



PRESS RELEASE

Milan, March 13, 2019

DOUBLE-DIGIT ORGANIC GROWTH IN REVENUES AND SIGNIFICANT IMPROVEMENT IN OPERATING INDICATORS

- Consolidated revenues equal to €160.3 million compared to €147.1 million in FY 2017; net of the exchange rate effect, organic growth equal to +12.3%
- Total revenues of the Group equal to €172.2 million, up by 7% compared to €161 million in FY 2017
- Extraordinary costs for severance and write-offs equal to €19.2 million
- Consolidated gross profit equal to €70.3 million (43.8% of revenues), up by 12.9% compared to €62.2 million (42.3% of revenues) in FY 2017
- Consolidated operating income equal to €15.1 million, strongly increased (+65.7% compared to €9.1 million in FY 2017) despite severance costs of the Parent Company of €2.7 million and write-offs of €3.1 million
- Consolidated EBITDA equal to €26.3 million (16.4% of revenues), significantly increased (+43.5%) compared to €18.3 million (12.4% of revenues) in FY 2017, despite severance costs of €2.7 million
- Financial figures penalized by write-downs totaling €13.4 million
- Net income from discontinued operations equal to €240 million (€26.5 million in FY 2017), related to the sale of the purification business
- Consolidated net income equal to €232.3 million, strongly increased compared to €13.9 million in FY 2017
- Net financial position positive and equal to €223.3 million, penalized by the devaluation of the loan granted to the joint venture Actuator Solutions
- Proposed a dividend of €0.70 per ordinary share and of €0.86 per savings share
- Consolidated revenues in the first two months of 2019 equal to €27.6 million, up by 11.5% compared to 2018

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 18, 2019, 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 in the website of the Company (www.saesgetters.com/investor-relations/area-investors/shareholders-meeting) within March 18, 2019.

An extract of the same call will be published in a national financial newspaper on March 19, 2019.

“2018 was a year full of satisfactions and changes, that are part of the strategic plan already started some years ago, aimed at repositioning the Group with the aim of making it grow. The sale of the gas purification business is part of this strategy and has allowed us to reduce the exposure to a cyclical business, characterized by a mature technology and a market that has progressively moved from the USA to China, putting at risk our growth and our results”- **Mr. Massimo**

della Porta, President of SAES Getters S.p.A. declared – “After this sale, the Group maintains strong sales and significant operating results, thanks to the excellent performance of the business of shape memory alloys in the medical field and the renewed vitality of getter applications, having the financial strength to undertake an expansion plan in the innovative packaging sector, through a both organic and inorganic growth process. SAES is now financially very strong and firmly positioned in anti-cyclical sectors with high growth potentials and therefore can aim at a significant increase in revenues”.

In 2018 the SAES® Group achieved **consolidated net revenues** equal to €160.3 million, up by 8.9% compared to the corresponding period of 2017 (€147.1 million). The **exchange rate effect** was negative and equal to -3.4%, related to the depreciation of the US dollar concentrated in the first months of 2018. Despite the penalizing exchange rate effect, the Groups recorded a **double-digit organic growth** (+12.3%), driven by the restarting of the investments in the security and defense sectors, as well as by the higher sales in the vacuum pumps business and both in the Nitinol for medical applications segment and in that of the SMAs for industrial applications (mainly, luxury goods and automotive).

By including within the Group’s revenues also the revenues of the joint ventures¹, the **total revenues of the Group** were equal to €172.2 million, up by 7% compared to €161 million in 2017, thanks both to the increased consolidated revenues (+8.9%) and to the growth of sales of the joint venture SAES RIAL Vacuum S.r.l. In the joint venture Actuator Solutions, the slight growth of the automotive sector was more than absorbed by the decrease in revenues of the Taiwan-based subsidiary, mainly concentrated in the segment of autofocus (AF) for action cameras.

Consolidated gross profit² amounted to €70.3 million in 2018, compared to €62 million in 2017. The double-digit growth (+12.9%), despite the negative exchange rate effect (equal to -€2.5 million), was mainly driven by the higher sales in the security and defense sector and in that of vacuum systems (both part of the Industrial Applications Business Unit), as well as in both segments of the shape memory alloys business. Also, the **gross margin**³ increased (from 42.3% in 2017 to 43.8% in the current period) again driven by the Industrial Applications Business Unit and by the Shape Memory Alloys Business Unit.

Consolidated operating income amounted to €15.1 million in 2018, strongly increased (+65.7%) compared to €9.1 million in the previous year. As a percentage of revenues, the operating margin was equal to 9.4% in the current year, compared to 6.2% in 2017: the increase in the gross profit, the lower incidence of the operating expenses (from 36.1% to 35%) and the non-repayable grant provided by the State of Connecticut to Memry Corporation (€1.2 million, recorded under the item “Other net income (losses)”) allowed the strong improvement of the operating indicators. Please note that in 2018 the operating income was penalized by severance costs related to the reduction in the number of staff at the Parent Company (€2.7 million), subsequent to the downsizing of the Group perimeter after the sale of the gas purification business. Please also note the write-off of €3.1 million related to the impairment test on the Advanced Packaging operating sector, that entailed the complete cancellation of the goodwill deriving from the acquisition of SAES Coated Films S.p.A., equal to € 2.4 million, as well as the write-off of other tangible and intangible assets for a total of € 0.7 million. This devaluation was linked to the strategic transition, still under way, in the offer, from traditional metallized products (which have become increasingly commodity goods and exposed to the Asian competition) to most innovative lacquered products, with higher margins and able to compete in the advanced sector of sustainable packaging. Net of these extraordinary costs, the operating income would have been equal to €20.8 million (13% of consolidated revenues).

Consolidated EBITDA⁴ was equal to €26.3 million (16.4% of consolidated revenues) in 2018, strongly increased (+43.5%) compared to €18.3 million (12.4% of revenues) in 2017, mainly driven by the security and defense business and by the vacuum pumps sector, in addition to both the shape memory alloys segments. Excluding from the current year both the extraordinary costs for severance of the Parent Company (€2.7 million), and the non-refundable contribution granted by the State of the CT to Memry Corporation (€1.2 million), EBITDA would have been equal to €27.8 million (17.3% of consolidated revenues).

The financial figures were penalized by the write-down of the financial receivable that the Group holds against Actuator Solutions GmbH, following the interest-bearing loans granted by SAES Nitinol S.r.l. to the joint venture during the

¹ Actuator Solutions (50%), SAES RIAL Vacuum S.r.l. (49%) and Flexterra (equal to 33.79% at the beginning of the year and to 46.73% at December 31, 2018, following the capital increases subscribed by the Group on October 5 and December 12 respectively).

² Calculated as the difference between net sales and industrial costs directly and indirectly attributable to the products sold.

³ Calculated as the ratio between gross profit and consolidated revenues.

⁴ EBITDA is not deemed as an accounting measure under International Financial Reporting Standards (IFRSs); however, we believe that EBITDA is an important parameter for measuring the Group’s performance and therefore it is presented as an alternative indicator. Since its calculation is not regulated by applicable accounting standards, the method applied by the Group may not be homogeneous with the ones adopted by other Groups. EBITDA is calculated as “Earnings before interests, taxes, depreciation and amortization”.

previous years (-€9.1 million) and the write down related to the impairment test of the investment in the jointly controlled company Flexterra (-€4.3 million).

The **net income deriving from discontinued operations** amounted to €240 million and was mainly composed of the gross **capital gain** (€262.4 million) **generated by the sale of the gas purification business**, from which the costs related to the transaction were deducted, equal to -€35.2 million (mainly legal expenses, consultancy fees and incentives for both the personnel included in the sale and the corporate employees involved in the definition of this extraordinary corporate transaction, as well as interests, exchange rate differences and taxes). Lastly, this item included the **net income recorded by the purification business from January 1 to June 25, 2018** (the effective date of the sale) equal to €12.8 million. As at December 31, 2017, the net income from discontinued operations amounted to €265 million, substantially coinciding with the net result of the purification segment in the year 2017.

Consolidated net income was equal to €232.3 million (145% of consolidated revenues) compared to a net income equal to €13.9 million (9.4% of consolidated revenues) in the previous year.

Consolidated net financial position as at December 31, 2018 was positive and equal to €223.3 million, compared to a negative net financial position equal to -€16.5 million as at December 31, 2017. The strong improvement of the net financial position was related to the extraordinary sale of the gas purification business (+263 million).

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

Relevant events occurred in the year 2018

The most relevant event affecting the year 2018 was the closing of the **sale** to the US company Entegris, Inc. **of the gas purification business** (*Systems for Gas Purification & Handling*), part of *SAES Industrial Applications Business Unit*. The actual sale price was equal to \$353.6 million, namely the contractually agreed price of \$355 million, corrected as a result of a negative adjustment equal to -\$1.4 million, calculated on the basis of the working capital, cash and tax credit⁵ at the closing date.

The accounting value of the net assets sold, denominated in euro, was equal to €40.8 million. The net capital gain generated by the transaction was equal to €227.2 million, deriving from a gross capital gain equal to €262.4 million, less the costs related to the transaction (especially legal fees, consultancy fees, incentives and fees, interests, exchange rate differences and taxes) equal to around €35.2 million. This net capital gain, together with the net income generated by the purification business subject to sale until the date of **June 25, 2018** (equal to €12.8⁶ million) has been recorded under the income statement item **“Results deriving from discontinued operations” (€240 million)**.

Below are the other relevant events occurred in 2018.

On January 30, 2018 the independent auditors appointed by Memry Corporation ended with no observations the review on the company's compliance with the agreed conditions (increase of the workforce at the Bethel site and average annual salary not below a predetermined threshold) for the **transformation of 50% of the loan** granted by the State of Connecticut (CT) at the end of 2014 **in a non-repayable grant**. At the beginning of March the audit reports were notified to the relevant State authorities and the final authorization by the State of CT arrived during the first half of 2018. The grant, amounting to \$1.4 million, generated an income in the income statement and an equal improvement in the net financial position.

On February 12, 2018 SAES Nitinol S.r.l. granted to **Actuator Solutions GmbH** an **additional tranche**, equal to €0.5 million, **of the loan signed on November 28, 2016**. Please note that the loan, aimed at the financial support of the operating activities, expires on April 30, 2019, with a flexible repayment plan by the expiry date and a fixed annual interest rate equal to 6%; the related contract, which initially provided for an overall maximum amount of €4.5 million, was appropriately revised, increasing that figure to €5 million.

