



PRESS RELEASE

Milan, March 14, 2018

REVENUES AT RECORD LEVELS, EXCEEDING €231 MILLION AND CLOSE TO €250 MILLION IN TOTAL

STRONG GROWTH IN OPERATING RESULTS AND EBITDA JUST SLIGHTLY BELOW €50 MILLION

NET FINANCIAL POSITION SIGNIFICANTLY IMPROVED TO -€17.7 MILLION

- Consolidated revenues equal to €231.1 million, up by 22.2% compared to €189 million in FY 2016
- Total revenues of the Group equal to €244.9 million, up by 23.5% compared to €198.4 million in FY 2016
- Consolidated EBITDA equal to €50 million (21.6% of revenues), significantly increased (+40.9%) compared to €35.5 million (18.8% of revenues) in FY2016
- Net financial position significantly improved to -€17.7 million compared to -€33.8 million as at December 31, 2016, thanks to the strong operating cash flow generation
- Consolidated net income penalized by the write-off (equal to €10.8 million) of deferred tax assets of the Parent Company
- Consolidated net income equal to €13.9 million, but excluding the above mentioned write-off, net income equal to €24.6 million (+75.6% compared to €4 million in FY 2016)
- Proposed a dividend of €0.70 both per ordinary share and per savings share
- Consolidated revenues in the first two months of 2018 equal to €39.7 million, up by 14.2% compared to 2017, despite the depreciation of the US dollar; organic growth equal to +28.1%

The Board of Directors of SAES Getters S.p.A., gathered today in Lainate (MI), approved the Consolidated Financial Statements and the Draft of the Financial Statements of the Parent Company SAES Getters S.p.A., that will be examined by the Ordinary Shareholders' Meeting convened on April 24, 2018, at 10.30 a.m., in a single call.

The full version of the call of the Ordinary Meeting will be available in the IInfo system managed by Computershare S.p.A. (www.Iinfo.it) and published on the website of the Company (www.saesgetters.com/investor-relations/area-investors/shareholders-meeting) within today.

On March 15, 2018 an extract of the same call will be published in a national financial newspaper.

“2017 was a record year in terms of consolidated sales, in which the Group achieved a goal that the deep crisis began in 2009 had pushed away, to the point of making it seem unattainable. Furthermore, total revenues almost reached €250 million”- Eng. **Massimo della Porta, President of SAES Getters S.p.A.** said. - “Such record in revenues was reached thanks to the strong recovery of the traditional sectors, as well as to the continuous growth of the innovative ones, and turned out into excellent economic and financial results, with an EBITDA slightly below €50 million. The strong operating cash-flow generation, together with a reduced level of indebtedness, will secure the Group the serenity needed to make all the investments necessary to support its growth, being that our main objective today. The beginning of 2018 confirmed the favorable market conditions as in the previous year and we expect that the Group will continue to grow, despite the weakening of the dollar towards the euro”.

In 2017 the SAES® Group achieved **consolidated net revenues** equal to €231.1 million, up by 22.2% compared to €89 million achieved in 2016. The **exchange rate effect** was slightly negative (-2.1%) and equal to +3.1%, mainly related to

the depreciation of US dollar against the euro in the second half of the year. The acquisition of Metalvuoto S.p.A., occurred in the fourth quarter of 2016, generated additional sales equal to €9.8 million (the increase in revenues related to the change of the scope of consolidation was equal to +5.2%). With the same exchange rates and the same scope of consolidation, the **organic growth** was equal to +19.1%, mainly driven by the gas purification sector, by the new productions in the electronic devices business, as well as by the sector of Nitinol for medical devices.

All the Business Units recorded an improvement; thanks to the increase both in some traditional sectors, as well as in some more innovative ones recently introduced.

The **Industrial Applications Business Unit** was mainly driven by the gas purification sector (organic growth equal to +39.6%), favored by the investments in new semiconductors fabs in China, aiming at providing the country with an autonomous manufacturing capacity, in line with *Made in China 2025* objectives. Also the Electronic Devices segment recorded a significant growth (+127.9% with the same exchange rates), mainly thanks to the new advanced productions for the Electronic Consumer market in the manufacturing plant of Avezzano.

The increased revenues of the **Shape Memory Alloys Business Unit** were driven by the Nitinol for medical devices segment (+7.9% with the same exchange rates), recording a growth higher than its reference market, thanks to a bigger market penetration of its offering. Also the industrial SMA segment showed an organic growth (7.7%), thanks to the excellent performance of the automotive applications, to the recovery of the luxury goods segment and to the beginning of sales of mobile devices applications.

Finally, the consolidation of the newly acquired Metalvuoto S.p.A.¹ for the whole 2017 generated an increase in revenues of the **Solutions for Advanced Packaging Business Unit** equal to €9.3 million.

Total revenues of the Group² were equal to €244.9 million in 2017, up by 23.5% compared to €198.4 million in the 2016, thanks both to the increase in consolidated revenues (+22.2%) and to the strong increase in the sales of the joint venture Actuator Solutions (+45.2%). Also the revenues of the joint venture SAES RIAL Vacuum S.r.l. increased (+54.2%), although recording a smaller absolute value (the share of SAES in the revenues of SAES RIAL Vacuum S.r.l. was equal to €1.2 million in 2017).

The growth of consolidated revenues enabled the **improvement of the operating indicators**, in line with the positive trend of the last years.

Consolidated gross profit³ was equal to €103.6 million in 2017, compared to €85.1 million in 2016. The significant growth (+21.7%) was mainly attributable to the increased revenues, with a **gross margin**⁴ substantially stable (from 45% in the previous year to 44.8% in 2017). All the business segments showed an increase in gross margin; nonetheless the gross margin of the Group remained stable, as a result of the dilution effect due to the new business of advanced packaging, currently characterized by a different structure of production costs, compared to that of the traditional perimeter of the Group.

Consolidated operating income amounted to €40 million in 2017, strongly increased (+53.3%) when compared to €26.1 million in the previous year. In percentage terms, the **operating margin** was equal to 17.3%, compared to 13.8% in 2016. The increase in revenues and the lower incidence of the operating expenses on the revenues (from 30.8% to 27.5%) enabled the strong improvement of the operating indicators compared to the previous year.

Consolidated EBITDA⁵ was equal to €50 million in 2017 (21.6% of consolidated revenues), significantly up (+40.9%) compared to €33.5 million in 2016 (18.8% of consolidated revenues), mainly driven by the gas purification sector and by that of Nitinol for medical devices.

Consolidated net income amounted to €13.9 million (6% of consolidated revenues) in 2017, penalized by the write-off of deferred tax assets on tax losses carried forward of SAES Getters S.p.A., following the update of their estimated recoverability, given the hypothesis contained in the three-year plan 2018-2020 and attributable to the Parent Company. Excluding this write-off, equal to €10.8 million, the net income amounted to €24.6 million (10.7% of consolidated revenues), significantly increased (+75.6%) compared to a consolidated net income of €14 million in the previous year (7.4% of consolidated revenues).

¹ Please note that, in 2016, Metalvuoto S.p.A. was consolidated from October 10, 2016, the date of the acquisition of the company by SAES Getters S.p.A.

² Total revenues of the Group are achieved by incorporating with the proportional method, instead of the equity method, the joint ventures of the Group, namely Actuator Solutions (50%), SAES RIAL Vacuum S.r.l. (49%) and Flexterra (33.79%).

³ Calculated as the difference between net sales and industrial costs directly and indirectly attributable to the products sold.

⁴ Calculated as the ratio between gross profit and consolidated revenues.

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, write-off, depreciation and amortization".

Consolidated net financial position as at December 31, 2017 was negative for an amount of €17.7 million, compared to a negative net financial position of €33.8 million as at December 31, 2016. The significant improvement (+47.5%) was exclusively due to the strong operating cash-flow generation, related to the brilliant economic results of the year, specifically in the gas purification sector, in that of Nitinol for medical devices, as well as in the sector of getter components for electronic devices.

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

Relevant events occurred in 2017

On January 10, 2017 the company Flexterra Taiwan Co., Ltd., wholly owned by Flexterra, Inc. (USA), was established. The new company is headquartered in Zhubei City (Taiwan).

On January 19, February 10 and March 17, 2017 SAES Nitinol S.r.l. paid three additional tranches (equal to €1 million each) of the total financing of €4.5 million signed on November 28, 2016 in favor of Actuator Solutions GmbH. The last tranche of the financing, equal to €0.5 million, was paid on April 24, 2017. The contract provides for the priority reimbursement of such loan, compared to other loans granted to Actuator Solutions by its shareholders.

