



## **PRESS RELEASE**

*Milan, November 11, 2020*

### **SAES GROUP: THE BOD APPROVED THE CONSOLIDATED RESULTS OF THE THIRD QUARTER OF 2020**

#### **NET REVENUES IN LINE WITH 2Q 2020 DESPITE THE PENALIZING EFFECT OF EXCHANGE RATES, SHOWING AN ORGANIC DECREASE COMPARED TO 3Q 2019 DUE TO COVID-19 AND INTERNATIONAL TENSIONS**

- **Consolidated revenues equal to €39 million in 3Q 2020, in line with 2Q 2020 (€39.8 million) despite the negative exchange rate effect and decreasing when compared to 3Q 2019 (€49 million)**
- **Organic decrease of revenues compared to 3Q 2019 mainly due to the Covid-19 effect and to international tensions**
- **Total revenues of the Group equal to €41 million, in line with 2Q 2020 (€42 million) but decreasing by - 21.4% compared to 3Q 2019 (€52.2 million) mainly due to Covid-19**
- **Consolidated gross profit equal to €16 million (41% of revenues) in 3Q 2020, compared to €22.7 million (46.4% of revenues) in 3Q 2019**
- **Consolidated operating income equal to €2.9 million (7.4% of revenues) in 3Q 2020, compared to €9.5 million (19.4% of revenues) in 3Q 2019**
- **Consolidated EBITDA equal to €5.7 million (14.7% of revenues) in 3Q 2020, compared to €11.9 million (24.4% of revenues) in 3Q 2019**
- **Consolidated net income equal to €2.7 million in 3Q 2020, compared to €8.7 million in 3Q 2019**
- **Consolidated net financial position positive and equal to €94 million as at September 30, 2020, penalized compared to the end of June by exchange rates and by extraordinary notional debts for new leases**

The Board of Directors of SAES Getters S.p.A. approved the consolidated results of the third quarter of 2020 (July 1 - September 30).

“The results of the third quarter are in line with previously announced expectations” - **Mr Massimo della Porta, President of SAES Getters S.p.A.** said – “In the fourth quarter we begin to see an initial recovery in the medical sector”.

In the third quarter of 2020 the SAES® Group achieved **consolidated net revenues** equal to €39 million, substantially in line with those achieved in the second quarter of 2020 (€39.8 million).

Likewise the second quarter of 2020, also the third quarter was negatively impacted by the effects of the Covid-19 pandemic, that hit in particular the medical segment of Nitinol, penalized by the elective surgeries postponements. The industrial SMAs segment was negatively affected by Covid-19 as well, in addition to the effect of international tensions between USA and China.

Thousands of euro (except %)

Business	1Q 2020	2Q 2020	3Q 2020
Security & Defense	4,608	4,916	3,357
Electronic Devices	4,168	3,534	5,222
Healthcare Diagnostics	1,665	1,087	874
Lamps	1,053	893	583
Thermal Insulated Devices	962	712	550
Sintered Components for Electronic Devices & Lasers	2,073	1,660	1,788
SMA Industrial	3,875	2,333	2,248
<b>Divisione Metallurgy</b>	<b>18,404</b>	<b>15,135</b>	<b>14,622</b>
Solutions for Vacuum Systems	2,442	2,917	3,012
<b>Divisione Vacuum Technology</b>	<b>2,442</b>	<b>2,917</b>	<b>3,012</b>
Nitinol for Medical Devices	21,579	18,566	16,442
<b>Divisione Medical</b>	<b>21,579</b>	<b>18,566</b>	<b>16,442</b>
Functional Dispensable Products	4,275	749	3,405
<b>Divisione Specialty Chemicals</b>	<b>4,275</b>	<b>749</b>	<b>3,405</b>
Advanced Coatings	2,585	2,447	1,516
<b>Divisione Advanced Packaging</b>	<b>2,585</b>	<b>2,447</b>	<b>1,516</b>
<b>Ricavi netti consolidati</b>	<b>49,285</b>	<b>39,814</b>	<b>38,997</b>

The comparison between the third and the second quarter of 2020 highlights the strongly penalizing exchange rate effect (-4.3%), attributable to the US dollar devaluation. Excluding such effect, revenues would have increased by 2.2% (€0.9 million).