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

⁵ The value of the adjustment may be subject to slight changes based on the actual value of the tax credit of the sold companies SAES Getters USA, Inc. and SAES Pure Gas, Inc. resulting from the tax return for the period January 1 - June 24, 2018, to be presented by the end of the first half of 2019.

⁶ The item included revenues equal to €45.7 million, with an operating income equal to €13.5 million (29.6% of revenues).

acquisition of the entire shareholding of Metalvuoto S.p.A. provides SAES with the complete strategic autonomy in the advanced packaging business, for applications especially in the food sector.

In addition, please note the change of the company name of Metalvuoto S.p.A. in **SAES Coated Films S.p.A.**, for the purpose of greater recognition on the market.

On April 6, 2018 the **purchase**, by SAES Getters S.p.A., of the **property** where the headquarters and the production activities of **SAES Coated Films S.p.A.** are located was finalized. The purchase price was equal to €3.5 million.

At the end of May 2018, **Flexterra**, in cooperation with E Ink, an important manufacturer of electrophoretic screens, presented at SID in Los Angeles the first fully flexible electrophoretic display, which uses technology and materials developed by Flexterra, and which aroused considerable interest from the market.

On July 31, 2018 the residual portion of the **long-term loan signed with Banca Intesa Sanpaolo S.p.A. in mid 2015** was **paid back in advance** by the Parent Company (initial nominal value of €8million). No penalty was paid for this operation. On August 1, 2018 the residual portion of the **long-term loan signed with Unicredit S.p.A** was **paid back in advance** by the Parent Company (initial nominal value of €7million). No penalty was paid for this operation.

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

On October 1, 2018 the Shareholders' Meeting of SAES Getters S.p.A. pursuant to and for the purposes of article 114-*bis* of the TUF, approved the adoption of a long-term incentive plan based on phantom shares, for some executives directors and strategic managers, called "**2018 Phantom Shares Plan**".

The plan is based on the free assignment to the beneficiaries of a certain number of phantom shares that, under the terms and conditions of the plan, give the right to receive the provision of a cash incentive, parameterized at the increase in the stock price at the date when certain predetermined events occur, with respect to the assignment value.

The events that may give rise to the provision of the incentive are, for example: change of control of the Company; failure to renew the office of director upon expiry of the mandate; revocation from the position of director or substantial change in the related proxies or role without the occurrence of a justified cause; resignation for justified cause; dismissal for justified objective reasons (for Strategic Executives only); reaching the retirement age; permanent disability; death; delisting. The plan aims to remunerate the beneficiaries in relation to the growth of the Company's capitalization, with the purpose of retention and better alignment of the performances with the interests of the shareholders and of the Company. On October 17, 2018, the Board of Directors of SAES Getters S.p.A. started the implementation of the plan, by identifying, on the proposal of the Remuneration and Appointment Committee, the beneficiaries of the plan by name and determining the number of phantom shares to be assigned free of charge to each beneficiary. In compliance with the criteria established by the plan regulations, the assignment value of each phantom share was determined in the amount of €16.451, equal to the weighted average of the official prices of the Company's ordinary shares recorded in the Italian Stock Exchange organized and managed by Borsa Italiana S.p.A., in the trading days which fall within the 36 (thirty-six) months prior to the date of October 17, 2018.

On October 5, 2018, SAES, through its subsidiary SAES Getter International Luxembourg S.A., **conferred \$4.5 million of share capital in Flexterra, Inc.**, following the achievement by the latter of the pre-established commercial milestone. Following this payment, the shareholding of SAES in Flexterra rose to 42.23%.

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

On December 12, 2018, SAES, through its subsidiary SAES Getters International Luxembourg SA, **conferred \$2.6 million of share capital in Flexterra, Inc.**, bound by the purchase of patents in the OLET field, relating to both materials and configurations that use these materials, developed by the Group's company ETC S.r.l. Please note that the value of the intellectual property of E.T.C. S.r.l. has been subject to an appraisal carried out by an independent third party. It is expected that the sale of these intangible assets will be finalized in the first half of 2019 and, as the patents are not currently valued in the assets of E.T.C. S.r.l. under liquidation, it will generate a revenue of the same amount towards a related party. Following this payment, the shareholding of SAES in Flexterra rose to 46.73%.

On December 17, 2018 Memry Corporation signed a preliminary contract for the **purchase of the property located in Bethel (CT)**, the operative site of Memry, with the real estate company Berkshire Industrial Corporation, the current owner. This transaction has a value agreed between the parties equal to \$5.8 million. In order to proceed with this

transaction, Memry Corporation has already paid an initial advance of \$0.3 million. The closing is expected by the end of the first quarter of 2019, following the completion of the due diligence and of the environmental assessment.

The **Parent Company SAES Getters S.p.A.** ended the year 2018 with revenues equal to €57.2 million (€52.7 million in 2017) and a net income equal to €258.2 million (compared to a net loss of -€3 million in 2017).

The **total dividend proposed to the Shareholders' Meeting** will be €0.70 per ordinary share (unchanged if compared to the previous year) and €0.855175⁷ per savings share (compared to €0.70 in the previous year), through the distribution of the net income.

The dividend will be paid on May 2, 2019; the share will trade ex-dividend starting from April 29, 2019 following the detachment of the coupon no. 35, while the record date related to the dividend payment is April 30, 2019.

On April 18, 2019, the Ordinary Shareholders' Meeting will 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 in the website of the Company (www.saesgetters.com/investor-relations/area-investors/shareholders-meeting), as well as in the IInfo storage system (www.linfo.it) and at the Company's headquarters, on March 28, 2019.

The Ordinary Shareholders' Meeting will also be called to approve the **adjustment of the fees of Deloitte & Touche S.p.A. for the year 2018** in relation both to the independent auditing of the accounts and to the assignment concerning the limited examination of the Consolidated non-financial statement of SAES Getters S.p.A. and its subsidiaries, as requested by the same company on January 11, 2019.

The related report of the Directors will be available in 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.linfo.it) and at the Company's headquarters on March 19, 2019.

Finally, today the Board of Directors approved the **Report on corporate governance and ownership structure** and the **Consolidated statement on non-financial information**, related to the year 2018. The Report on corporate governance and ownership structure and the Report containing non-financial information, including the certification of the independent auditors, will be made available in the Company's website (www.saesgetters.com/en/investor-relations/financial-reports), in the IInfo system managed by Computershare SpA (www.linfo.it) and at the registered office on March 28, 2019, together with the draft financial statements of SAES Getters S.p.A. and the consolidated financial statements, accompanied by the Management Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors.

The Board had already carried out, in the previous meeting of February 14, 2019, in compliance with the principle of 3.P.2 and of the application criterion 3.C.4 of the Corporate Governance Code, the **assessment of the independence requirements of the Directors** based on the requirements of the Corporate Governance Code and articles 147-ter, paragraph 4, and 148, paragraph 3 of the TUF, confirming the status of "independent" of the Directors Avv. Gaudiana Giusti, Dr Stefano Proverbio and Dr.ssa Luciana Rovelli and, based solely on the independence requirements set out in articles 147-ter, paragraph 4, and 148, paragraph 3, of the TUF, the "independent" qualification of Prof. Adriano De Maio.

At the meeting of February 14, 2019 the Board also verified the **persistence of the requirements of professionalism and integrity** that the **Statutory Auditors** must possess pursuant to the Decree of the Ministry of Justice of 30 March 2000, no. 162, as well as of independence pursuant to article 148, paragraph 3 of the TUF and of the application criterion 8.C.1. of the Corporate Governance Code.

⁷ This amount includes the full recognition of the privileged dividend for the year 2017, as well as the increase of €0.016626 and €0.138549 in full recognition of the preferred dividend for the year 2018.

Industrial Applications Business Unit

Consolidated revenues of the Industrial Applications Business Unit amounted to €65.3 million in 2018, up by 14.1% compared to €57.2 million in the previous year. The foreign currency trend generated a negative exchange rate effect equal to -2.8%, net of which sales organically increased by 16.9%.

The organic growth was mainly driven by the security and defense sector (Security & Defense Business, +51.5%) thanks to the recovery of military investments in the US and in Europe. Also the Solutions for Vacuum Systems Business showed a strong organic growth (+37.6%) thanks to the higher sales to the manufacturers of analytic devices (mainly electronic microscopes and semiconductor inspection systems) that are more and more expanding the use of NEG pumps in their systems, in addition to new orders in the field of particle accelerators. Finally, also the Sintered Components for Electronic Devices & Lasers Business showed an organic growth (+13%) driven by the sales of devices for the thermal dissipation in laser applications and RF solid state devices for the defense sector, as well as the sector of getters for healthcare applications (Healthcare Diagnostics Business, +21.5%), thanks to the positive trend of the market of X-ray tubes for image diagnostics.

The electronic devices sector (Electronic Devices Business) was in line with the previous year and confirmed the positive trend of the sales of infrared sensors for surveillance and industrial applications.

In line with 2017, the sectors of thermal insulation (Thermal Insulation Business) and of lamps (Getters & Dispensers for Lamps Business) decreased. In the former, the decrease was mainly due to the weakness of the sales of insulating panels for the refrigeration market, in addition to the delay of some projects in China in the construction of thermodynamic solar power plants as well as to the crisis affecting the historical clients in this field. In the latter, the structural decline continued due to the persistent technological competition of LEDs towards fluorescent lamps and high-intensity discharge lamps.

Please note that the Systems for Gas Purification & Handling Business included the sales made by the Parent Company of raw material and getter components for purifiers mainly addressed to the semiconductor industry, equal to €1.9 million in the year 2018. Please note that SAES Group sold the business related to the production and commercialization of advanced gas purification systems to Entegris, Inc. on June 25, 2018; such sale did not include the Parent Company's manufacturing line of getter material for the purification market, located in Avezzano, that in the future will provide for the supply of such material also to Entegris, based on the supply agreement of the duration of 36 months.

The table below shows the revenues in the year 2018 related to the various business areas, with evidence of the exchange rate effect and of the organic change, compared to the corresponding period of 2017.