On April 7, 2017 SAES Getters S.p.A. signed a new loan agreement with Unicredit S.p.A. for a total amount of €10 million, with a duration of five years (expiring on March 31, 2022), without any pre-amortization period. The contract provides for the repayment of fixed principal amounts on a three-month basis and interests indexed to the three-month Euribor, plus a spread equal to 1%. The loan includes some covenants that are standard for this type of transactions, calculated semiannually on consolidated economic and financial figures.

At the same date, SAES Getters S.p.A. signed an Interest Rate Swap (IRS) contract expiring on March 31, 2022, on the total residual debt of the above-mentioned loan. The contract provides for the exchange of the three-month Euribor, either positive or negative, with a fixed rate of 0%. In case of negative three-month Euribor, the contract provides a floor equal to -1%.

On April 19, 2017 SAES Getters S.p.A. signed an Interest Rate Swap (IRS) contract on the mid-long-term loan of €10 million obtained by Intesa Sanpaolo S.p.A. on December 21, 2016. The IRS contract is applied on 50% of the residual debt outstanding at each repayment date, starting from June 30, 2017 and expiring on December 21, 2022. Such contract provides for the exchange of the six-month Euribor with a fixed rate of 0.16%.

On June 1, 2017 the solidarity contract, applied in the Parent Company's manufacturing unit located at Avezzano, was resolved before its natural expiration date. Please note that, in the first five months of 2017, the application of such contract provided for a decrease in labor cost equal to €0.4 million.

On June 29, 2017 SAES Getters S.p.A. provided an early repayment for both tranches (one of which secured by SACE) of the loan to support advanced R&D projects, signed in June 2015 with EIB (European Investment Bank). The repayment totally amounted to €6 million as principal, in addition to an indemnity fee to EIB equal to €10 thousand and to the payment of a premium of about €76 thousand to SACE. Finally, the related transaction costs, equal to around €149 thousand, previously divided into installments on the basis of the duration of the loan, were recorded into the income statement.

On July 14, 2017, the Parent Company signed a new royalty agreement for the integration of the SAES thin film getter technology named PageWafer® in MEMS devices (micro-electromechanical systems) used in thermal infrared sensors. In addition to an initial lump-sum received against the transfer of the technology (of which €0.4 million already recorded as at December 31, 2017), the contract provides for the payment of royalties according to a percentage proportional to the volumes of silicon wafers produced using SAES' getter technology.

Following the loss of Metalvuoto S.p.A. as at June 30, 2017 (-€91 thousand), the share capital of the company was down to more than a third and below to the minimum amount of capital established by the law. According to article 2447 of the Civil Code, on August 7, 2017 the Shareholders' Meeting of Metalvuoto S.p.A. approved a capital injection of a total of €100 thousand in favor of Metalvuoto S.p.A. to fulfill the minimum legal equity requirement and to constitute a capital reserve (equal to €59 thousand) to be used for covering possible future losses. Such payment was provided by each shareholder, in proportion to its own equity share (namely, 70% SAES Getters S.p.A. and 30% Mirante S.r.l.).

In the second half of 2017 the transfer of all the manufacturing and sales activities of Memry GmbH into other companies of the Group had been completed at their book value. The liquidation process of the German subsidiary started on October 1, 2017 and it is expected to be completed by the end of 2018. Finally, please note that on July 17,

2017, the new German branch of the US subsidiary Memry Corporation was established, based in Freiburg and named *Memry Corporation Zweigniederlassung Deutschland*, in charge of managing all the representation and commercial activities of Memry in Europe.

On November 16, 2017 the Shareholders' Meeting of E.T.C. S.r.l. deliberated the voluntary dissolution and liquidation of the company, to be completed by the end of 2018.

On December 20, 2017 the Shareholders' Meeting of Metalvuoto S.p.A., convened according to articles 2446 and 2447 of the Civil Code and following the reduction of the share capital of the company to more than a third and below to the minimum amount of capital established by article 2327 of the same Civil Code. Such reduction was due to the loss registered in the third quarter of 2017. The Shareholders' Meeting deliberated a payment of a total of €250 thousand in favor of Metalvuoto S.p.A. to be used for covering the losses as at September 30, 2017 and the future losses estimated for the year, as well as to constitute a minimum share capital equal to €50 thousand. Given that the minority shareholder Mirante S.r.l. didn't take part to the Shareholders' Meeting, the entire capital injection was provided by SAES. Mirante S.r.l., according to article 2441 of the Civil Code, had fifteen days, starting from January 10, 2018, the date of the actual registration of the payment, to exercise its option on the recapitalization and provided its share of payment on January 19, 2018.

On December 19, 2017, Actuator Solutions GmbH fully repaid SAES Nitinol S.r.l. of the principal amount, equal to €1 million, of the loan granted at the end of April 2016. The same amount was paid back to the 50% joint partner Alfmeier, for the loan provided by SMA Holding GmbH at the same date.

On December 21, 2017 SAES Nitinol S.r.l. provided a capital injection equal to € 1 million in favor of the joint venture Actuator Solutions GmbH. The same amount was paid by the 50% joint partner Alfmeier, through SMA Holding GmbH.

The **Parent Company SAES Getters S.p.A.** ended the year 2017 with revenues equal to €52.7 million (€44.5 million in 2016) and a net loss equal to -€3 million income of €6.2 million (compared to a net income of €6.2 million in 2016).

The **total proposed dividend** submitted for approval to the Shareholders' Meeting will be €0.70 both per ordinary share (compared to €0.550000 in the previous year) and savings share (compared to €0.566626 in the previous year), through the distribution of the distributable residual part of the "Other reserves and Retained earnings" of SAES Getters S.p.A. (€39 thousand), as well as using part of the "Share Premium Reserve" (€15.4 million).

The dividend will be paid on May 2, 2018; the share will trade ex-dividend starting from April 30, 2018 following the detachment of the coupon no. 34, while the record date related to the dividend payment is May 1, 2018.

The Ordinary Shareholders' Meeting, convened on April 24, 2018 will be called to resolve, on the basis of the lists which will be presented by the Shareholders, on the appointment of the new Boards of Directors and of Statutory Auditors (following the expiration of the current ones, appointed on April 28, 2015, due to the end of their three-year term mandate), after determining the number of their members and their compensation.

The reports of the Directors on the appointment of the corporate bodies will be deposited in the IInfo storage system (www.Iinfo.it) and published on the website of the Company (www.saesgetters.com/investor-relations/area-investors/shareholders-meeting) within today.

The Ordinary Shareholders' Meeting will also be called to approve, with an advisory vote, the first section of the Report on remuneration prepared pursuant to article 123-ter of the Legislative Decree no. 58/1998 and according to article 84-*quater* of the Consob resolution no. 11971 dated 05/14/1999 concerning the issuers regulation. The above mentioned Report will be published on the website of the Company (www.saesgetters.com/investor-relations/area-investors/shareholders-meeting), as well as on the IInfo system (www.Iinfo.it) and at the Company's headquarters, on March 30, 2018.

In addition, the Board of Directors resolved to submit to the Ordinary Shareholders' Meeting, convened on April 24, 2018, 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 27, 2017 that has not been used.

The authorization request is linked to the opportunity to carry out any intervention on the market in support of the liquidity of the shares and for the purpose of the share storage, in compliance with the terms, methods and purposes envisaged by the current legislation, or to pursue investment requirements and an efficient use of the company liquidity. The authorization is also required for any other purposes, such as the opportunity to use the shares in the portfolio as a

means of payment in extraordinary transactions or acquisitions, or to obtain any financing necessary for the implementation of projects and/or the achievement of the company's objectives or, lastly, for any stock incentive plans or stock options in favor of directors and/or employees and/or consultants of the Company.

The purchase authorization is requested 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 requested to the Shareholders' Meeting without any time limit.

Please note that, as of today, the Company does not own any treasury shares.

The related report of the Directors will be available on the Company's website (www.saesgetters.com/investor-relations/area-investors/shareholders-meeting), in the IInfo storage system managed by Computershare S.p.A. (www.Iinfo.it) and at the Company's headquarters on March 30, 2018.

The Ordinary Shareholders' Meeting will also be called to approve the adjustment of the fees of Deloitte & Touche S.p.A. for the year 2017 and for the subsequent years 2018-2021, following the request made by the legal auditing company on December 11, 2017. The Ordinary Shareholders' Meeting will also be called to resolve on the appointment of Deloitte & Touch S.p.A. for the limited review of the Consolidated report on non-financial information of SAES Getters S.p.A. and of its subsidiaries, as proposed on December 19, 2017.

