution no. 11971 dated 05/14/1999 concerning the issuers regulation.

The Shareholders' Meeting furthermore approved the request of the authorization for the purchase and sale of treasury shares, pursuant to articles no. 2357 and following of the Civil Code, and article no. 132 of the Legislative Decree no. 58/1998, after the withdrawal of the authorization previously granted by the Shareholders' Meeting on April 28, 2016 that has not been used. The purchase authorization is approved for a period of 18 months starting from the date of the authorization, in one or more occasions, up to a maximum of no. 2 million ordinary and/or savings shares of the Company, at a purchase price including additional charges equal to no more than 5% and not less than 5% of the official share price recorded by the share in the trading session preceding each individual transaction. With regards to the disposals of treasury shares, they can be executed for a minimum price equal to the weighted average of the official prices of the shares of their related category in the twenty trading days preceding the sale. The authorization for the disposal of treasury shares is granted without any time limit.

The Ordinary Shareholders' Meeting also approved the integration of the Board of the Statutory Auditors. Following the decease of Dr Pier Francesco Sportoletti (Chairman of the Board of Statutory Auditors), appointed on the basis of the list proposed by the minority shareholder Equilybra Capital Partners S.p.A., on October 11, 2016 the Minority Deputy Statutory Auditor, Dr Angelo Rivolta (named within the same list) inherited the responsibility, according to article no. 22 of the Company's By-Laws. It was therefore necessary that the Shareholders' Meeting approved the confirmation of Dr Angelo Rivolta in his office, as effective Statutory Auditor, as well as Chairman of the Board of Statutory Auditors. In addition, given the absence of indication for any further name of Deputy Statutory Auditors within the only proposed minority list, the Shareholders' Meeting had to appoint a new Deputy Statutory Auditor, necessary to integrate the Board of Statutory Auditors. Standing the absence of proposals for the integration of the Board of Statutory Auditors expressed by shareholders different from the Shareholder holding the relative majority, or by entities related to him, the Shareholders' Meeting appointed Dr Maurizio Civardi as the new Deputy Statutory Auditor, according to the gender rules and with the full capital structure represented in the vote. The appointed Statutory Auditors will be in charge together with the ones appointed by the Shareholders' Meeting of April 28, 2015 and currently in office until the approval of the financial statements of the fiscal year ending December 31, 2017.

The Ordinary Shareholders' Meeting finally approved the modification of the Directors' Termination Indemnity, increasing - from 18% to 20% - the provision, calculated on both fixed and variable compensation paid to the entitled Directors, as resolved by the Board of Directors pursuant to article 2389 of the Civil Code. In consideration of the economic situation of the Company, of the activities of the beneficiary Directors and of the growing responsibilities related to their role, such provision of compensation aims at better guaranteeing, at the end of the mandate, a pension coverage in line with the Italian and international standards, today conventionally indicated in the measure of 50% of the last total remuneration received.

The Special Savings Shareholders' Meeting confirmed the lawyer Massimiliano Perletti as the Common Representative of the Holders of Savings Shares, for the three-year period 2017-2019. His determined annual remuneration is equal to €3,500.

The following tables highlight the main figures extracted from the consolidated financial statements.

Abstract from Consolidated Financial Statements

(millions of euro)

Consolidated income statement figures	2016	2015
Net sales	189.0	166.9
R&D expenses	14.8	13.8
Depreciation and amortization	8.5	8.5
Personnel cost	70.9	62.3
Operating income (loss)	14.1	20.5
Net income (loss)	8.8	8.8

Consolidated balance sheet figures	Dec. 31, 2016	Dec. 31, 2015
Group's shareholders' equity	134.8	126.5
Property, plant and equipment, net	53.4	50.4
Net financial position	33.8	(17.3)
Purchase of property, plant and equipment	8.7	5.0

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

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 or ultra-pure gases 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. The Group also holds a leading position in ultra-pure gas refinement for the semiconductor and other high-tech markets.

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 thirteen facilities, a worldwide-based sale & service network and more than 1,100 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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