Thousands of euro (except %)

Business	2018	2017	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	12,595	8,533	47.6%	51.5%	-3.9%
Electronic Devices	19,209	19,453	-1.3%	0.2%	-1.5%
Healthcare Diagnostics	4,578	3,848	19.0%	21.5%	-2.5%
Getters & Dispensers for Lamps	4,901	5,656	-13.3%	-11.4%	-1.9%
Thermal Insulation	3,566	4,278	-16.6%	-13.4%	-3.2%
Solutions for Vacuum Systems	11,183	8,292	34.9%	37.6%	-2.7%
Sintered Components for Electronic Devices & Lasers	7,350	6,800	8.1%	13.0%	-4.9%
Systems for Gas Purification & Handling	1,897	331	473.1%	494.5%	-21.4%
Industrial Applications	65,279	57,191	14.1%	16.9%	-2.8%

Gross profit of the Industrial Applications Business Unit was equal to €33.6 million in 2018, compared to €28.4 million in 2017. The growth (+18.3%) was mainly related to the significant performance of the sales in the defense sector, as well as in the vacuum systems one. The gross margin slightly increased from 49.6% to 51.4%: the increase in sales of the sectors characterized by a higher profitability more than offset the decrease of the gross margin in the more traditional and structurally decreasing businesses (mainly lamps and the thermal insulation sectors).

Operating income of the Industrial Applications Business Unit was equal to €19.3 million in 2018, compared to €15 million in 2017: the increase in revenues enabled the strong growth of the operating indicators, both in absolute terms (+28.6%) and as a percentage of revenues (from 26.2% to 29.5%), despite the increase in operating expenses related to severance costs (€0.7 million) for the already mentioned resizing of the staff of the Parent Company.

Shape Memory Alloys (SMA) Business Unit

Consolidated revenues of the Shape Memory Alloys Business Unit were equal to €82.4 million, increased (+8.7%) when compared to €75.9 million in the previous year. The exchange rate effect was negative and equal to -4.4%, net of which the organic growth was equal to +13.1%.

Both segments of the Business Unit showed a two-digit organic growth. More specifically, the segment of Nitinol for medical applications (**Nitinol for Medical Devices Business**) recorded an organic growth equal to +11.9%, driven by the increase of the reference market, with some segments (such as the neuro-vascular and electrophysiology ones) showing a growth above the average. The industrial SMAs segment (**SMAs for Thermal and Electro Mechanical Devices Business**) recorded a strong organic growth (+21.4%), driven by the continuing expansion in the field of luxury goods and by higher sales in the automotive sector, in addition to encouraging signals from the electronic consumer sector.

The table below shows the revenues in the 2018 related to the various business areas, with evidence of the exchange rate effect and of the organic change, compared to 2017.

Thousands of euro (except %)

Business	2018	2017	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Nitinol for Medical Devices	70,968	66,294	7.1%	11.9%	-4.8%
SMAs for Thermal & Electro Mechanical Devices	11,482	9,578	19.9%	21.4%	-1.5%
Shape Memory Alloys	82,450	75,872	8.7%	13.1%	-4.4%

Gross profit of the Shape Memory Alloys Business Unit was equal to €35.5 million, compared to €31.9 million in 2017. This increase (+11.2%) was driven by the increase in revenues in both segments, the medical one and the industrial one. The gross margin increased from 42% to 43%, mainly thanks to the higher contribution of the industrial segment against a substantial stability of the medical one, the latter being penalized by the currency trend.

Operating income of the Shape Memory Alloys Business Unit amounted to €25.4 million (30.9% of consolidated revenues), up by +27% compared to the figure of the previous year, equal to €20 million (26.4% of consolidated revenues). The increase was due to both the strong growth of the revenues and to the saving in operating costs following the liquidation of Memry GmbH, in addition to the already mentioned non-refundable contribution granted in 2018 by the State of Connecticut to the subsidiary Memry Corporation (€1.2 million).

Solutions for Advanced Packaging Business Unit

Consolidated revenues of the Solutions for Advanced Packaging Business Unit were equal to €11.5 million, compared to €12.4 million in 2017. Sales are exclusively denominated in euro.

The decrease (-7.8%) was exclusively due to lower sales of metalized products (portfolio reduction, planned to eliminate lower-contribution products), only partially offset by an increase in turnover of lacquered products (the latter having higher margins).

Thousands of euro (except %)

Business	2018	2017	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Solutions for Advanced Packaging	11,480	12,445	-7.8%	-7.8%	0.0%

Gross profit of the Solutions for Advanced Packaging Business Unit was equal to €1.2 million (10.3% of revenues) compared to €1.6 million (13.2% of revenues) in 2017. The decrease was mainly due to the already mentioned decrease in sales and to the increase of the price of the raw material that negatively affected the gross margins of this business unit.

Operating result of the Solutions for Advanced Packaging Business Unit was equal to -€5.9 million, compared to -€0.9 million in the previous year. Excluding the aforementioned impairment on goodwill and assets, totaling €3.1 million, the decrease (-€1.9million) was attributable to both the decrease in gross profit and the higher operating expenses (in particular, higher costs for personnel employed in the sales, marketing and product development departments, and higher strategic consultancy fees for business development).

Business Development Unit & Corporate Costs

The Business Development Unit & Corporate Costs includes projects of basic research or in a developing phase, aimed at diversifying into innovative businesses, in addition to corporate costs (costs that cannot be directly attributed or reasonably allocated to any business sector, but that refer to the Group as a whole).

In 2018 **consolidated revenues** amounted to €1.1 million, compared to €1.6 million in the previous year (-33.4%). Excluding the negative exchange rate effect (-2.7%), the organic decrease was equal to -30.7%, mainly attributable to the price effect related to increased competition in the passive matrix OLED sector, as well as to the time necessary for the introduction of the new SAES encapsulating products, currently in an advanced development phase.

Business	2018	2017	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Business Development	1,075	1,614	-33.4%	-30.7%	-2.7%

Gross profit was equal to €33 thousand (3.1% of consolidated revenues) in 2018, compared to a gross profit equal to €0.3 million (17.7% of consolidated revenues) in 2017.

Operating result was negative and equal to -€23.8 million compared to an operating loss equal to -€25 million in 2017. The improvement, despite the costs for the exit of personnel at the Parent Company (equal to €1.9 million), was mainly related to the reduction in the variable compensation⁸ of the Executive Directors and to the saving in research costs resulting from the liquidation of the subsidiary E.T.C. S.r.l. Please note that the year 2017 was penalized by devaluations and severance costs, for a total of €1.1 million, related to the same transaction.

Consolidated operating expenses were equal to €56.1 million (35% of revenues), compared to €53.1 million (36.1% of revenues) in the previous year.

As already mentioned above, please note that the year 2018 was penalized by extraordinary operating costs equal to €5.8 million, of which €2.7 million for severance costs related to the Parent Company and €3.1 million for write-offs subsequent to the impairment test. Instead, the extraordinary costs related to 2017 were equal to €1.4 million (of which costs for the liquidation of the German subsidiary Memry GmbH equal to €0.3 million and charges for the suspension of the OLET research project and for the consequent liquidation of E.T.C. S.r.l. equal to €1.1 million).

Excluding the extraordinary expenses in both years, consolidated operating expenses in 2018 were lower by €1.3 million compared to the previous year, mainly due to lower variable compensation for Executive Directors, partially offset by higher legal and consulting costs.

The net balance of the **other income (expenses)** was positive and equal to €0.9 million, compared to a negative balance equal to -€40 thousand in 2017. The difference was mainly attributable to the income recorded by the US subsidiary Memry Corporation, equal to €1.2 million, following the transformation of 50% of loan granted by the State of Connecticut (CT) at the end of 2014 in a non-repayable grant.

The net balance of **financial income and expenses** was negative for -€9.5 million, compared to a negative balance of -€0.5 million in 2017. The negative change (-€9 million) was mainly due to the devaluation of the financial receivable that the Group has towards Actuator Solutions GmbH (-€9.1 million): following the restructuring of the Taiwanese subsidiary, the net equity of Actuator Solutions GmbH significantly decreased and became negative, and to allow it to continue operating, the total amount of loans granted by SAES (both capital share and interest share) has been subject to subordination. Consequently, the management prudently decided to proceed with the total write-down of the financial receivable, despite the significant business progress of Actuator Solutions, as the growth prospects highlighted in the five-year plan, approved by the Supervisory Committee of the same company, show some risk elements related, above all, to the innovation grade of products and the size of the potential customers.

The aforementioned write-down was partially offset by lower interest expense on long-term loans, as a result of the advance payments made in the second half of the current year, following the receipts for the sale of the purification business.

⁸. In 2017 the accrual for the long-term incentive for the three-year period 2015-2017 was doubled following the achievement of economic performance higher than the targets initially assigned.

The loss deriving from the **valuation with the equity method** of the joint ventures amounted to a total of -€1.5 million, almost exclusively attributable to the joint venture Flexterra, compared to a cost of -€2.5 million in the previous year. With regards to Actuator Solutions, please note that, being the investment of SAES in Actuator Solutions already fully reduced to zero and since today there is no legal or implied obligation of its recapitalization by the Group, in accordance with IAS 28, the share pertaining to SAES in the 2018 net loss of Actuator Solutions was not recognized as a liability⁹. With reference to Flexterra, the **impairment test** showed a **write-down** of - €4.3 million, which therefore was added to the valuation using the equity method for the purpose of calculating the final value of the investment. Nevertheless, the Flexterra project made significant progress in 2018 (presentation at the SID of the first flexible electrophoretic display using the technology developed by Flexterra and underwriting of a JDA with a leading operator in the electrophoretic sector; for details please see the paragraph dedicated to the joint venture). Using the five-year plans approved by the Board of Directors of Flexterra, Inc. and introducing on them prudential elements in relation to the speed of implementation of future growth and using a 30% WACC consistent with the current advanced development phase of the joint venture, the impairment test showed a write-down of the investment equal to -€4.3 million.