The related report of the Directors will be available on the Company's website (www.saesgetters.com/investor-relations/area-investors/shareholders-meeting), in the IInfo storage system managed by Computershare S.p.A. (www.Iinfo.it) and at the Company's headquarters on March 23, 2018.

The Ordinary Shareholders' Meeting will finally be called to approve the modification of the Directors' Termination Indemnity (*TFM*), by proposing to increase - from 20% to 22% - the provision, starting from the current year (January 1-December 31, 2018), calculated on both fixed and variable compensations 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 aims at better guaranteeing, at the end of their mandate, a retirement coverage in line with the Italian and international standards, today conventionally indicated in the measure of 50% of the last total remuneration received.

The related report of the Directors will be published on the website of the Company (www.saesgetters.com/investor-relations/area-investors/shareholders-meeting), in the IINFO storage system managed by Computershare S.p.A. S.p.A. (www.Iinfo.it) and at the Company's headquarters, on March 23, 2018.

On the same day (April 24, 2018) the Shareholders' Meeting, convened also in an extraordinary session, will be called to grant a new power of attorney pursuant to article 2443 of the Civil Code (Share Capital increase) and the subsequent amendments to the Company's By-laws. The Share Capital increase may be made by the Board of Directors in one or more times, free of charge and/or with a fee, for a maximum nominal amount of €15,600,000, for a period of five years. The related report of the Directors will be published on the website of the Company (www.saesgetters.com/investor-relations/area-investors/shareholders-meeting), in the IInfo storage system managed by Computershare S.p.A. (www.Iinfo.it) and at the Company's headquarters, on March 30, 2018.

Notice is hereby given that, today, the Board of Directors approved the Report on corporate governance and ownership, as well as the Consolidated report on non-financial information.

The Report on corporate governance and ownership and the Report on non-financial information, including the opinion of the legal auditing company, will be available on the Company's website (www.saesgetters.com/investor-relations/financial-reports), in the IInfo storage system managed by Computershare S.p.A. (www.Iinfo.it) and at the Company's headquarters on March 30, 2018, together with the draft of the financial statements of SAES Getters S.p.A. and the consolidated financial statements, accompanied by the Reports on operations of the Board of Directors, of the Statutory Auditors and of the Independent Auditors.

Pursuant to the principle 3.P.2 and the application criteria 3.C.4 envisaged by the Code of Conduct, in the previous meeting held on February 15, 2018, the Board had already carried out the assessment of the independence requirements of the Directors on the basis of the requirements of the Code of Conduct and of articles 147-ter, paragraph 4, and 148, paragraph 3, of the TUF, confirming the requirements of independence of the Directors Avv. Gaudiana Giusti, Dr Stefano Proverbio, Prof. Roberto Orecchia, Dr.ssa Luciana Rovelli and, considering only the independence requirements envisaged by articles 147-ter, paragraph 4, and 148, paragraph 3, of the TUF, the requirements of independence of Prof. Adriano De Maio.

In the meeting held on February 15, 2018 the Board of Directors had also verified the persistence of the requirements of professionalism and honorability of the Statutory Auditors, according to the Decree of the Minister of Justice no. 162

dated March 30, 2000, as well as the requirements of independence, pursuant to article 148, paragraph 3, of the TUF and the application criteria 8.C.1 of the Code of Conduct.

Industrial Applications Business Unit

Consolidated revenues of the Industrial Applications Business Unit amounted to €141.1 million in 2017, up by 24.8% compared to €113.1 million in 2016. The exchange rate effect was negative and equal to -2.3%, net of which revenues organically increased by 27.1%.

The Systems for Gas Purification & Handling Business (organic growth of +39.6%) significantly increased, thanks to the investments in new semiconductors and displays fabs in Asia. The Electronic Devices Business also recorded a strong increase (organic growth equal to +127.9%), thanks to the new advanced productions for the electronic consumer market in the plant of Avezzano, as well as to higher sales of film getters and traditional ones, favored by the more and more increasing penetration of the infrared technology for surveillance applications, in addition to the provision of part of the lump-sum related to the already mentioned new licensing agreement for the PageWafer technology, signed in July 2017.

Also the Healthcare Diagnostics Business (organic growth of +3.9%) as well as the Sintered Components for Electronic Devices & Lasers Business (organic growth of +2.2%) improved, although at a lower rate, thanks to the good penetration in the reference applications market.

These improvements were partially lowered by the decrease in the Security & Defense Business (organic decrease equal to -18.4%) that reflected the currently technological transition from the traditional getter to the miniaturized one, in addition to some inventory adjustments made by the main customers. In line with the previous year, the Getters & Dispensers for Lamps Business also recorded a decrease (organic decrease equal to -26%, now being considered structural), penalized by the technological competition of LEDs towards fluorescent lamps, as well as the Thermal Insulation Business (organic decrease equal to -15.1%), suffering from the weakness in the sales of getters for insulation panels for the refrigeration market and of getters for vacuum bottles for the consumer market. Also the Systems for UH Vacuum Business recorded an organic decrease (-3.6%), penalized by the lengthening of the completion time for some research projects in the field of particle accelerators.

The table below shows the revenues in 2017 related to the various business areas, with evidence of the exchange rate effect and of the organic change compared to 2016.

Business	2017	2016	Total difference (%)	Exchange rate effect (%)	Organic change (%)
Security & Defense	8,533	10,574	-19.3%	-0.9%	-18.4%
Electronic Devices	19,453	8,630	125.4%	-2.5%	127.9%
Healthcare Diagnostics	3,848	3,748	2.7%	-1.2%	3.9%
Getters & Dispensers for Lamps	5,656	7,791	-27.4%	-1.4%	-26.0%
Thermal Insulation	4,278	5,190	-17.6%	-2.5%	-15.1%
Systems for UH Vacuum	8,292	8,737	-5.1%	-1.5%	-3.6%
Sintered Components for Electronic Devices & Lasers	6,800	6,789	0.2%	-2.0%	2.2%
Systems for Gas Purification & Handling	84,287	61,617	36.8%	-2.8%	39.6%
Industrial Applications	141,147	113,076	24.8%	-2.3%	27.1%

Gross profit of the Industrial Applications Business Unit was equal to €69.8 million in 2017, compared to €55.3 million in 2016. The growth (+26.1%) was mainly related to the significant performance of the sales in the gas purification sector, as well as that of the electronic devices. The gross margin also increased (from 48.9% to 49.4%): the significant contribution of the gas purification sector more than offset the smaller contribution of the businesses with a structural decrease (such as the lamps business), as well as the dilutive effect of the new productions for electronic devices in Avezzano.

Operating income of the Industrial Applications Business Unit was equal to €46.4 million in 2017, compared to €31.2 million in 2016: the increase in revenues and in the gross margin enabled the strong growth of the operating parameters, both in absolute value (+48.9%) and in percentage on sales (from 27.6% to 32.9%). Also the reduction in operating expenses contributed to that increase, in particular less sales commissions to agents, subsequent to the increased weight of direct sales in the purification sector.

Shape Memory Alloys (SMAs) Business Unit

Consolidated revenues of the Shape Memory Alloys Business Unit were equal to €75.9 million in 2017, showing an increase (+6%) compared to €71.6 million in the previous year. The exchange rate effect was negative for -1.9%, net of which the organic growth was equal to +7.9%.

Both segments of this Business Unit recorded an organic growth. In particular, the sector of Nitinol for medical applications (Nitinol for Medical Devices Business) recorded an organic increase in revenues equal to +7.9%, spread over various product lines and final applications.

In the industrial SMAs segment (SMAs for Thermal and Electro Mechanical Devices Business) the organic growth (+7.7%), was mainly driven by the strong performance of sales, mainly in the last part of the year, in some automotive applications, by the recovery of the sales of the luxury goods segment, as well as by the beginning of the sales of thin wire for mobile devices applications.

The table below shows the revenues in 2017 related to the various business areas, with evidence of the exchange rate effect and of the organic change compared to 2016.