Thousands of euro (except %)

Business	3Q 2020	2Q 2020	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	3,357	4,916	-31.7%	-29.1%	-2.6%
Electronic Devices	5,222	3,534	47.8%	54.0%	-6.2%
Healthcare Diagnostics	874	1,087	-19.6%	-17.2%	-2.4%
Lamps	583	893	-34.7%	-32.2%	-2.5%
Thermal Insulated Devices	550	712	-22.8%	-19.1%	-3.7%
Sintered Components for Electronic Devices & Lasers	1,788	1,660	7.7%	14.3%	-6.6%
SMA Industrial	2,248	2,333	-3.6%	-1.0%	-2.6%
<b>Metallurgy Division</b>	<b>14,622</b>	<b>15,135</b>	<b>-3.4%</b>	<b>0.5%</b>	<b>-3.9%</b>
Solutions for Vacuum Systems	3,012	2,917	3.3%	6.2%	-2.9%
<b>Vacuum Technology Division</b>	<b>3,012</b>	<b>2,917</b>	<b>3.3%</b>	<b>6.2%</b>	<b>-2.9%</b>
Nitinol for Medical Devices	16,442	18,566	-11.4%	-6.0%	-5.4%
<b>Medical Division</b>	<b>16,442</b>	<b>18,566</b>	<b>-11.4%</b>	<b>-6.0%</b>	<b>-5.4%</b>
Functional Dispensable Products	3,405	749	354.6%	357.8%	-3.2%
<b>Specialty Chemicals Division</b>	<b>3,405</b>	<b>749</b>	<b>354.6%</b>	<b>357.8%</b>	<b>-3.2%</b>
Advanced Coatings	1,516	2,447	-38.0%	-38.0%	0.0%
<b>Advanced Packaging Division</b>	<b>1,516</b>	<b>2,447</b>	<b>-38.0%</b>	<b>-38.0%</b>	<b>0.0%</b>
<b>Total Net Sales</b>	<b>38,997</b>	<b>39,814</b>	<b>-2.1%</b>	<b>2.2%</b>	<b>-4.3%</b>

In relation to the third quarter of 2019, net consolidated revenues compare to a figure equal to €49 million (-20.4%). That difference was due for -2.9% to the negative exchange rate effect (-€1.4 million) and for -17.5% to an organic decrease (-€8.5 million). The organic decrease was mainly concentrated in the Medical Division (-24.3%), as well as in the Industrial SMAs segment (-55.7%), which respectively suffered of the effect of the pandemic and of the geopolitical tensions between USA and China.

Also the Specialty Chemicals Division recorded an organic decrease (-31.5%) due to a different timing in sales, as well the Advanced Packaging Division (-33.2%), penalized by the completion of the phase-out of metalized products, confirming the strategy of repositioning the offering on lacquered products with a higher added value.

Thousands of euro (except %)