The sum of the **exchange rate differences** recorded a positive balance equal to +€0.5 million in 2018, compared to a negative balance equal to -€1.2 million in the previous year. The positive amount of 2018 was mainly related to the release into the income statement of part of the conversion reserve generated by the consolidation of SAES Getters/U.S.A., Inc., following the partial reduction of the share capital of the US subsidiary in October 2018 (+€0.4 million). The negative balance of the previous year was mainly attributable to foreign exchange losses on commercial transactions, also intercompany ones, mainly generated by the devaluation of the dollar against the euro and only partially offset by the gains on forward contracts entered into to partially hedge such business transactions.

Consolidated income before taxes amounted to €0.3 million in 2018 (0.2% of consolidated revenues) compared to an income before taxes of €5 million in the previous year (3.4% of consolidated revenues).

Excluding both severance costs related to the reduction of staff at the Parent Company (-€2.7 million) and write-offs (a total of -€16.5 million¹⁰), which penalized the current year, consolidated income before taxes would have amounted to €19.5 million (12.2% of consolidated revenues). By eliminating also the non-refundable amount granted by the State of CT (+€1.2 million), the consolidated income before taxes was positive and equal to €18.3 million (11.4% of consolidated revenues).

Income taxes amounted to €8 million in 2018, compared to €17.6 million in the previous year. Please note that the amount for 2017 included a write-off, equal to €108 million, of deferred tax assets on the previous years tax losses of SAES Getters S.p.A., carried out on the basis of the update of their eventual recoverability. Excluding this write-off, the increase in taxes in the current year compared to 2017 (+1.1 million) was related to the improvement in operating results.

Excluding the write-offs not relevant for tax purposes or non-deductible, equal to -€15.8 million¹¹, the Group **tax rate** was equal to 49.4% in the current year, still very high despite the reduction in the rate applied by the US companies for federal tax purposes, since the Parent Company, excluding the capital gain realized on the sale of the investment in SAES Getters USA, Inc. (parent company of SAES Pure Gas, Inc.) and discontinued in the item “Income from discontinued operations”, ended the year 2018 with a negative taxable income that was not valued as a deferred tax asset.

Income from discontinued operations was equal to €240 million and was mainly composed of the gross capital gain (€262.4 million) generated by the sale of the gas purification business, from which the costs related to the transaction were deducted, equal to €35.2 million (mainly legal expenses, consultancy fees and incentives for both the personnel transferred and the corporate employees involved in the definition of this extraordinary corporate transaction, as well as interests, exchange rate differences and taxes). Finally, this item included the net income generated by the purification business from January 1 to June 25, 2018 (effective date of the sale) equal to €12.8 million.

As at December 31, 2017, the net income from discontinued operations amounted to €26.5 million, substantially coinciding with the net result of the purification segment in the year 2017.

Consolidated net income was equal to €232.3 million in 2018 (145% of consolidated revenues) compared to a consolidated net income of €13.9 million (9.4% of consolidated revenues) in the previous year.

⁹ As at December 31, 2017, the negative valuation of the investment using the equity method recorded into the income statement was equal to -€1 million, lower than the pro-quota loss (-€2 million) since, again according to IAS 28, the additional losses subsequent to the zeroing of the consolidated shareholding have not been recorded into the income statement.

¹⁰ Write-off for impairment test on the Cash Generating Unit Solutions for Advanced Packaging equal to -€3.1 million; write-off of the financial receivable towards Actuator Solutions GmbH equal to -€9.1 million and write-off following the impairment test for the investment in Flexterra equal to -€4.3 million.

¹¹ Write-off for impairment test of the goodwill allocated to the Advanced Packaging Cash Generating Unit equal to -€2.4 million; write-off of the financial receivable towards Actuator Solutions GmbH equal to -€9.1 million and write-off following the impairment test for the investment in Flexterra equal to -€4.3 million.

The **net income per ordinary share and per savings share** amounted respectively to €10.53109 and €10.54772 in 2018; these figures compare with a net income per ordinary share equal to €0.62301 and a net income per savings share equal to €0.63964 in 2017.

Consolidated net financial position as at December 31, 2018 was positive and equal to €223.3 million compared to a negative net financial position equal to -€16.5 million as at December 31, 2017. The significant improvement in the net financial position **compared to the end of the previous year (+€239.8 million)** was the result of the extraordinary sale transaction of the purification business (+€263 million)¹² was the overall effect of this transaction on the net financial position).

Cash flows generated by operating activities only partially offset the dividends paid at the beginning of May (-€15.4 million, included in the financial activities) as well as the disbursements for the investment activity (particularly, net investments in tangible and intangible assets equal to €14.8 million and share capital payments to Flexterra equal to €6.2 million). Finally, the net financial position was penalized by the write-down of the loans granted to the joint venture Actuator Solutions (-€9.1 million). The exchange rate effect was positive for around €0.7 million, mainly attributable to the effect on cash and cash equivalents in dollars of the revaluation of the US dollar as at December 31, 2018, compared to the end of the year 2017.

Compared to September 30, 2018, the decrease in the net financial position, equal to **-€11.3 million** was mainly due to the capital contribution to the joint venture Flexterra, Inc. (-€6.2 million), in addition to the write-down of the loans granted to the jointly controlled company Actuator Solutions GmbH (-€9.1 million).

Actuator Solutions

Actuator Solutions GmbH is based in Gunzenhausen (Germany) and is 50% jointly owned by SAES and Alfmeier Präzision, a German group operating in the fields of electronics and advanced plastic materials. This joint venture, which consolidates its wholly owned subsidiaries Actuator Solutions Taiwan Co., Ltd. and Actuator Solutions (Schenzen) Co., Ltd., is focused on the development, production and commercialization of actuators using shape memory alloys in place of the engine.

Actuator Solutions recorded net revenues equal to €22.9 million in 2018, down by 15.3% when compared to €27.1 million in 2017. The revenues of the current year were almost entirely attributable to the German business of the seat comfort that continued to record a progressive growth (+3.2%), against a decrease in the sales of the autofocus (AF) for action cameras of the Taiwanese subsidiary (sales equal to €23 thousand as at December 31, 2018, compared to €4.5 million in the previous year).

The net result was negative and equal to -€1.1 million in 2018, compared to a loss of -€4.1 million in 2017: the improvement was mainly due to the recovery of the margin in the German business, also favored by the economies of scale related to the increased sales, as well as to the reduction of the costs of the Taiwanese subsidiary, following the reorganization carried out in the previous year and aimed at the closure of the Zhubei factory, at the outsourcing of the production activities and the focus of Actuator Solutions Taiwan Co., Ltd. in specific research and development projects.

Finally, please note that the loss at December 31, 2018 included extraordinary charges of approximately €0.8 million (extraordinary charges of €1.4 million as at December 31, 2017), related to the continuation of the process of the production outsourcing also at the Chinese subsidiary, net of which Actuator Solutions ended the current year with a positive operating income of about €0.7 million and a net income substantially at break-even.

¹² Cash collected (€303.8 million), net of the cash of the divested company SAES Pure Gas, Inc. (€2.7 million) and of the financial debt (€0.5 million) related to the negative adjustment of the price calculated on the basis of the working capital, cash and tax credits at the closing date, as well as the accessory monetary charges for the extraordinary transaction (€37.6 million, excluding the non-monetary income related to the release into the income statement of the conversion reserve generated by the consolidation of the US companies sold - SAES Getters USA, Inc. and SAES Pure Gas, Inc. - equal to €2.3 million).

Thousands of euro

Actuator Solutions (100%)	2018	2017
Total net sales	22,922	27,075
Cost of sales	(18,865)	(24,467)
Gross profit	4,057	2,608
Total operating expenses	(4,500)	(5,382)
Other income (expenses), net	384	(7)
Operating income (loss)	(59)	(2,781)
Interests and other financial income, net	(616)	(709)
Foreign exchange gains (losses), net	12	(460)
Income taxes	(411)	(143)
Net income (loss)	(1,074)	(4,093)

The share of the SAES Group in the result of this joint venture in 2018 amounted to -€0.5 million (-€2million in 2017). However, being the investment of SAES in Actuator Solutions already fully reduced to zero at December 31, 2018 and since there is today no legal or implied obligation of recapitalization by the Group, in accordance with IAS 28, the share pertaining to SAES in the 2018 net loss of Actuator Solution was not recognized by the Group as a liability¹³.

SAES RIAL Vacuum S.r.l.

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

SAES RIAL Vacuum S.r.l. ended the year 2018 with sales equal to €2.6 million, up by 8.4% compared to €2.4 million in 2017.

Despite the increase in sales, the current year ended with a net income of €0.1 million, down compared to €0.3 million in 2017 mainly due to the reduction in the gross margin resulting from a different sales mix and a higher tax burden.

Thousands of euro

SAES RIAL Vacuum S.r.l. (100%)	2018	2017
Total net sales	2,637	2,433
Cost of sales	(2,126)	(1,847)
Gross profit	511	586
Total operating expenses	(348)	(344)
Other income (expenses), net	(46)	104
Operating income (loss)	117	346
Interests and other financial income, net	(22)	(21)
Foreign exchange gains (losses), net	0	0
Income taxes	(44)	(2)
Net income (loss)	51	323

The share of the SAES Group in the 2018 result of this joint venture amounted to +€25 thousand (compared to +€0.2 million in the previous year).

Flexterra

Flexterra, Inc., based in Skokie (close to Chicago, Illinois, USA), was established at the end of 2016 as a development start-up with the objective of designing, manufacturing and commercializing materials and components for truly flexible displays. From January 10, 2017 Flexterra, Inc. fully controls Flexterra Taiwan Co., Ltd.

During 2018 the Flexterra project made a significant progress.

¹³ As at December 31, 2017, the negative valuation of the investment using the equity method recorded into the income statement was equal to -€1 million, lower than the pro-quota loss (-€2 million) since, again according to IAS 28, the additional losses subsequent to the zeroing of the consolidated shareholding have not been recorded in the income statement.

At the end of May 2018, Flexterra, in cooperation with E Ink, an important manufacturer of electrophoretic screens, presented at SID in Los Angeles the first fully flexible electrophoretic display, which uses the technology and the materials developed by Flexterra.

In the following months Flexterra signed a Joint Development Agreement with a leading operator in the electrophoretic screen sector, reaching the commercial milestone provided for by the initial agreements between the shareholders. The partner with whom Flexterra is developing the product innovation has already invested in production facilities and is continuing the industrialization phase of the product, with the start of production expected in the second half of 2019.