Business	2017	2016	Total difference (%)	Exchange rate effect (%)	Organic change (%)
Nitinol for Medical Devices	66,294	62,651	5.8%	-2.1%	7.9%
SMAs for Thermal & Electro Mechanical Devices	9,578	8,952	7.0%	-0.7%	7.7%
Shape Memory Alloys	75,872	71,603	6.0%	-1.9%	7.9%

Gross profit of the Shape Memory Alloys Business Unit was equal to €31.9 million in 2017, up by 9% compared a gross profit of €29.3 million in 2016. The increase in revenues, combined with the greater economies of scale and the higher production efficiency in the sector of Nitinol for medical devices, enabled an increase both in the gross profit and in the gross margin (from 40.9% in 2016 to 42% in 2017).

Operating income of the Shape Memory Alloys Business Unit amounted to €20 million, up by 16.1% compared to €17.2 million in the previous year. The improvement was exclusively attributable to the strong increase in revenues and in the gross margin, with operating costs substantially stable (please note that 2016 was penalized by costs for severance related to the liquidation of Memry GmbH, equal to around €1.3 million. Instead, 2017 included costs again related to the above-mentioned liquidation⁶ as well as fewer charge-backs related to services provided on behalf of the joint venture Actuator Solutions).

Solutions for Advanced Packaging Business Unit

The Solutions for Advanced Packaging Business Unit, which mainly comprises the newly acquired Metalvuoto S.p.A., recorded **consolidated revenues** equal to €12.4 million in 2017, compared to €3.1 million in the previous year. The increase (+296.2%) was mainly due to the fact that, in 2016, Metalvuoto S.p.A. was consolidated only in the fourth quarter of the year. At the same scope of consolidation, the organic variation was negative by -14.9%, due to the rationalization of the product portfolio, aimed at increasing the marginality.

Gross profit of the Solutions for Advanced Packaging Business Unit was equal to €1.6 million in 2017 (13.2% of consolidated revenues) and it mainly comprises the contribution of the newly acquired Metalvuoto S.p.A., whose industrial activity is currently characterized by a different structure of variable production costs, compared to that of the traditional perimeter of the Group (in particular, higher incidence of costs for raw materials). However, gross margin increased compared to the fourth quarter of 2016, thanks to the already mentioned rationalization of the offering, aimed at maintaining a product portfolio characterized by a higher marginality.

Operating income of the Solutions for Advanced Packaging Business Unit was negative and equal to -€0.9 million in 2017, compared to -0.2 million in the previous year. Please note that the two figures are not comparable, as Metalvuoto S.p.A. was consolidated only in the fourth quarter of 2016. Excluding the variation in the scope of consolidation⁷, the operating result was lower by €0.4 million in 2017 compared to the previous year, as an effect of higher research expenses, linked to the new development projects started during the year, and to increased selling costs attributable to the increased number of employees.

⁶ Write-offs equal to €0.2 million and costs for severance equal to €0.1 million.

⁷ The effect related to the change in the scope of consolidation was negative for €0.3 million and this amount also includes the amortization of the first nine months of 2017 on the intangible assets identified following the completion of the valuation related to the business combination of Metalvuoto S.p.A. (-€0.2 million), in accordance with the provisions of IFRS 3 revised.

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).

The Business Development Unit ended 2017 with **consolidated revenues** equal to €1.6 million, compared to €1.2 million in the previous year. Excluding the negative exchange rate effect (-2.4%), the organic increase was equal to 35.7%, driven by the sales of dispensable dryers for passive matrix OLED displays for portable applications, mainly in China and Taiwan. In addition, please note the adoption of high performance dryers for advanced electronic and photonic applications, mainly in the US market.

Gross profit of the Business Development Unit & Corporate Costs was equal to €0.3 million in 2017 (17.7% of consolidated revenues), compared to €0.2 million (17.1% of consolidated revenues) in the previous year. The improvement was mainly attributable to increased revenues, which also enabled the slight improvement of the gross margin.

Operating result was negative and equal to -€25.6 million, compared to an operating loss equal to -€22.1 million in 2016. The worsening was mainly due to higher corporate general and administrative expenses (higher costs for variable remuneration to Executive Directors and strategic employees, related to the achievement of better performances than the original objectives, increased staff personnel within the Parent Company and increased consultant fees as well as auditing fees, the latter related to some regulatory compliance activity). In addition, please note impairment losses on tangible fixed assets (-€0.9 million) and severance costs (-€0.2 million) related to the suspension of the OLET research project and the subsequent liquidation of the subsidiary E.T.C. S.r.l.

Consolidated operating expenses were equal to €63.6 million (27.5% of revenues), compared to €58.3 million in 2016 (30.8% of revenues). Excluding both the positive exchange rate effect (reducing the operating expenses by €0.5 million) and the negative effect related to the consolidation of the newly acquired Metalvuoto S.p.A. (increase in operating expenses equal to +€1.6 million), the increase in the operating expenses (+€4.2 million) mainly regarded the **general and administrative expenses**⁸ (namely, the already mentioned increase in the variable remuneration of the Executive Directors and increased consultant fees and auditing fees; the increased costs for fixed and variable compensation to the personnel was partially offset by lower costs for severance compared to the previous year, during which the intercompany transfer of the productions of Memry GmbH started, in view of the liquidation of the company). The slight increase in the **research & development expenses** (+€1 million, net of the exchange rate effect and of the change in the scope of consolidation) was mainly related to the decision of suspending the OLET research project and to the subsequent liquidation of the subsidiary E.T.C. S.r.l. (costs for severance equal to €0.2 million and write-offs amounting to around €0.9 million).

Instead, the **selling expenses** were substantially in line with 2016 (+€0.1 million at exchange rate parity and with the same scope of consolidation); the increase in variable cost items, linked to the increase in revenues, such as transport and variable compensation, was offset by the reduction in commissions to agents in the purification business, due to higher amount of direct sales.

The net balance of **other income (expenses)** was negative for an amount of €6 thousand, compared to a negative balance of €0.7 million in 2016. The difference is mainly due to the fact that in 2016 this item included the cost related to the settlement agreement for the definition of the environmental dispute regarding the purification of the Onondaga Lake (€0.4 million), in addition to the cost of a license acquired by Polyera Corporation on 50% of the OLET technology that the Group had developed in partnership with Polyera itself (€0.2 million).

The net balance of **financial income and expenses** was negative for -€0.7 million, compared to a negative balance of -€1.2 million in 2016. The reduction in the net financial charges compared to the previous year was mainly attributable to the positive interests accrued on the additional financing tranches which, in the first months of 2017, the Group granted the joint venture Actuator Solutions GmbH (increase in interest income of €0.3 million), as well as to the income (equal to €0.6 million) for the adjustment of the fair value of the financial debt related to the purchase of the remaining 30% of Metalvuoto S.p.A. (reduced from €07 million to €75 thousand, following a change in the valuation of the put and call option, agreed between the shareholders on January 30, 2018). Such income was partially offset by the cost for the early repayment of both tranches (one of which secured by SACE) of the loan signed in June 2015 with

⁸ +€3.1 million, net of the exchange rate effect and of the change in the scope of consolidation.

EIB (European Investment Bank), to support advanced R&D projects. In particular, this operation provided for the payment of an indemnity fee to EIB of €10 thousand and the payment of a premium (about €0.1 million) to SACE, as well as the inclusion in the income statement of transaction costs (around €0.1 million) previously divided into installments on the basis of the duration of the loan.

The loss deriving from the **evaluation with the equity method** of the joint ventures totally amounted to -€2.5 million (compared to -€3.3 million in the previous year), mainly attributable to Actuator Solutions (-€1 million) and to Flexterra (-€1.6 million). As far as Actuator Solution is concerned, please note that, despite the share pertaining to the SAES Group in the loss of the joint venture was equal to almost -€2 million in 2017, the negative equity valuation was lower (-€1 million⁹) since, in accordance with IAS 28, the additional losses subsequent to the reduction to zero of the consolidated shareholding have not been recognized, as there is currently no legal or implied obligation of its recapitalization by the SAES Group against Actuator Solutions.

The sum of the **exchange rate differences** recorded a negative balance equal to -€1.2 million in 2017, compared to a balance substantially equal to zero in the previous year. The negative balance was mainly attributable to foreign exchange losses on commercial transactions, also intercompany, mainly generated by the devaluation of the dollar compared to the euro and only partially offset by the income of forward contracts entered into to partially hedge such transactions.

Consolidated income before taxes amounted to €35.7 million in 2017 (15.4% on consolidated revenues), up by 65.3% compared to an income before taxes of €21.6 million in 2016 (11.4% on consolidated revenues).