Business	3Q 2020	3Q 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	3,357	3,505	-4.2%	-0.9%	-3.3%
Electronic Devices	5,222	3,610	44.7%	50.0%	-5.3%
Healthcare Diagnostics	874	1,023	-14.6%	-12.5%	-2.1%
Lamps	583	995	-41.4%	-39.4%	-2.0%
Thermal Insulated Devices	550	697	-21.1%	-17.9%	-3.2%
Sintered Components for Electronic Devices & Lasers	1,788	1,819	-1.7%	3.3%	-5.0%
SMA Industrial	2,248	5,186	-56.7%	-55.7%	-1.0%
<b>Metallurgy Division</b>	<b>14,622</b>	<b>16,835</b>	<b>-13.1%</b>	<b>-10.0%</b>	<b>-3.1%</b>
Solutions for Vacuum Systems	3,012	2,024	48.8%	52.4%	-3.6%
<b>Vacuum Technology Division</b>	<b>3,012</b>	<b>2,024</b>	<b>48.8%</b>	<b>52.4%</b>	<b>-3.6%</b>
Nitinol for Medical Devices	16,442	22,836	-28.0%	-24.3%	-3.7%
<b>Medical Division</b>	<b>16,442</b>	<b>22,836</b>	<b>-28.0%</b>	<b>-24.3%</b>	<b>-3.7%</b>
Functional Dispensable Products	3,405	5,000	-31.9%	-31.5%	-0.4%
<b>Specialty Chemicals Division</b>	<b>3,405</b>	<b>5,000</b>	<b>-31.9%</b>	<b>-31.5%</b>	<b>-0.4%</b>
Advanced Coatings	1,516	2,269	-33.2%	-33.2%	0.0%
<b>Advanced Packaging Division</b>	<b>1,516</b>	<b>2,269</b>	<b>-33.2%</b>	<b>-33.2%</b>	<b>0.0%</b>
<b>Total Net Sales</b>	<b>38,997</b>	<b>48,964</b>	<b>-20.4%</b>	<b>-17.5%</b>	<b>-2.9%</b>

Including also the revenues of the joint ventures<sup>1</sup>, the **total revenues of the Group** were equal to €41 million in the third quarter of 2020, substantially in line with the second quarter of 2020 (€42 million). The comparison with the third quarter of 2019 shows a decrease in total revenues equal to -21.4% (€41 million compared to €52.2 million in the third quarter of 2019), mainly due to the decrease in consolidated revenues (-20.4%) and to the decrease in the revenues of Actuator Solutions (-49.2%), despite higher sales of the joint venture SAES RIAL Vacuum S.r.l. (+45.7%).

Thousands of euro

	3Q 2020	2Q 2020	Difference
<b>Consolidated sales</b>	<b>38,997</b>	<b>39,814</b>	<b>(817)</b>
50% sales of the joint venture Actuator Solutions	1,460	1,701	(241)
49% sales of the joint venture SAES RIAL Vacuum S.r.l.	797	692	105
46.73% sales of the joint venture Flexterra	1	9	(8)
Intercompany eliminations	(195)	(166)	(29)
Other adjustments	(10)	(21)	11
<b>Total revenues of the Group</b>	<b>41,050</b>	<b>42,029</b>	<b>(979)</b>

Thousands of euro

	3Q 2020	3Q 2019	Difference
<b>Consolidated sales</b>	<b>38,997</b>	<b>48,964</b>	<b>(9,967)</b>
50% sales of the joint venture Actuator Solutions	1,460	2,876	(1,416)
49% sales of the joint venture SAES RIAL Vacuum S.r.l.	797	547	250
46.73% sales of the joint venture Flexterra	1	1	0
Intercompany eliminations	(195)	(144)	(51)
Other adjustments	(10)	(16)	6
<b>Total revenues of the Group</b>	<b>41,050</b>	<b>52,228</b>	<b>(11,178)</b>

**Consolidated gross profit**<sup>2</sup> amounted to €16 million in the third quarter of 2020, compared to €22.7 million in the corresponding period of 2019. The sharp decline (-29.6%) was mainly due to lower sales, especially in the Medical Division and in the SMA Industrial sector. The decrease in the **gross margin**<sup>3</sup>, down from 46.4% in the third quarter of 2019 to 41% in the current quarter, was also attributable to the lower revenues in those businesses and to the consequent lower economies of scale.

<sup>1</sup> Actuator Solutions (50%), SAES RIAL Vacuum S.r.l. (49%) and Flexterra (46.73%).

<sup>2</sup> Calculated as the difference between net revenues and industrial costs directly and indirectly attributable to the products sold.