SAES, which at December 31, 2017 held 33.79% of the share capital of the joint venture Flexterra, Inc., on October 5, 2018, through the subsidiary SAES Getters International Luxembourg S.A., contributed an additional \$4.5 million of capital, following the achievement of the aforementioned milestone by Flexterra. On December 12, 2018, SAES conferred an additional \$2.6 million in the share capital, linked to the purchase of patents¹⁴ in the OLET field developed by the Group's company E.T.C. S.r.l.

Following the capital increases subscribed by SAES Getters International Luxembourg S.A., to which the other shareholders did not participate, or only partially contributed to them, SAES's shareholding in the share capital of Flexterra, Inc. progressively increased to 42.23% on October 5 and to 46.73% on December 12, 2018.

Flexterra, qualified as a joint venture, ended the year 2018 with a net loss equal to -€4.2 million, compared to -€4.8 million in the previous year (mainly, costs for personnel employed in research activities and in general and administrative activities, consultancy, costs related to the management of patents and amortization of intangible assets conferred by some third-party shareholders upon establishment of the company). The containment of the loss was mainly attributable to lower personnel costs, as a result of the progressively more efficient use of the resources, together with the reduction in consultancy, which were higher in the first year of life of the company being related with the start of operations. On the other hand, in the current year there were higher costs for the management of patents and licenses.

Thousands of euro

Flexterra (100%)	2018	2017
Total net sales	35	29
Cost of sales	(7)	(3)
Gross profit	28	26
Total operating expenses	(4,161)	(4,924)
Other income (expenses), net	0	(147)
Operating income (loss)	(4,133)	(5,045)
Interests and other financial income, net	(8)	7
Foreign exchange gains (losses), net	(62)	92
Income taxes	50	136
Net income (loss)	(4,153)	(4,810)

The share of the SAES Group in the result of the joint venture in 2018 amounted to -€1.5 million¹⁵ (compared to -€1.6 million in the previous year).

Finally, please note that the impairment test showed a write-down of the SAES shareholding in Flexterra equal to -€4.3 million, which therefore was added to the valuation using the equity method for the purpose of calculating the final value of the investment.

Reclassifications on 2017 figures

Please note that, following the completion of the sale of the gas purification business at the end of June 2018, the costs and revenues of 2017 relating to the business being sold, together with the consultancy costs related to this extraordinary transaction, have been **reclassified** under the specific income statement item "Income from discontinued operations".

Significant events occurred after the end of the year

On February 14, 2019, the Board of Directors of SAES Getters S.p.A. approved the guidelines of a transaction that envisages, after obtaining the necessary authorization of the Shareholders' Meeting, the launch of a voluntary partial

¹⁴ Please note that the value of the intellectual property of E.T.C. S.r.l. has been the subject to an appraisal carried out by an independent third party.

¹⁵ The pro-rata result was calculated taking into account the progressive increases in the shareholding of SAES in the share capital of Flexterra during the year 2018.

tender offer on a maximum of 3,900,000 ordinary treasury shares (corresponding to 17.7% of total shares and to 26.6% of ordinary shares), at the price of €23 per share (ex 2018 dividend), for a maximum counter value of €89.7 million.

The price includes a premium of 8.4% with respect to the official price of the Company's ordinary shares recorded on February 13, 2019, as well as a premium of 15.0%, 20.2%, 19.2% and 10.6% with respect to the weighted average of the official prices of the Company's ordinary shares in 1-month, 3-month, 6-month and 12-month periods respectively before February 13, 2019.

The promotion of the tender offer is subject (i) to the approval of the Shareholders' Meeting of SAES Getters S.p.A., which has been convened, in accordance with the law, on March 18, 2019, of the authorization to purchase treasury shares pursuant to article 2357 of the Italian Civil Code and 132 of Italian Legislative Decree 58/1998, and (ii) to the approval by the subsequent Shareholders' Meeting of SAES Getters S.p.A., currently set for April 18, 2019, of the Company's annual financial statements as at December 31, 2018, which indicates distributable profits and/or sufficient available reserves to cover the total maximum counter value of the tender offer.

The payment of the price will be made in cash. The Company, with a view to optimizing and making more efficient its financial structure, plans to use financial resources deriving from a medium/long-term loan being finalized with a primary bank.

If the number of ordinary shares put up for subscription for the tender offer exceeds the maximum number 3,900,000 of the offer, an allotment will be carried out based on the "pro-rata" method, according to which the Company would purchase the same proportion of ordinary shares from all shareholders as that put up for subscription to the offer. The offer is not conditioned upon reaching a minimum number of subscriptions.

The Company believes that, also given the trend of stock market prices, the use of part of the available resources for the purchase of ordinary treasury shares represents an advantageous investment opportunity for the Company and its Shareholders.

The transaction leads to an improved profitability per unit of capital employed. The reduction of the number of ordinary shares in circulation will actually benefit all shareholders, as it will lead to the increase in the earning per share, with the same annual profit, and the increase of the dividend per share, with the same dividends distributed.

The transaction will also increase the efficiency of the Company's financial structure, at the same time maintaining a solid capital structure to sustain growth by internal and external means as well as maintaining a high percentage float, which is also a requirement for listing on the STAR segment.

Finally, following the offer, the Company will obtain an appropriate number of ordinary treasury shares that represent a medium to long term investment in the Company, which can also be used to guarantee loans, at the time of any extraordinary operations and/or to develop alliances consistent with the Group's strategic direction. Nevertheless, until these opportunities to use the resources arise, the Company intends to keep the treasury shares purchased following the offer in its portfolio, also to consolidate the positive effects resulting from the purchase in terms of increasing the earning per share and the dividend per share.

It is envisaged that, after obtaining the required authorizations, the offer may be launched after the payment date of the dividend relating to the year ending December 31, 2018 and may be finalized by June.

At the beginning of 2019, the sum of €100 million in cash, in addition to the €100 million already allocated as of 31 December 2018, had been invested in the construction of a portfolio with a conservative investment profile and mainly with high flexibility and liquidity, in order to be able to promptly face any future needs of the Group.

Business outlook

The beginning of 2019 confirmed the favorable market conditions of the previous year and we expect the Group will continue to grow.

In the **first two months of 2019, consolidated net revenues** were equal to €27.6 million, compared to €24.8 million in the corresponding period of the previous year. Sales of the first two months increased by 11.5%. Net of the positive exchange rate affect (+6%), the organic growth was equal to +5.5% (corresponding to €1.4 million).

Thousands of euro (except %)

Business	February 2019	February 2018	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	2,556	2,121	20.5%	13.4%	7.1%
Electronic Devices	2,323	2,160	7.5%	4.2%	3.3%
Healthcare Diagnostic	735	690	6.5%	2.9%	3.6%
Lamps	737	1,016	-27.5%	-30.4%	2.9%
Thermal Insulated Devices	614	656	-6.4%	-12.8%	6.4%
Solutions for Vacuum Systems	1,874	1,976	-5.2%	-8.3%	3.1%
Sintered Components for Electronic Devices & Lasers	1,587	1,190	33.4%	23.8%	9.6%
SMA Industrial	2,470	1,743	41.7%	37.4%	4.3%
Organic Electronics	135	247	-45.3%	-49.2%	3.9%
Industrial	13,031	11,799	10.4%	5.5%	4.9%
Nitinol for Medical Devices	12,826	10,591	21.1%	12.6%	8.5%
Medical	12,826	10,591	21.1%	12.6%	8.5%
Packaging	1,783	2,390	-25.4%	-25.4%	0.0%
Total	27,640	24,780	11.5%	5.5%	6.0%

Consolidated revenues of the **Industrial Business Unit** were equal to €13 million, compared to €11.8 million in the corresponding period of 2018. The organic growth (+5.5%) was mainly driven by the defense application sector (*Security & Defense Business and Sintered Components for Electronic Devices & Lasers Business*) and by the sales of SMA educated wire for the electronic consumer sector.

The **Medical Business Unit** ended the two-month period with revenues equal to €12.8 million (€10.6 million in the first two months of 2018). Excluding the positive exchange rate effect (+8.5%), the organic growth was equal to +12.6%, higher than that of the reference market.

In the first two months of 2019, the **Packaging Business Unit** recorded revenues of €1.8 million, compared to €2.4 million in the corresponding period of the previous year.

Total revenues of the Group were equal to €29.6 million in the **first two months of 2019**, up by 10.5% compared to €26.8 million in the corresponding period of 2018; the growth was mainly attributable to the increase in consolidated revenues (+11.5%, as previously commented), against a substantial stability in the revenues of the joint ventures.

To better reflect the Group's internal organizational structure, starting from 1 January 2019:

- the revenues of the shape memory alloys segment for industrial applications were classified within the Industrial Applications Business Unit (instead of within the Shape Memory Alloys Business Unit);
- the revenues of the Organic Electronics segment were classified within the Industrial Applications Business Unit (rather than into the Business Development Unit).

In addition, please note the new name of all the operating divisions for a greater information clarity.

Finally, following the finalization, at the end of June 2018, of the sale of the gas purification business, the revenues for the first two months of 2018 relating to the sold business were reclassified to the specific income statement item "Income from discontinued operations". The residual business of the gas purification segment, that includes only the sales of the Parent Company of raw materials and getter components to be used in the manufacturing of purifiers, being now immaterial, was merged with the Electronic Devices Business in the year 2019.

The 2018 figures have been reclassified to allow a homogeneous comparison with 2019.

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, 2018, 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
Giulio Canale¹⁶

¹⁶ On October 17, 2018 the Board of Directors of SAES Getters S.p.A. has approved the appointment of Mr. Giulio Canale as Officer responsible for the preparation of corporate financial reports, replacing Mr. 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 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 (MEMS).

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 is offering a range of new products for active packaging and aims to compete with fully recyclable and biodegradable solutions.

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

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

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

More information on the SAES Group are available in the website www.saesgetters.com.