Income taxes amounted to €21.8 million in 2017, compared to €7 million in the previous year. The 2017 figure included a write-off, equal to €10.8 million, for deferred tax assets on tax losses carried forward of SAES Getters S.p.A., made on the basis of the updated estimation of the management for their recoverability, given the hypothesis contained in the three-year plan 2018-2020 and attributable to the Parent Company. Excluding this write-off, the taxes amounted to €11.1 million, and the Group's **tax rate** was equal to 31%, improved compared to 35% of the previous year.

In 2017 the net income per ordinary share amounted to €0.6230 (€0.6307 in the previous year) while the per savings share was equal to €0.6396 (€0.6473 in 2016).

The **consolidated net financial position** was negative for an amount of €17.7 million as at December 31, 2017 (cash equal to +€27.6 million and net financial liabilities of -€45.3 million), compared to a negative net financial position of €33.8 million as at December 31, 2016 (cash equal to +€14.3 million and net financial liabilities of €48.1 million). The significant improvement (+47.5%) was exclusively due to the strong operating cash-flow generation, related to the brilliant economic result of the year, specifically in the gas purification sector, in that of Nitinol for medical devices, as well as in the sector of getter components for electronic devices.

In particular, the **operating cash-flow** more than offset the disbursement for the dividends paid by the Parent Company during the year (equal to €12.2 million, included in the **financing activities**) as well as the disbursements for **investments** (in particular, purchase of tangible and intangible assets equal to €7.7 million and capital injection into the joint venture Actuator Solutions GmbH equal to €1 million). The **net working capital** was characterized by a substantial stability compared to the end of the previous year: the increase in inventory of the gas purification business and at the Parent Company's Avezzano plant, in view of the early 2018 deliveries, was largely offset by the reduction in trade receivables of the subsidiary SAES Pure Gas, Inc. The **exchange rate effect** on the net financial position was negative and equal to around -€1 million, mainly attributable to the negative effect of the devaluation of the US dollar on the cash denominated in dollars, only partially offset by the positive effect on the debt denominated in the same currency and held by the US subsidiaries.

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 (Shenzhen) Co., Ltd.¹⁰, is focused on the development, production and commercialization of actuators using shape memory alloys in place of the engine.

⁹ Please note that the investment was already reduced to zero as at December 31, 2016 and that the loss recorded in 2017, equal to -€1 million, corresponds to the capital injection made by SAES Nitinol on December 22, 2017.

¹⁰ Established in September 2016 in the Republic of China, and whose corporate aim is the technological development and sale of actuators for the mobile market.

Actuator Solutions recorded net revenues equal to €7.1 million in 2017, up by 45.2% compared to €18.6 million in 2016. This increase was attributable both to the increase of sales in the traditional seat comfort business (valves exploiting the SMA technology and used in lumbar control systems of the seats of cars), and to the contribution of the segment of autofocus (AF) systems for high-end action cameras (which recorded revenues equal to €4.5 million in 2017). With regard to the AF devices for the mobile phones focus, their development activities intensively continued in 2017.

The net result of 2017 was negative and equal to -€4.1 million, compared to a loss of -€6.7 million in 2016. This loss included extraordinary costs equal to around -€1.4 million, related to the re-organization process which started in Germany at the end of 2016 and continued in 2017 also in the Taiwanese subsidiary, with the shutdown of the factory in Zhubei, the outsourcing of the production activities and the progressive focusing on research & development activities. Net of restructuring costs, the net loss of Actuator Solutions was equal to -€2.7 million, fully concentrated in the Taiwanese subsidiary, that in the first part of the year suffered from production inefficiencies usual in the initial phase of advanced manufacturing productions, but that almost reached the operating breakeven in the second half of the year.

Thousands of euro

Actuator Solutions (100%)	2017	2016
Total net sales	27,075	18,642
Cost of sales	(24,467)	(20,318)
Gross profit	2,608	(1,676)
Total operating expenses	(5,382)	(5,345)
Other income (expenses), net	(7)	127
Operating income	(2,781)	(6,894)
Interest and other financial income, net	(709)	(309)
Foreign exchange gains (losses), net	(460)	243
Income taxes	(143)	213
Net income (loss)	(4,093)	(6,747)

The share of the SAES Group in the result of this joint venture in 2017 amounted to -€2 million (-€3.4 million in the previous year), but the negative evaluation of the investment using the equity method booked into the income statement was lower and equal to -€1 million, since, in accordance with IAS 28, the additional losses subsequent to the reduction to zero of the consolidated shareholding have not been recognized, as there is currently no legal or implied obligation of its recapitalization by the SAES Group against Actuator Solutions.

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 manufacture 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 2017 with sales equal to €2.4 million and a net income equal to €0.3 million. In 2017, the company, after a first semester in which it still generated an operating loss, registered a gross margin equal to 39.9% in the second half of the year, substantially close to that of SAES Group, thanks to the increased revenues and the related economies of scale.

Thousands of euro

SAES RIAL Vacuum S.r.l. (100%)	2017	2016
Total net sales	2,433	1,578
Cost of sales	(1,847)	(1,522)
Gross profit	586	56
Total operating expenses	(344)	(274)
Other income (expenses), net	104	(49)
Operating income (loss)	346	(267)
Interests and other financial income, net	(21)	(15)
Foreign exchange gains (losses), net	0	0
Income taxes	(2)	2
Net income (loss)	323	(280)

The share of the SAES Group in the net income of this joint venture amounted to €0.2 million in 2017 (compared to a negative figure of -€0.1 million in the previous year).

Flexterra

Flexterra was born from a technological partnership activated, in the previous years, by SAES and the US company Polyera in the field of flexible thin film transistors for new generation displays. In particular, Flexterra, based in Skokie (close to Chicago, Illinois, USA) is a newco established at the end of 2016 by SAES (through its subsidiary SAES Getters International Luxembourg S.A.) and by some former shareholders and investors in Polyera. The objective of the newco 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.

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

As at December 31, 2016 SAES owned a share in the share capital of Flexterra, Inc. equal to 34.66%; such share, as at December 31, 2017, decreased to 33.79%, as a result of the cash contribution made, in the first semester of the current year, by other shareholders, former investors in Polyera.

The newco, that qualifies as a joint venture, is a development start-up, that generated operating costs equal to around €5 million in 2017 (mainly, costs for employees in research activities and general and administrative activities, as well as amortization relating to intangible assets - in particular, patents - conferred by Polyera at the date of its establishment, in addition to consultancy fees).

Thousands of euro	
Flexterra (100%)	2017
Total net sales	29
Cost of sales	(3)
Gross profit	26
Total operating expenses	(4,924)
Other income (expenses), net	(147)
Operating income (loss)	(5,045)
Interests and other financial income, net	7
Foreign exchange gains (losses), net	92
Income taxes	136
Net income (loss)	(4,810)

The share of the SAES Group in the result of this joint venture amounted to -€1.6 million in 2017.

Restatement of the year 2016

Please note that some economic and financial figures related to 2016, presented for comparative purposes, do not coincide with the information reported in the 2016 Annual Financial Report, as they reflect the *restatement* deriving from the completion of the provisional valuation of the business combination of Metalvuoto S.p.A. occurred in October 2016, in compliance with the provisions of IFRS 3 revised.

Furthermore, following the acquisition, at the end of 2016, of the control of Metalvuoto S.p.A, a consolidated player in the advanced packaging sector, a third Business Unit called "Solutions for Advanced Packaging" was set up, for the purpose of better information clarity. Finally, the new segmentation of the Industrial Applications Business Unit and the new name of some existing operating segments are highlighted, to better respond to the Group's organizational structure. The figures of 2016 have been *reclassified*, on the basis of the new organizational structure, for a consistent comparison with the current year.

Significant events occurred after the end of the year

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

On January 30, 2018 the independent auditors appointed by Memry Corporation concluded with no observations the review on the company's compliance with the agreed conditions (increase of the workforce at the Bethel site and average annual salary not below a predetermined threshold) for the transformation of 50% of the loan granted by the State of Connecticut (CT) at the end of 2014 as a non-repayable grant. At the beginning of March, the audit reports were notified to the relevant State authorities and the final authorization by the State of CT is expected by the end of the first half of 2018.

The contribution amounts to \$1.4 million and, if authorized, will generate an income within the income statement, as well as an equal improvement in the net financial position.

On February 12, 2018 SAES Nitinol S.r.l. granted an additional €0.5 million loan to ActuatorSolutions GmbH, aimed at financially supporting the operating activities of Actuator Solutions Taiwan Co., Ltd. (100% controlled by Actuator Solutions GmbH).