<sup>3</sup> Calculated as the ratio between gross profit and consolidated net revenues

Compared to the second quarter of 2020, consolidated gross profit decreased by 10.5% (from €17.9 million to €16 million), while the gross margin decreased from 44.9% to 41%, due to the already mentioned decrease in sales in the medical business, to which it has to be added the dilutive effect of the higher sales of advanced getters for consumer electronics applications (Specialty Chemicals Division), characterized by a lower margin than the average one of the Group.

**Consolidated operating profit** amounted to €2.9 million in the quarter, down both compared to €9.5 million in the corresponding period of the previous year and to €4.3 million in the second quarter of 2020. In both cases, the decrease was a consequence of the contraction in gross profit, against substantially unchanged operating expenses.

**Consolidated EBITDA<sup>4</sup>** amounted to €5.7 million (14.7% of consolidated revenues) in the third quarter of 2020, compared to €11.9 million (24.4% of revenues) in the third quarter of 2019 and to €7.1 million (17.8% of revenues) in the second quarter of 2020: also in the case of EBITDA, the reduction was mainly attributable to the aforementioned decrease in gross profit.

Thousands of euro

	3Q 2020	3Q 2019
<b>Operating income (loss)</b>	<b>2,872</b>	<b>9,478</b>
Depreciation & amortization	2,776	2,449
Write-down of assets	56	0
Bad debt provision accrual (release)	41	1
<b>EBITDA</b>	<b>5,745</b>	<b>11,928</b>
<b>% on sales</b>	<b>14.7%</b>	<b>24.4%</b>

Thousands of euro

	3Q 2020	2Q 2020
<b>Operating income (loss)</b>	<b>2,872</b>	<b>4,302</b>
Depreciation & amortization	2,776	2,652
Write-down of assets	56	115
Bad debt provision accrual (release)	41	20
<b>EBITDA</b>	<b>5,745</b>	<b>7,089</b>
<b>% on sales</b>	<b>14.7%</b>	<b>17.8%</b>

**Consolidated net income** amounted to €2.7 million (6.9% of consolidated revenues) in the third quarter of 2020 and this figure included revenues on securities in portfolio totaling €2.1 million (income from evaluation at fair value equal to €1.5 million, as well as coupon income of €0.6 million). In the third quarter of 2019, net income was equal to €8.7 million (17.8% of revenues), while in the second quarter of 2020 it was equal to €5.5 million (13.8% of revenues).

**Consolidated net financial position** as at September 30, 2020 was positive and equal to €94 million, slightly down compared to €95.6 as at June 30, 2020: the slight decrease, despite the partial recovery of the fair value of securities (+€1.5 million) and the cash flows from operations (+€2.1 million), was mainly a consequence of the recognition of notional financial debts (-€2.5 million) for new leasing contracts (in particular, the lease of the new Milan offices), as well as the capex (-€2.2 million) and the negative exchange rate effect (about -€0.9 million). Please also note coupon collections equal to +€0.6 million and the outlay related to the investment in the *EUREKA!* venture capital Fund equal to -€0.3 million.

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

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

The Board of Directors of SAES Getters S.p.A. today has approved the amendments to the articles 14 and 22 of the Company's By-Laws to integrate the changes introduced by articles 147-ter, comma 1-ter and 148, comma 1-bis of the Legislative Decree no. 58/1998, referring to the gender quotas.

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### **Relevant events occurred in the third quarter of 2020**

On June 22, 2020, a seven-year **rental agreement** was signed by the Parent Company, with effect from July 1, 2020, renewable for other seven years under the same conditions, to rent a **real estate for office use in Milan**, in Piazza Castello 13, intended for the Corporate and Management activities. The annual rent when fully operational was set at €350 thousand, reduced in the first two years of the rental, to facilitate the initial phase.

On July 12, 2020, the **revocation of the liquidation status of the company E.T.C. S.r.l.**, approved by the Shareholders' Meeting of April 15, 2020, took effect. In addition, on that date the company name of E.T.C. S.r.l. has been changed into **SAES Innovative Packaging S.r.l.** and the **corporate purpose** of the company **has been modified**, allowing the direct or indirect assumption of interests or shareholdings in the field of packaging and the scouting of new technologies in the same sector.