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Legend:

Industrial Applications Business Unit	
Security & Defense	Getters and metal dispensers for electronic vacuum devices
Electronic Devices	Getters for microelectronic, micromechanical systems (MEMS) and sensors
Healthcare Diagnostics	Getters for X-ray tubes used in image diagnostic systems
Thermal Insulation	Products for thermal insulation
Getters & Dispensers for Lamps	Getters and metal dispensers used in discharge lamps and fluorescent lamps
Solutions for Vacuum Systems	Pumps for vacuum systems
Sintered Components for Electronic Devices and Lasers	Cathodes and materials for thermal dissipation in electronic tubes and lasers
Systems for Gas Purification and Handling	Getters and other components used in the gas purifier systems for semiconductor industry and other industries
Shape Memory Alloys (SMA) Business Unit	
Nitinol for Medical Devices	Nitinol raw material and components for the biomedical sector
SMA 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	2018	2017	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	12,595	8,533	47.6%	51.5%	-3.9%
Electronic Devices	19,209	19,453	-1.3%	0.2%	-1.5%
Healthcare Diagnostics	4,578	3,848	19.0%	21.5%	-2.5%
Getters & Dispensers for Lamps	4,901	5,656	-13.3%	-11.4%	-1.9%
Thermal Insulation	3,566	4,278	-16.6%	-13.4%	-3.2%
Solutions for Vacuum Systems	11,183	8,292	34.9%	37.6%	-2.7%
Sintered Components for Electronic Devices & Lasers	7,350	6,800	8.1%	13.0%	-4.9%
Systems for Gas Purification & Handling	1,897	331	473.1%	494.5%	-21.4%
Industrial Applications	65,279	57,191	14.1%	16.9%	-2.8%
Nitinol for Medical Devices	70,968	66,294	7.1%	11.9%	-4.8%
SMA for Thermal & Electro Mechanical Devices	11,482	9,578	19.9%	21.4%	-1.5%
Shape Memory Alloys	82,450	75,872	8.7%	13.1%	-4.4%
Solutions for Advanced Packaging	11,480	12,445	-7.8%	-7.8%	0.0%
Business Development	1,075	1,614	-33.4%	-30.7%	-2.7%
Total Net Sales	160,284	147,122	8.9%	12.3%	-3.4%

Consolidated Net Sales by Geographic Location of Customer

Thousands of euro

Geographic Area	2018	2017
Italy	4,260	3,993
European countries	38,889	35,256
North America	86,363	78,727
Japan	5,783	5,020
South Korea	1,170	1,434
China	16,591	15,701
Rest of Asia	5,687	5,982
Rest of the World	1,541	1,009
Total Net Sales	160,284	147,122

Total revenues of the Group

Thousands of euro

	2018	2017	Difference
Consolidated sales	160,284	147,122	13,162
50% sales of the joint venture Actuator Solutions	11,461	13,538	(2,077)
49% sales of the joint venture SAES RIAL Vacuum S.r.l.	1,292	1,192	100
Pro-quota sales of the <i>joint venture</i> Flexterra	13	10	3
Intercompany eliminations	(830)	(766)	(64)
Other adjustments	(7)	(113)	106
Total revenues of the Group	172,213	160,983	11,230

Consolidated statement of profit or loss

Thousands of euro

	2018	2017 reclassified (*)
Total net sales	160,284	147,122
Cost of sales	(90,032)	(84,919)
Gross profit	70,252	62,203
	R&D expenses	(10,988)
	Selling expenses	(12,451)
	G&A expenses	(32,471)
	Write-down of trade receivables	(208)
Total operating expenses	(56,118)	(53,071)
Other income (expenses), net	932	(40)
Operating income (loss)	15,066	9,092
Interest and other financial income, net	(246)	(517)
Write-down of financial receivables and other financial assets	(9,283)	0
Income (loss) from equity method evaluated companies	(1,473)	(2,468)
Write-down of investments in equity method evaluated companies	(4,300)	0
Foreign exchange gains (losses), net	523	(1,156)
Income (loss) before taxes	287	4,951
Income taxes	(7,967)	(17,604)
Net income (loss) from continued operations	(7,680)	(12,653)
Income (loss) from discontinued operations	240,013	26,513
Net income (loss) before minority interest	232,333	13,860
Net income (loss) pertaining to minority interest	0	0
Net income (loss) pertaining to the Group	232,333	13,860

Consolidated statement of other comprehensive income

Thousands of euro

	2018	2017 reclassified (*)
Net income (loss) for the period from continued operations	(7,680)	(12,653)
Exchange differences on translation of foreign operations	4,130	(10,340)
Exchange differences on equity method evaluated companies	340	(877)
Total exchange differences	4,470	(11,217)
Equity transaction costs related to equity method evaluated companies	(15)	(7)
Total components that will be reclassified to the profit (loss) in the future	4,455	(11,224)
Actuarial gain (loss) on defined benefit plans	11	(51)
Income taxes	(4)	12
Actuarial gain (loss) on defined benefit plans, net of taxes	7	(39)
Total components that will not be reclassified to the profit (loss) in the future	7	(39)
Reversal of currency conversion reserve after the capital reduction of the subsidiaries	(360)	0
Total components that have been reclassified to the profit (loss)	(360)	0
Other comprehensive income (loss), net of taxes - continued operations	4,102	(11,263)
Total comprehensive income (loss), net of taxes - continued operations	(3,578)	(23,916)
Net income (loss) for the period from discontinued operations	240,013	26,513
Exchange differences on translation of foreign operations	421	(2,984)
Reversal of currency conversion reserve after the disposal of the subsidiaries	(2,342)	0
Total exchange differences	(1,921)	(2,984)
Total components that have been reclassified to the profit (loss)	(1,921)	(2,984)
Other comprehensive income (loss), net of taxes - discontinued operations	(1,921)	(2,984)
Total comprehensive income (loss), net of taxes - discontinued operations	238,092	23,529
Total comprehensive income (loss), net of taxes	234,514	(387)
<i>attributable to:</i>		
- Equity holders of the Parent Company	234,514	(387)
- Minority interests	0	0

(*) Some amounts shown in the column do not correspond to the 2017 financial statements because they reflect both the reclassifications related to the sale of the gas purification business (finalized on 25 June 2018 and identified as "major line of business"), in compliance with the IFRS 5 and the reclassifications in the consolidated statement of the write-down of the financial assets in accordance with IAS 1.

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	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Total net sales	65,279	57,191	82,450	75,872	11,480	12,445	1,075	1,614	160,284	147,122
Cost of sales	(31,727)	(28,822)	(46,964)	(43,969)	(10,299)	(10,799)	(1,042)	(1,329)	(90,032)	(84,919)
Gross profit (loss)	33,552	28,369	35,486	31,903	1,181	1,646	33	285	70,252	62,203
Operating expenses and other income (expenses)	(14,279)	(13,388)	(10,043)	(11,876)	(7,053)	(2,557)	(23,811)	(25,290)	(55,186)	(53,111)
Operating income (loss)	19,273	14,981	25,443	20,027	(5,872)	(911)	(23,778)	(25,005)	15,066	9,092

EBITDA

Thousands of euro

	2018	2017
Operating income (loss)	15,066	9,092
Depreciation & amortization	(7,588)	(8,085)
Write-down	(3,417)	(1,181)
Bad debt provision (accrual)/release	(208)	43
EBITDA	26,279	18,315
<i>% on sales</i>	<i>16.4%</i>	<i>12.4%</i>

Consolidated income (loss) per share

Euro

	2018	2017
Net income (loss) per ordinary share	10.53109	0.62301
Net income (loss) per savings share	10.54772	0.63964

Consolidated Statement of Financial Position

Thousands of euro

	December 31, 2018	December 31, 2017
Property, plant and equipment, net	53,832	49,492
Intangible assets	45,290	53,175
Securities	99,843	0
Other non current assets	17,401	20,951
Current assets	218,394	115,434
Total Assets	434,760	239,052
Shareholders' equity	341,220	122,141
Minority interest in consolidated subsidiaries	0	0
Total Shareholders' Equity	341,220	122,141
Non current liabilities	28,187	45,585
Current liabilities	65,353	71,326
Total Liabilities and Shareholders' Equity	434,760	239,052

Consolidated Net Financial Position

Thousands of euro

	December 31, 2018	September 30, 2018	June 30, 2018	December 31, 2017 reclassified (*)
Cash on hands	9	8	11	13
Cash equivalents	170,592	275,039	302,633	27,551
Cash and cash equivalents	170,601	275,047	302,644	27,564
Related parties financial assets	1	1,019	897	936
Current financial assets	1	1,019	897	936
Bank overdraft	(27,353)	(27,508)	(28,381)	(12,254)
Current portion of long term debt	(5,438)	(5,477)	(10,358)	(10,478)
Other current financial liabilities (*)	(1,049)	(1,253)	(1,882)	(1,777)
Current financial liabilities	(33,840)	(34,238)	(40,621)	(24,509)
Current net financial position	136,762	241,828	262,920	3,991
Related parties non current financial assets	49	8,049	8,049	7,549
Securities	99,843	0	0	0
Non current financial assets	99,892	8,049	8,049	7,549
Long term debt, net of current portion	(13,344)	(15,231)	(21,981)	(28,057)
Other non current financial liabilities (*)	0	0	0	0
Non current liabilities	(13,344)	(15,231)	(21,981)	(28,057)
Non current net financial position	86,548	(7,182)	(13,932)	(20,508)
Net financial position	223,310	234,646	248,988	(16,517)

(*) The "Other financial liabilities" of SAES Pure Gas, Inc. open as of December 31, 2017 were not included, as if they had been reclassified in accordance with IFRS 5 under the item "Liabilities held for sale and discontinued" already at the end of the previous year.