On February 26, 2018 SAES Getters S.p.A. exercised the call option for the purchase of the entire share capital of Metalvuoto S.p.A., already controlled by SAES with a 70% shareholding. With this transaction, SAES acquired the remaining 30% of the shares from the minority shareholder Mirante S.r.l., for an agreed price of €75 thousand. Please note that the consolidated financial statements of the SAES Group as at December 31, 2017, already included a financial debt for the same amount, related to the evaluation of the above-mentioned option.

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

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

In addition, on March 5, 2018 SAES Getters S.p.A. submitted a purchasing offer, accepted by the counterpart, for the property owned by Mirante S.r.l., where the headquarters and production facilities of Metalvuoto S.p.A. are located. The estimated purchase price is equal to around €35 million and the closing of this operation is expected within the end of the first half of 2018.

On March 8, 2018 the Board of Directors of Metalvuoto S.p.A. decided to propose to the Ordinary Shareholders' Meeting, convened on April 5, 2018, to approve the establishment of an available reserve of around €3 million, by means of a capital contribution by the Sole Shareholder SAES Getters S.p.A. On the same day, the Shareholders' Meeting, convened also in an extraordinary session, will be called to deliberate on the change of the company name in SAES Packaging S.p.A., for the purpose of greater recognition in the market.

Business outlook

In the **first two months of 2018, consolidated net revenues** were equal to €39.7 million, compared to €34.7 million in the corresponding period of the previous year. Sales of the first two months, despite overall increased (+14.2%), were strongly penalized by the exchange rate effect (-€48 million, or -13.9% in percentage terms) exclusively related to the depreciation of the US dollar. Net of the exchange rate affect, the organic growth was equal to +28.1%.

Consolidated Net Sales by Business

Thousands of euro (except %)

Business	feb-18	feb-17	Total difference (%)	Exchange rate effect (%)	Organic change (%)
Security & Defense	2,121	1,870	13.4%	-8.8%	22.2%
Electronic Devices	1,986	974	103.9%	-14.9%	118.8%
Healthcare Diagnostics	690	721	-4.3%	-5.8%	1.5%
Getters & Dispensers for Lamps	1,016	1,172	-13.3%	-5.2%	-8.1%
Thermal Insulation	656	761	-13.8%	-11.5%	-2.3%
Systems for UH Vacuum	1,976	1,531	29.1%	-8.2%	37.3%
Sintered Components for Electronic Devices & Lasers	1,190	1,122	6.1%	-16.4%	22.5%
Systems for Gas Purification & Handling	15,089	11,069	36.3%	-20.8%	57.1%
Industrial Applications	24,724	19,220	28.6%	-16.2%	44.8%
Nitinol for Medical Devices	10,591	11,600	-8.7%	-14.0%	5.3%
SMAs for Thermal & Electro Mechanical Devices	1,743	1,380	26.3%	-5.5%	31.8%
Shape Memory Alloys	12,334	12,980	-5.0%	-13.1%	8.1%
Solutions for Advanced Packaging	2,390	2,259	5.8%	0.0%	5.8%
Business Development	247	286	-13.6%	-12.2%	-1.4%
Total	39,695	34,745	14.2%	-13.9%	28.1%

Consolidated revenues of the **Industrial Applications Business Unit** were equal to €24.7 million, compared to €19.2 million in the corresponding period of 2017. The organic growth (+44.8%) was mainly driven by the gas purification sector (+57.1%); despite with lower absolute values, please note the organic growth also in the electronic devices business, in that of vacuum systems, as well as in the security & defense sector.

The **Shape Memory Alloys Business Unit** ended the first two months of 2018 with revenues equal to €12.3 million (€13 million in the first two months of 2017). Excluding the penalizing exchange rate effect (-13.1%), the organic growth was equal to +8.1%, spread both in the medical segment and in the industrial one.

The **Solutions for Advanced Packaging Business Unit** ended the first two months of 2018 with revenues equal to €2.4 million, compared to €2.3 million in the corresponding period of 2017 (+5.8%).

Total revenues of the Group were equal to €41.7 million in the **first two months of 2018**, showing an increase (+14%) compared to €36.6 million in the corresponding period of 2017. The revenues of the joint ventures increased by 5.5%, while the consolidated revenues, as explained above, grew by 14.2%.

The beginning of 2018 confirmed the favorable market conditions of the previous year and we expect the Group will continue to grow, despite the weakening of the dollar against the euro.

Please note that the figures refer to the Consolidated financial statements and the Draft of the financial statements of the Parent Company SAES Getters S.p.A. for the year ended December 31, 2017, being currently under verification by the Board of Statutory Auditors and by the Independent Auditors.

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 eleven 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.

Contacts:

Emanuela Foglia

Investor Relations Manager

Tel. +39 02 93178 273

E-mail: investor_relations@saes-group.com

Laura Magni

Group Marketing and Communication Manager

Tel. +39 02 93178 252

E-mail: laura_magni@saes-group.com

Corporate Media Relations

Close to Media

Tel. +39 02 70006237

Sofia Crosta

E-mail: sofia.crosta@closetomedia.it

Loredana Caponio

E-mail: loredana.caponio@closetomedia.it

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
Systems for UH Vacuum	Pumps for vacuum systems
Sintered Components for Electronic Devices and Lasers	Cathodes and materials for thermal dissipation in electronic tubes and lasers
Systems for Gas Purification and Handling	Gas purifier systems for 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 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	2017	2016	Total difference (%)	Exchange rate effect (%)	Organic change (%)	Perimeter difference effect (%)
Security & Defense	8,533	10,574	-19.3%	-0.9%	-18.4%	0.0%
Electronic Devices	19,453	8,630	125.4%	-2.5%	127.9%	0.0%
Healthcare Diagnostics	3,848	3,748	2.7%	-1.2%	3.9%	0.0%
Getters & Dispensers for Lamps	5,656	7,791	-27.4%	-1.4%	-26.0%	0.0%
Thermal Insulation	4,278	5,190	-17.6%	-2.5%	-15.1%	0.0%
Systems for UH Vacuum	8,292	8,737	-5.1%	-1.5%	-3.6%	0.0%
Sintered Components for Electronic Devices & Lasers	6,800	6,789	0.2%	-2.0%	2.2%	0.0%
Systems for Gas Purification & Handling	84,287	61,617	36.8%	-2.8%	39.6%	0.0%
Industrial Applications	141,147	113,076	24.8%	-2.3%	27.1%	0.0%
Nitinol for Medical Devices	66,294	62,651	5.8%	-2.1%	7.9%	0.0%
SMA for Thermal & Electro Mechanical Devices	9,578	8,952	7.0%	-0.7%	7.7%	0.0%
Shape Memory Alloys	75,872	71,603	6.0%	-1.9%	7.9%	0.0%
Solutions for Advanced Packaging	12,445	3,141	296.2%	0.0%	-14.9%	311.1%
Business Development	1,614	1,211	33.3%	-2.4%	35.7%	0.0%
Total	231,078	189,031	22.2%	-2.1%	19.1%	5.2%

Consolidated Net Sales by Geographic Location of Customer

Thousands of euro

Geographic Area	2017	2016
Italy	4,863	2,332
European countries	40,984	32,584
North America	95,722	83,914
Japan	5,715	5,769
South Korea	12,099	11,648
China	50,135	24,008
Rest of Asia	19,601	26,528
Rest of the World	1,959	2,248
Total	231,078	189,031

Total revenues of the Group

Thousands of euro

	2017	2016	Difference
Consolidated sales	231,078	189,031	42,047
50% sales of the joint venture Actuator Solutions	13,538	9,321	4,217
49% sales of the joint venture SAES RIAL Vacuum S.r.l.	1,192	773	419
33.79% sales of the joint venture Flexterra	10	0	10
Intercompany eliminations	(766)	(799)	33
Other adjustments	(113)	58	(171)
Total revenues of the Group	244,939	198,384	46,555