With reference to the **investment in the EUREKA! venture capital Fund**, on July 14, 2020 an amount equal to €118 thousand was paid as subscription fees, set-up costs and management fees for the period July 1 - September 30, 2020. The first investment, with the relative call-up of funds for approximately €164 thousand by SAES, was finalized on September 16, 2020.

On July 16, 2020 SAES Getters International Luxembourg S.A. signed a **\$3 million convertible loan in favor of the Flexterra, Inc. joint venture**, to be repaid in cash at the end of a predetermined period of one year (maturity date) or before that date, upon the occurrence of certain relevant events, including the liquidation of Flexterra and the change of control. The loan will accrue an annual interest of 8%. The repayment, in addition to cash, may take place in the form of equity should Flexterra make use of a qualified capital increase of at least \$6 million before the maturity date. In that case, SAES Getters International Luxembourg S.A. will obtain a number of new shares equal to the quotient obtained by dividing the balance of the loan at the conversion date for a value equal to 80% of the price per share paid by the other shareholders at the time of the qualified capital increase.

On August 10, 2020, the relative majority shareholder **S.G.G. Holding S.p.A.** acquired no. 35,000 ordinary shares of SAES Getters S.p.A. in the market. Following this purchase, S.G.G. Holding S.p.A. holds 34.44% of the total ordinary shares, against 45.01% of the voting rights.

On September 3, 2020, during the **CIBUS FORUM exhibition at Fiere di Parma**, **SAES Coated Films S.p.A.** and **Novamont S.p.A.**, a leading company in the production of bio-plastics, presented a new project in partnership for the traceability of compostable products, aimed at solving the problem of transferring unsuitable materials to composting plants. In particular, the project focuses on the development of special markers that, inserted into the Novamont's Mater-Bi polymer, will release an optical signal that will allow the identification of suitable materials for composting and the scrap of non-compostable ones. Industrial plants will thus be able to benefit from a higher process efficiency, as well as guarantee a higher purity of the compost.

The **liquidation process** of the companies **Actuator Solutions Taiwan Co., Ltd.** and **Actuator Solutions (Shenzhen) Co., Ltd.**, wholly owned by Actuator Solutions GmbH and in liquidation since the end of 2019, **was completed** in September 2020.

### **Metallurgy Division**

**Consolidated revenues** of the Metallurgy Division were equal to €14.6 million in the third quarter of 2020, compared to €16.8 million in the corresponding quarter of 2019 (-13.1%). The trend of the euro against the main foreign currencies resulted in a negative exchange rate effect equal to -3.1%, net of which sales decreased organically by 10%.

An organic growth was recorded only in the following businesses:

- the electronic devices sector (**Electronic Device Business**, +50%), driven by infrared applications in thermal sensors for temperature measurements and thermography, also favored by the recent Covid-19 crisis;
- the **Sintered Components for Electronic Devices & Lasers Business** (+3.3%), thanks to higher sales in the thermal dissipation sector for semiconductor lasers, that offset a decrease in the electron-emitting products segment, penalized by the Covid-19 pandemic and by production capacity issues, which limited shipments.

All the other sectors recorded an organic decrease:

- the sector of shape memory alloys for industrial applications (SMA Industrial Business, -55.7%), was penalized by the Covid-19 effect on the automotive sector and by the combined effect of Covid-19 and of the international tensions in the consumer electronics sector;
- the security and defense sector (Security & Defense Business, -0.9%), was substantially stable, thanks to the sales of getter components for infrared sensors and night vision systems for defense applications;
- the medical diagnostics business (Healthcare Diagnostics Business, -12.5%), was down for the slowdown in demand for porous getters for diagnostic imaging systems, because of the production of stock in the first six months of the year;
- the thermal insulation sector (Thermal Insulated Devices Business, -17.9%) and the lamp business (Lamps Business, -39.4%) continued to decrease, the former due to the slowdown in the demand for vacuum bottles and insulated pipes for oil applications due to Covid-19; the latter because of the structural crisis in the market for fluorescent and discharge intensity lamps.