Consolidated Cash Flows Statement

Thousands of euro

	2018	2017 reclassified (*)
Net income (loss) from continued operations	(7,680)	(12,653)
Net income (loss) from discontinued operations	240,013	26,513
Current income taxes	13,134	13,145
Change in deferred income taxes	(4,499)	8,683
Depreciation, amortization and write down of non current assets	11,401	10,022
Net loss (gain) on disposal of assets	(141)	(82)
Net gain on purification business disposal	(227,219)	594
Interests and other financial income, net	15,460	3,117
Other non-monetary costs	(1,399)	4,779
	39,070	54,118
Change in operating assets and liabilities	(4,746)	(2,148)
Payments of termination indemnities and similar obligations	(446)	(455)
Financial income received, net of payment of interests	(35)	(443)
Payment of income taxes	(13,239)	(12,616)
Net cash flows from operating activities	20,604	38,456
Purchase of tangible and intangible assets, net of proceeds from sales	(14,761)	(7,546)
Consideration for the acquisition of minority interests in subsidiaries	0	0
Consideration for the acquisition of investments in joint ventures	0	0
Adjustment on price paid for the acquisition of shareholding in subsidiaries	(75)	134
Capital injection into joint ventures	(6,201)	(1,000)
Price paid for the acquisition of businesses	(142)	(364)
Consideration for the purification business disposal, net of the disposed cash	301,059	0 (**)
Ancillary monetary charges for the purification business disposal	(37,562)	(594) (***)
Net cash flows from investing activities	242,318	(9,370)
Proceeds from debts, net of repayments	(4,901)	1,891
Financing receivables from related parties	(225)	(2,175)
Interests on financing receivables from related parties	1	0
Dividends payment	(15,435)	(12,250)
Other financial liabilities	4	21
Interests and other expenses paid on loans	(560)	(980)
Securities portfolio	(100,000)	0
Net cash flows from financing activities	(121,116)	(13,493)
Effect of exchange rate differences	1,277	(2,278)
Increase (decrease) in cash and cash equivalents	143,083	13,315
Cash and cash equivalents at the beginning of the period	27,312	13,997
Cash and cash equivalents at the end of the period	170,395	27,312

(*) Some amounts shown in the column do not correspond to the 2017 financial statements because they reflect both the reclassifications related to the sale of the gas purification business, finalized on 25 June 2018 (identified as "major line of business"), in compliance with the IFRS 5.

(**) Consideration equal to €303,765 thousand and cash sold equal to €2,706 thousand.

(***) The figure of the FY 2018 does not include the non-monetary income related to the release into the income statement of the conversion reserve generated by the consolidation of the US companies sold (SAES Getters USA, Inc. and SAES Pure Gas, Inc.), equal to €2,342 thousand.

Result from assets held for sale and discontinued operations - detail

Thousands of euro

	Consolidated statement of profit or loss - gas purification business	Capital gain on purification business disposal, net of the related costs	2018	Consolidated statement of profit or loss - gas purification business	Capital gain on purification business disposal, net of the related costs	2017
Total net sales	45,660	0	45,660	83,956	0	83,956
Cost of sales	(26,505)	(1,333)	(27,838)	(42,549)	0	(42,549)
Gross profit	19,155	(1,333)	17,822	41,407	0	41,407
R&D expenses	(1,910)	(882)	(2,792)	(3,305)	0	(3,305)
Selling expenses	(2,652)	(1,016)	(3,668)	(4,670)	0	(4,670)
G&A expenses	(1,085)	(26,708)	(27,793)	(1,984)	(594)	(2,578)
Total operating expenses	(5,647)	(28,606)	(34,253)	(9,959)	(594)	(10,553)
Other income	23	262,439	262,462	312	0	312
Other expenses	(34)	(50)	(84)	(278)	0	(278)
Operating income (loss)	13,497	232,450	245,947	31,482	(594)	30,888
Financial income			0			0
Financial expenses	(35)	(229)	(264)	(145)	0	(145)
Foreign exchange gains (losses), net	0	(3,287)	(3,287)	(6)	0	(6)
Income (loss) before taxes	13,462	228,934	242,396	31,331	(594)	30,737
Income taxes	(668)	(1,715)	(2,383)	(4,224)	0	(4,224)
Income (loss) from discontinued operations	12,794	227,219	240,013	27,107	(594)	26,513

Consolidated Cash Flows Statement - discontinued operations

Thousands of euro

	gas purification business	disposal	2018	gas purification business	disposal	2017
Net income (loss) from discontinued operations	12,794	227,219	240,013	27,107	(594)	26,513
Current income taxes	589		589	3,643		3,643
Change in deferred income taxes	79		79	581		581
Depreciation, amortization and write down of non current assets	396		396	756		756
Net loss (gain) on disposal of assets	0		0	3		3
Net gain on purification business disposal	0	(227,219)	(227,219)	0	594	594
Interests and other financial income, net	35		35	145		145
Other non-monetary costs	(451)		(451)	113		113
	13,442	0	13,442	32,348	0	32,348
Change in operating assets and liabilities	(1,405)		(1,405)	(45)		(45)
Financial income received, net of payment of interests	(35)		(35)	(66)		(66)
Payment of income taxes	(1,002)		(1,002)	(4,580)		(4,580)
Net cash flows from operating activities	11,000	0	11,000	27,657	0	27,657
Purchase of tangible and intangible assets, net of proceeds from sales	(196)		(196)	(452)		(452)
Price paid for the acquisition of businesses	(142)		(142)	(364)		(364)
Consideration for the purification business disposal, net of the disposed cash		301,059	301,059 (*)		0	0
Ancillary monetary charges for the purification business disposal		(37,562)	(37,562) (**)		(594)	(594)
Net cash flows from investing activities	(338)	263,497	263,159	(816)	(594)	(1,410)
Net cash flows from financing activities	0	0	0	0	0	0
Effect of exchange rate differences	(1,426)		(1,426)	3,880		3,880
Increase (decrease) in cash and cash equivalents	9,236	263,497	272,733	30,721	(594)	30,127

(*) Consideration equal to €303,765 thousand and cash sold equal to €2,706 thousand.

(**) The figure of the FY 2018 does not include the non-monetary income related to the release into the income statement of the conversion reserve generated by the consolidation of the US companies sold (SAES Getters USA, Inc. and SAES Pure Gas, Inc.), equal to €2,342 thousand.

Consolidated Cash Flows Statement - detail

Thousands of euro

	2018	2018 - from discontinued operations			2018 - from continued operations
		gas purification business	disposal	total	
Net income (loss) from continued operations	(7,680)				(7,680)
Net income (loss) from discontinued operations	240,013	12,794	227,219	240,013	0
Current income taxes	13,134	589		589	12,545
Change in deferred income taxes	(4,499)	79		79	(4,578)
Depreciation, amortization and write down of non current assets	11,401	396		396	11,005
Net loss (gain) on disposal of assets	(141)	0		0	(141)
Net gain on purification business disposal	(227,219)		(227,219)	(227,219)	0
Interests and other financial income, net	15,460	35		35	15,425
Other non-monetary costs	(1,399)	(451)		(451)	(948)
	39,070	13,442	0	13,442	25,628
Change in operating assets and liabilities	(4,746)	(1,405)		(1,405)	(3,341)
Payments of termination indemnities and similar obligations	(446)	0		0	(446)
Financial income received, net of payment of interests	(35)	(35)		(35)	0
Payment of income taxes	(13,239)	(1,002)		(1,002)	(12,237)
Net cash flows from operating activities	20,604	11,000	0	11,000	9,604
Purchase of tangible and intangible assets, net of proceeds from sales	(14,761)	(196)		(196)	(14,565)
Consideration for the acquisition of minority interests in subsidiaries	(75)	0		0	(75)
Capital injection into joint ventures	(6,201)	0		0	(6,201)
Price paid for the acquisition of businesses	(142)	(142)		(142)	0
Consideration for the purification business disposal, net of the disposed cash	301,059		301,059	301,059	0
Ancillary monetary charges for the purification business disposal	(37,562)		(37,562)	(37,562)	0
Net cash flows from investing activities	242,318	(338)	263,497	263,159	(20,841)
Proceeds from debts, net of repayments	(4,901)	0		0	(4,901)
Dividends payment	(15,435)	0		0	(15,435)
Interests and other expenses paid on loans	(560)	0		0	(560)
Financing receivables from related parties	(225)	0		0	(225)
Interests on financing receivables from related parties	1	0		0	1
Other financial liabilities	4	0		0	4
Securities portfolio	(100,000)	0		0	(100,000)
Net cash flows from financing activities	(121,116)	0	0	0	(121,116)
Effect of exchange rate differences	1,277	(1,426)		(1,426)	2,703
Increase (decrease) in cash and cash equivalents	143,083	9,236	263,497	272,733	(129,650)

Actuator Solutions - SAES Group interest (50%)

Thousands of euro

Statement of financial position	December 31, 2018	December 31, 2017
Non current assets	3,510	5,491
Current assets	1,297	1,908
Total Assets	4,807	7,399
Non current liabilities	4,000	4,982
Current liabilities	2,360	3,409
Total Liabilities	6,360	8,391
Capital Stock, Reserves and Retained Earnings	(992)	815
Net income (loss) for the period	(537)	(2,047)
Other comprehensive income (loss) for the period	(24)	240
Total Equity	(1,553)	(992)
Statement of profit or loss	2018	2017
Total net sales	11,461	13,538
Cost of sales	(9,433)	(12,234)
Gross profit	2,028	1,304
Total operating expenses	(2,250)	(2,691)
Other income (expenses), net	192	(4)
Operating income (loss)	(30)	(1,391)
Interests and other financial income, net	(308)	(354)
Foreign exchange gains (losses), net	6	(230)
Income taxes	(205)	(72)
Net income (loss)	(537)	(2,047)
Exchange differences	(24)	240
Total comprehensive income (loss) for the period	(561)	(1,807)

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

Thousands of euro

Statement of financial position	December 31, 2018	December 31, 2017
Non current assets	161	145
Current assets	813	731
Total Assets	974	876
Non current liabilities	151	150
Current liabilities	574	494
Total Liabilities	725	644
Capital Stock, Reserves and Retained Earnings	232	82
Net income (loss) for the period	25	158
Other comprehensive income (loss) for the period	(8)	(8)
Total Equity	249	232

Statement of profit or loss	2018	2017
Total net sales	1,292	1,192
Cost of sales	(1,042)	(905)
Gross profit	250	287
Total operating expenses	(171)	(169)
Other income (expenses), net	(22)	51
Operating income (loss)	57	170
Interests and other financial income, net	(11)	(10)
Foreign exchange gains (losses), net	0	0
Income taxes	(21)	(1)
Net income (loss)	25	158
Actuarial gain (loss) on defined benefit plans, net of taxes	(8)	(8)
Total comprehensive income (loss) for the period	17	150

Flexterra - SAES Group interest (46.73% as at December 31, 2018)