Consolidated statement of profit or loss

Thousands of euro

	2017	2016	
Total net sales	231,078	189,031	
Cost of sales	(127,468)	(103,911)	
Gross profit	103,610	85,120	
	R&D expenses	(16,102)	(14,872)
	Selling expenses	(16,372)	(15,612)
	G&A expenses	(31,150)	(27,817)
Total operating expenses	(63,624)	(58,301)	
Other income (expenses), net	(6)	(736)	
Operating income (loss)	39,980	26,083	
Interest and other financial income, net	(662)	(1,220)	
Income (loss) from equity method evaluated companies	(2,468)	(3,325)	
Foreign exchange gains (losses), net	(1,162)	52	
Income (loss) before taxes	35,688	21,590	
Income taxes	(21,828)	(7,561)	
Net income (loss) from continued operations	13,860	14,029	
Income (loss) from assets held for sale and discontinued operations	0	0	
Net income (loss) before minority interest	13,860	14,029	
Net income (loss) pertaining to minority interest	0	0	
Net income (loss) pertaining to the Group	13,860	14,029	

Consolidated statement of other comprehensive income

Thousands of euro

	2017	2016
Net income (loss) for the period	13,860	14,029
Exchange differences on translation of foreign operations	(13,324)	3,434
Exchange differences on equity method evaluated companies	(877)	(188)
Total exchange differences	(14,201)	3,246
Equity transaction costs related to equity method evaluated companies	(7)	0
Total components that will be reclassified to the profit (loss) in the future	(14,208)	3,246
Actuarial gain (loss) on defined benefit plans	(41)	(306)
Income taxes	10	74
Actuarial gain (loss) on defined benefit plans, net of taxes - SAES Getters S.p.A. and its controlled companies	(31)	(232)
Actuarial gain (loss) on defined benefit plans - equity method evaluated companies	(10)	(3)
Income taxes	2	1
Actuarial gain (loss) on defined benefit plans, net of taxes - equity method evaluated companies	(8)	(2)
Total components that will not be reclassified to the profit (loss) in the future	(39)	(234)
Other comprehensive income (loss), net of taxes	(14,247)	3,012
Total comprehensive income (loss), net of taxes	(387)	17,041
<i>attributable to:</i>		
- Equity holders of the Parent Company	(387)	17,041
- Minority interests	0	0

SAES Group – Press Release

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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Total net sales	141,147	113,076	75,872	71,603	12,445	3,141	1,614	1,211	231,078	189,031
Cost of sales	(71,371)	(57,730)	(43,969)	(42,343)	(10,799)	(2,834)	(1,329)	(1,004)	(127,468)	(103,911)
Gross profit (loss)	69,776	55,346	31,903	29,260	1,646	307	285	207	103,610	85,120
Operating expenses and other income (expenses)	(23,347)	(24,155)	(11,876)	(12,016)	(2,557)	(520)	(25,850)	(22,346)	(63,630)	(59,037)
Operating income (loss)	46,429	31,191	20,027	17,244	(911)	(213)	(25,565)	(22,139)	39,980	26,083

EBITDA

Thousands of euro

	2017	2016
Operating income (loss)	39,980	26,083
Depreciation & Amortization	(8,841)	(8,598)
Write-offs	(1,181)	(138)
Other	13	(650)
EBITDA	49,989	35,469
<i>% on sales</i>	21.6%	18.8%

Consolidated Income (Loss) per Share

Euro

	2017	2016
Net income (loss) per ordinary share	0.6230	0.6307
Net income (loss) per savings share	0.6396	0.6473

Consolidated Statement of Financial Position

Thousands of euro

	December 31, 2017	December 31, 2016
Property, plant and equipment, net	49,492	53,402
Intangible assets	53,175	60,321
Other non current assets	20,951	30,650
Current assets	115,434	102,112
Total Assets	239,052	246,485
Shareholders' equity	122,141	134,778
Minority interest in consolidated subsidiaries	0	0
Total Shareholders' Equity	122,141	134,778
Non current liabilities	45,585	56,959
Current liabilities	71,326	54,748
Total Liabilities and Shareholders' Equity	239,052	246,485

Consolidated Net Financial Position

Thousands of euro

	December 31, 2017	June 30, 2017	December 31, 2016
Cash on hands	13	18	19
Cash equivalents	27,551	21,317	14,321
Cash and cash equivalents	27,564	21,335	14,340
Related parties financial assets	936	797	565
Other current financial assets	0	81	1
Current financial assets	936	878	566
Bank overdraft	(12,254)	(18,905)	(6,847)
Current portion of long term debt	(10,478)	(9,572)	(8,239)
Other current financial liabilities	(2,152)	(1,327)	(1,100)
Current financial liabilities	(24,884)	(29,804)	(16,186)
Current net financial position	3,616	(7,591)	(1,280)
Related parties non current financial assets	7,549	8,549	5,249
Long term debt, net of current portion	(28,057)	(33,592)	(35,916)
Other non current financial liabilities	(838)	(1,009)	(1,829)
Non current liabilities	(28,895)	(34,601)	(37,745)
Non current net financial position	(21,346)	(26,052)	(32,496)
Net financial position	(17,730)	(33,643)	(33,776)

Consolidated Cash Flows Statement

Thousands of euro

	2017	2016
Net income (loss) from continued operations	13,860	14,029
Current income taxes	13,145	8,158
Change in deferred income taxes	8,683	(598)
Depreciation, amortization and write down of non current assets	10,022	8,736
Net loss (gain) on disposal of assets	(82)	11
Interests and other financial income, net	3,130	4,545
Other non-monetary costs	4,779	1,936
	53,537	36,817
Change in operating assets and liabilities	(2,161)	(9,205)
Payments of termination indemnities and similar obligations	(455)	(127)
Financial income received, net of payment of interests	(443)	(280)
Payment of income taxes	(12,616)	(8,510)
Net cash provided by (used by) operating activities	37,862	18,695
Purchase of tangible and intangible assets, net of proceeds from sales	(7,546)	(8,860)
Consideration for the acquisition of minority interests in controlled subsidiaries	0	(249)
Acquisition of controlled subsidiaries, net of cash acquired	0	(5,825)
Adjustment on price paid for the acquisition of shareholding in subsidiaries	134	0
Consideration for the acquisition of joint ventures' shares	0	(9,430)
Price paid for the acquisition of businesses	(364)	(254)
Capital injection into joint ventures	(1,000)	(1,000)
Cash flows provided by (used by) investing activities	(8,776)	(25,618)
Proceeds from debts, net of repayments	1,891	9,010
Financing receivables from related parties	(2,175)	(3,490)
Dividends paid	(12,250)	(8,502)
Interests and other expenses paid on loans	(980)	(775)
Other financial liabilities/assets	21	(116)
Cash flows provided by (used by) financing activities	(13,493)	(3,873)
Effect of exchange rate differences	(2,278)	752
Increase (decrease) in cash and cash equivalents	13,315	(10,044)
Cash and cash equivalents at the beginning of the period	13,997	24,041
Cash and cash equivalents at the end of the period	27,312	13,997

Restatement of 2016 income statement figures

Thousands of euro

	2016	Restatement	2016 restated
Total net sales	189,031		189,031
Cost of sales	(103,911)		(103,911)
Gross profit	85,120	0	85,120
	R&D expenses	(73)	(14,872)
	Selling expenses		(15,612)
	G&A expenses		(27,817)
Total operating expenses	(58,228)	(73)	(58,301)
Other income (expenses), net	(736)		(736)
Operating income (loss)	26,156	(73)	26,083
Interest and other financial income, net	(1,220)		(1,220)
Income (loss) from equity method evaluated companies	(3,325)		(3,325)
Foreign exchange gains (losses), net	52		52
Income (loss) before taxes	21,663	(73)	21,590
Income taxes	(7,581)	20	(7,561)
Net income (loss) from continued operations	14,082	(53)	14,029
Income (loss) from assets held for sale and discontinued operations	0		0
Net income (loss) before minority interest	14,082	(53)	14,029
Net income (loss) pertaining to minority interest	0		0
Net income (loss) pertaining to the Group	14,082	(53)	14,029

Restatement of 2016 income statement figures
Thousands of euro

	Industrial Applications			Shape Memory Alloys			Solutions for Advanced Packaging			Business Development & Corporate Costs			TOTAL		
	2016	Restatement & reclass.	2016 restated	2016	Restatement & reclass.	2016 restated	2016	Restatement & reclass.	2016 restated	2016	Restatement & reclass.	2016 restated	2016	Restatement & reclass.	2016 restated
Total net sales	113,076		113,076	71,603		71,603	0	3,141	3,141	4,352	(3,141)	1,211	189,031	0	189,031
Cost of sales	(57,730)		(57,730)	(42,343)		(42,343)	0	(2,834)	(2,834)	(3,838)	2,834	(1,004)	(103,911)	0	(103,911)
Gross profit (loss)	55,346	0	55,346	29,260	0	29,260	0	307	307	514	(307)	207	85,120	0	85,120
Operating expenses and other income (expenses)	(24,155)		(24,155)	(12,016)		(12,016)	0	(520)	(520)	(22,793)	447	(22,346)	(58,964)	(73)	(59,037)
Operating income (loss)	31,191	0	31,191	17,244	0	17,244	0	(213)	(213)	(22,279)	140	(22,139)	26,156	(73)	26,083

Actuator Solutions - SAES Group interest (50%)

Thousands of euro

Statement of financial position	December 31, 2017	December 31, 2016
Non current assets	5,491	5,143
Current assets	1,908	1,931
Total Assets	7,399	7,074
Non current liabilities	4,982	4,248
Current liabilities	3,409	3,011
Total Liabilities	8,391	7,259
Capital Stock, Reserves and Retained Earnings	815	3,376
Net income (loss) for the period	(2,047)	(3,373)
Other comprehensive income (loss) for the period	240	(188)
Total Equity	(992)	(185)

Statement of profit or loss	2017	2016
Total net sales	13,538	9,321
Cost of sales	(12,234)	(10,159)
Gross profit	1,304	(838)
Total operating expenses	(2,691)	(2,673)
Other income (expenses), net	(4)	64
Operating income	(1,391)	(3,447)
Interest and other financial income, net	(354)	(155)
Foreign exchange gains (losses), net	(230)	122
Income taxes	(72)	107
Net income (loss)	(2,047)	(3,373)
Exchange differences	240	(188)
Totale comprehensive income (loss) for the period	(1,807)	(3,561)

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

Thousands of euro

Statement of financial position	December 31, 2017	December 31, 2016
Non current assets	145	150
Current assets	731	518
Total Assets	876	668
Non current liabilities	150	148
Current liabilities	494	438
Total Liabilities	644	586
Capital Stock, Reserves and Retained Earnings	82	221
Net income (loss) for the period	158	(137)
Other comprehensive income (loss) for the period	(8)	(2)
Total Equity	232	82

Statement of profit or loss	2017	2016
Total net sales	1,192	773
Cost of sales	(905)	(746)
Gross profit	287	27
Total operating expenses	(169)	(134)
Other income (expenses), net	51	(24)
Operating income (loss)	169	(131)
Interests and other financial income, net	(10)	(7)
Foreign exchange gains (losses), net	0	0
Income taxes	(1)	1
Net income (loss)	158	(137)
Actuarial gain (loss) on defined benefit plans, net of taxes	(8)	(2)
Totale comprehensive income (loss) for the period	150	(139)

Flexterra - SAES Group interest (33.79%)

Thousands of euro

Statement of financial position	December 31, 2017	December 31, 2016
Non current assets	4,616	5,755
Current assets	1,206	2,309
Total Assets	5,822	8,064
Non current liabilities	0	0
Current liabilities	154	0
Total Liabilities	154	0
Capital Stock, Reserves and Retained Earnings	8,064	8,064
Reserve for stock options plan	114	0
Net income (loss) for the period	(1,626)	0
Other comprehensive income (loss) for the period	(884)	0
Total Equity	5,668	8,064
Statement of profit or loss	2017	
Total net sales	10	
Cost of sales	(1)	
Gross profit	9	
Total operating expenses	(1,664)	
Other income (expenses), net	(50)	
Operating income (loss)	(1,705)	
Interests and other financial income, net	2	
Foreign exchange gains (losses), net	31	
Income taxes	46	
Net income (loss)	(1,626)	
Actuarial gain (loss) on defined benefit plans, net of taxes	(884)	
Totale comprehensive income (loss) for the period	(2,510)	

Total statement of profit or loss of the Group

Thousands of euro

	2017							
	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	231,078	13,538	(829)	1,192	(50)	10		244,939
Cost of sales	(127,468)	(12,234)	829	(905)	50	(1)		(139,729)
Gross profit	103,610	1,304	0	287	0	9	0	105,210
Total operating expenses	(63,624)	(2,691)		(169)		(1,664)		(68,148)
Other income (expenses), net	(6)	(4)		51		(50)		(9)
Operating income (loss)	39,980	(1,391)	0	169	0	(1,705)	0	37,053
Interest and other financial income, net	(662)	(354)		(10)		2		(1,024)
Income (loss) from equity method evaluated companies	(2,468)		1,000		(158)		1,626	0
Foreign exchange gains (losses), net	(1,162)	(230)		0		31		(1,361)
Income (loss) before taxes	35,688	(1,975)	1,000	159	(158)	(1,672)	1,626	34,668
Income taxes	(21,828)	(72)		(1)		46		(21,855)
Net income (loss) from continued operations	13,860	(2,047)	1,000	158	(158)	(1,626)	1,626	12,813
Income (loss) from assets held for sale and discontinued operations	0							0
Net income (loss) before minority interest	13,860	(2,047)	1,000	158	(158)	(1,626)	1,626	12,813
Net income (loss) pertaining to minority interest	0							0
Net income (loss) pertaining to the Group	13,860	(2,047)	1,000	158	(158)	(1,626)	1,626	12,813

Statement of profit or loss - SAES Getters S.p.A.

Thousands of euro

	2017	2016
Total net sales	52,687	44,509
Cost of sales	(29,371)	(23,442)
Gross profit	23,316	21,066
	R&D expenses	(8,047)
	Selling expenses	(5,583)
	G&A expenses	(17,057)
Total operating expenses	(36,330)	(30,687)
Other income (expenses), net	4,490	4,933
Operating income (loss)	(8,525)	(4,688)
Interest and other financial income, net	16,508	11,022
Foreign exchange gains (losses), net	(212)	(170)
Income (loss) before taxes	7,772	6,165
Income taxes	(10,751)	(0)
Net income (loss) from continued operations	(2,979)	6,164
Income (loss) from assets held for sale and discontinued operations	0	0
Net income (loss)	(2,979)	6,164

Statement of other comprehensive income - SAES Getters S.p.A.

Thousands of euro

	2017	2016
Profit for the period	(2,979)	6,164
Actuarial gain (loss) on defined benefit plans	(74)	(302)
Income taxes	18	73
Actuarial gain (loss) on defined benefit plans, net of taxes	(56)	(230)
Total components that will not be reclassified to the profit (loss) in subsequent periods	(56)	(230)
Other comprehensive income (loss), net of taxes	(56)	(230)
Total comprehensive income (loss), net of taxes	(3,035)	5,934

Statement of Financial Position - SAES Getters S.p.A.

Thousands of euro

	December 31, 2017	December 31, 2016
Property, plant and equipment, net	29,532	30,727
Intangible assets	395	344
Other non current assets	64,243	75,311
Current assets	42,721	33,907
Total Assets	136,891	140,289
Shareholders' Equity	60,209	75,494
Non current liabilities	29,343	34,790
Current liabilities	47,338	30,006
Total Liabilities and Shareholders' Equity	136,891	140,289

Statement of Cash Flows - SAES Getters S.p.A.

Thousands of euro

	2017	2016
Net income from continuing operations	(2,979)	6,164
Current income taxes	769	150
Change in deferred income taxes	9,982	(149)
Depreciation, amortization and write down of non current assets	5,021	4,207
Net loss (gain) on disposal of property, plant and equipment	(40)	10
Income (expenses) from investments	(17,935)	(11,663)
Interest and other financial income, net	738	641
Other non-monetary costs	3,421	669
	(1,022)	29
Change in operating assets and liabilities	1,336	1,867
Payments of termination indemnities and similar obligations	(257)	(121)
Financial income received, net of interests paid	(174)	(117)
(Payment) receipt of income taxes	(768)	(650)
Net cash provided by (used by) operating activities	(885)	1,007
Purchase of property, plant and equipment, net of proceeds from sales	(3,595)	(4,384)
Purchase of intangible assets	(243)	(202)
Dividends received, net of withholding taxes	21,813	21,404
Other	(3,574)	(8,382)
Cash flows provided by (used by) investing activities	14,401	8,436
Proceeds from debts, net of repayments	6,489	(2,634)
Interests paid	(566)	(523)
Dividends paid	(12,250)	(8,502)
Cash flows provided by (used by) financing activities	(6,328)	(11,659)
Increase (decrease) in cash and cash equivalents	7,189	(2,216)
Cash and cash equivalents at the beginning of the period	1,183	3,400
Cash and cash equivalents - sub-total	8,372	1,183
Change in cash and cash equivalents - merger effect	0	6
Cash and cash equivalents at the end of the period	8,372	1,189