Thousands of euro

Statement of financial position	December 31, 2018	December 31, 2017
Non current assets	6,140	4,616
Current assets	3,732	1,206
Total Assets	9,872	5,822
Non current liabilities	47	0
Current liabilities	227	154
Total Liabilities	274	154
Capital Stock, Reserves and Retained Earnings	10,628	8,064
Reserve for stock option plans	143	114
Net income (loss) for the period	(1,498)	(1,626)
Other comprehensive income (loss) for the period	325	(884)
Total Equity	9,598	5,668

Statement of profit or loss	2018	2017
Total net sales	13	10
Cost of sales	(2)	(1)
Gross profit	11	9
Total operating expenses	(1,504)	(1,664)
Other income (expenses), net	(1)	(50)
Operating income (loss)	(1,494)	(1,705)
Interests and other financial income, net	(2)	2
Foreign exchange gains (losses), net	(20)	31
Income taxes	18	46
Net income (loss)	(1,498)	(1,626)
Exchange differences & equity transaction costs	325	(884)
Total comprehensive income (loss) for the period	(1,173)	(2,510)

Total statement of profit or loss of the Group
Thousands of euro

	2018							
	Consolidated profit or loss	50% Actuator Solutions	Intercoy eliminations & other adjustments	49% SAES RIAL Vacuum S.r.l.	Intercoy eliminations & other adjustments	46.73% Flexterra (*)	Intercoy eliminations & other adjustments	Total profit or loss of the Group
Total net sales	160,284	11,461	(687)	1,292	(150)	13		172,213
Cost of sales	(90,032)	(9,433)	687	(1,042)	150	(2)		(99,673)
Gross profit	70,252	2,028	0	250	0	10	0	72,540
Total operating expenses	(56,118)	(2,250)		(171)	0	(1,504)	(4,300)	(64,344)
Other income (expenses), net	932	192		(22)		(1)		1,101
Operating income (loss)	15,066	(30)	0	57	0	(1,494)	(4,300)	9,298
Interest and other financial income, net	(9,529)	(308)	4,570	(11)		(2)		(5,280)
Income (loss) from equity method evaluated companies	(1,473)		0		(25)		1,498	(0)
Writedown of investments in equity method evaluated companies	(4,300)		0		0		4,300	0
Foreign exchange gains (losses), net	523	6		0		(20)		509
Income (loss) before taxes	287	(332)	4,570	47	(25)	(1,516)	1,498	4,528
Income taxes	(7,967)	(205)		(21)		18		(8,175)
Net income (loss) from continued operations	(7,680)	(537)	4,570	25	(25)	(1,498)	1,498	(3,648)
Income (loss) from discontinued operations	240,013			0		0		240,013
Net income (loss) before minority interest	232,333	(537)	4,570	25	(25)	(1,498)	1,498	236,366
Net income (loss) pertaining to minority interest	0							0
Net income (loss) pertaining to the Group	232,333	(537)	4,570	25	(25)	(1,498)	1,498	236,366

(*) The percentage of SAES in the share capital of Flexterra, equal to 33.79% at the beginning of the year, progressively increased to 46.73% as at 31 December 2018, following the capital increases subscribed by SAES Getters International Luxembourg S.A. respectively on October 5 and December 12, 2018, to which the other shareholders did not participate, or only partially contributed. The pro-quota revenues and costs have therefore been calculated taking into account these progressive increases in the investment.

Consolidated statement of profit or loss, reclassified - 2017

Thousands of euro

	2017	Reclassifications of the financial assets' write- down	Reclassifications for the sale of the gas purification business	2017 reclassified
Total net sales	231,078	0	(83,956)	147,122
Cost of sales	(127,468)	0	42,549	(84,919)
Gross profit	103,610	0	(41,407)	62,203
R&D expenses	(16,102)	0	3,305	(12,797)
Selling expenses	(16,372)	10	4,670	(11,692)
G&A expenses	(31,150)	(53)	2,578	(28,625)
Write-down of trade receivables	0	43	0	43
Total operating expenses	(63,624)	0	10,553	(53,071)
Royalties	0			0
Other income (expenses), net	(6)	0	(34)	(40)
Operating income (loss)	39,980	0	(30,888)	9,092
Interest and other financial income, net	(662)	0	145	(517)
Income (loss) from equity method evaluated companies	(2,468)	0	0	(2,468)
Foreign exchange gains (losses), net	(1,162)	0	6	(1,156)
Income (loss) before taxes	35,688	0	(30,737)	4,951
Income taxes	(21,828)	0	4,224	(17,604)
Net income (loss) from continued operations	13,860	0	(26,513)	(12,653)
Income (loss) from discontinued operations	0	0	26,513	26,513
Net income (loss) before minority interest	13,860	0	0	13,860
Net income (loss) pertaining to minority interest	0			0
Net income (loss) pertaining to the Group	13,860	0	0	13,860

Consolidated statement of other comprehensive income, reclassified - 2017

Thousands of euro

	2017	Reclassifications of the financial assets' write- down	Reclassifications for the sale of the gas purification business	2017 reclassified
Net income (loss) for the period from continued operations	13,860	0	(26,513)	(12,653)
Exchange differences on translation of foreign operations	(13,324)	0	2,984	(10,340)
Exchange differences on equity method evaluated companies	(877)	0	0	(877)
Total exchange differences	(14,201)	0	2,984	(11,217)
Equity transaction costs related to equity method evaluated companies	(7)			(7)
Total components that will be reclassified to the profit (loss) in the future	(14,208)	0	2,984	(11,224)
Actuarial gain (loss) on defined benefit plans	(51)			(51)
Income taxes	12			12
Actuarial gain (loss) on defined benefit plans, net of taxes	(39)	0	0	(39)
Total components that will not be reclassified to the profit (loss) in the future	(39)	0	0	(39)
Reversal of currency conversion reserve after the capital reduction of the subsidiaries	0			0
Total components that have been reclassified to the profit (loss)	0	0	0	0
Other comprehensive income (loss), net of taxes - continued operations	(14,247)	0	2,984	(11,263)
Total comprehensive income (loss), net of taxes - continued operations	(387)	0	(23,529)	(23,916)
Net income (loss) for the period from discontinued operations	0	0	26,513	26,513
Exchange differences on translation of foreign operations	0	0	(2,984)	(2,984)
Reversal of currency conversion reserve after the disposal of the subsidiaries	0	0	0	0
Total exchange differences	0	0	(2,984)	(2,984)
Total components that have been reclassified to the profit (loss)	0	0	(2,984)	(2,984)
Other comprehensive income (loss), net of taxes -discontinued operations	0	0	(2,984)	(2,984)
Total comprehensive income (loss), net of taxes -discontinued operations	0	0	23,529	23,529
Total comprehensive income (loss), net of taxes	(387)	0	0	(387)
<i>attributable to:</i>				
- Equity holders of the Parent Company	(387)	0	0	(387)
- Minority interests	0	0	0	0

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

Thousands of euro

	2018	2017 reclassified
Total net sales	57,205	52,687
Cost of sales	(31,797)	(29,371)
Gross profit	25,408	23,316
	R&D expenses	(9,163)
	Selling expenses	(6,197)
	G&A expenses	(20,318)
	Write-down of trade receivables	0
Total operating expenses	(36,453)	(35,677)
Other income (expenses), net	4,996	4,490
Operating income (loss)	(6,049)	(7,872)
Interest and other financial income, net	11,470	16,508
Foreign exchange gains (losses), net	371	(212)
Income (loss) before taxes	5,791	8,425
Income taxes	(1,404)	(10,751)
Net income (loss) from continued operations	4,387	(2,326)
Income (loss) from discontinued operations	253,847	(653)
Net income (loss)	258,234	(2,979)

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

Thousands of euro

	2018	2017 reclassified
Profit for the period	258,234	(2,979)
Actuarial gain (loss) on defined benefit plans	46	(74)
Income taxes	(11)	18
Actuarial gain (loss) on defined benefit plans, net of taxes	35	(56)
Total components that will not be reclassified to the profit (loss) in subsequent periods	35	(56)
Other comprehensive income (loss), net of taxes	35	(56)
Total comprehensive income (loss), net of taxes	258,268	(3,035)

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

Thousands of euro

	December 31, 2018	December 31, 2017
Property, plant and equipment, net	34,180	29,532
Intangible assets	598	395
Other non current assets	287,962	64,243
Current assets	63,375	42,721
Assets held for sale	0	0
Total Assets	386,115	136,891
Shareholders' Equity	303,043	60,209
Non current liabilities	18,809	29,343
Current liabilities	64,263	47,338
Total Liabilities and Shareholders' Equity	386,115	136,891

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

Thousands of euro

	2018	2017 reclassified
Net income from continuing operations	4,387	(2,326)
Net income from discontinuing operations	253,847	(653)
Current income taxes	692	769
Change in deferred income taxes	713	9,982
Depreciation, amortization and write down of non current assets	4,610	5,021
Net gain on purification business disposal	(253,896)	594
Net loss (gain) on disposal of property, plant and equipment	(137)	(40)
Income (expenses) from investments	(11,206)	(17,247)
Interest and other financial income, net	(264)	738
Other non-monetary costs	(254)	2,734
	(1,509)	(428)
Change in operating assets and liabilities	(429)	1,336
Payments of termination indemnities and similar obligations	(446)	(257)
Financial income received, net of interests paid	981	(174)
(Payment) receipt of income taxes	(34)	(768)
Net cash provided by (used by) operating activities	(1,437)	(291)
Purchase of property, plant and equipment, net of proceeds from sales	(8,943)	(3,595)
Purchase of intangible assets	(389)	(243)
Dividends received, net of withholding taxes	21,045	21,813
Consideration for the purification business disposal	255,729	(594)
Other	(64,396)	(3,574)
Cash flows provided by (used by) investing activities	203,047	13,807
Proceeds from debts, net of repayments	(152,377)	6,489
Interests paid	(324)	(566)
Dividends paid	(15,435)	(12,250)
Cash flows provided by (used by) financing activities	(168,136)	(6,328)
Change in cash and cash equivalents - merger effect	(1,356)	0
Increase (decrease) in cash and cash equivalents	32,117	7,189
Cash and cash equivalents at the beginning of the period	8,378	1,189
Cash and cash equivalents at the end of the period	40,495	8,378