The table below shows the revenues in the third quarter of 2020 related to the various business areas, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2019.

Thousands of euro (except %)

Business	3Q 2020	3Q 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	3,357	3,505	-4.2%	-0.9%	-3.3%
Electronic Devices	5,222	3,610	44.7%	50.0%	-5.3%
Healthcare Diagnostics	874	1,023	-14.6%	-12.5%	-2.1%
Lamps	583	995	-41.4%	-39.4%	-2.0%
Thermal Insulated Devices	550	697	-21.1%	-17.9%	-3.2%
Sintered Components for Electronic Devices & Lasers	1,788	1,819	-1.7%	3.3%	-5.0%
SMA Industrial	2,248	5,186	-56.7%	-55.7%	-1.0%
<b>Metallurgy Division</b>	<b>14,622</b>	<b>16,835</b>	<b>-13.1%</b>	<b>-10.0%</b>	<b>-3.1%</b>

**Gross profit** of the Metallurgy Division was equal to €6.9 million, compared to €9.2 million in the third quarter of 2019. The **gross margin** decreased from 54.8% to 47.2%. The decrease in both absolute value and percentage terms of revenues was almost entirely attributable to the industrial SMA sector, heavily penalized by the Covid-19 effect, as well as by the aforementioned international tensions.

**Operating income** of the Metallurgy Division amounted to €4.3 million, down by -35.1% compared to €6.6 million in the third quarter of 2019, due to the reduction in both revenues and gross profit, against unchanged operating expenses. The **operating margin** was also down, from 39.2% to 29.3%.

### Vacuum Technology Division

**Consolidated revenues** of the Vacuum Technology Division amounted to €3 million in the third quarter of 2020, up by 48.8% compared to €2 million in the corresponding quarter of 2019. The exchange rate effect was negative and equal at -3.6%, net of which sales organically increased by 52.4%: the third quarter benefited from higher sales in the particle accelerators and electronic microscopes sectors, as well as from the recovery in sales of pumps to research laboratories, mainly in China.

The table below shows the revenues in the third quarter of 2020, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2019.

Thousands of euro (except %)

Business	3Q 2020	3Q 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Solutions for Vacuum Systems	3,012	2,024	48.8%	52.4%	-3.6%
<b>Vacuum Technology Division</b>	<b>3,012</b>	<b>2,024</b>	<b>48.8%</b>	<b>52.4%</b>	<b>-3.6%</b>

**Gross profit** of the Vacuum Technology Division amounted to €1.9 million in the third quarter of 2020, showing a strong growth (+40.6%) compared to €1.3 million in the corresponding period of 2019. Instead the **gross margin** was slightly down (from 65.6% to 62%), due to a different product mix.

**Operating income** of the Vacuum Technology Division was equal to €1 million, doubled compared to €0.5 million in the third quarter of 2019, as a result of the increase in revenues. The **operating margin** increased from 24.5% to 34.3%.

### **Medical Division**

**Consolidated revenues** of the Medical Division amounted to €16.4 million in the third quarter of 2020, down by 28% compared to €22.8 million in the corresponding period of 2019. The exchange rate effect was negative and equal to -3.7%, net of which the organic variation was equal to -24.3%, mainly as a consequence of the strong reduction in the demand for medical devices following the suspension of elective surgeries by hospitals in order to focus resources on Covid-19 cases.

The table below shows the revenues in the third quarter of 2020, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2019.

Thousands of euro (except %)

<b>Business</b>	<b>3Q 2020</b>	<b>3Q 2019</b>	<b>Total difference (%)</b>	<b>Organic change (%)</b>	<b>Exchange rate effect (%)</b>
Nitinol for Medical Devices	16,442	22,836	-28.0%	-24.3%	-3.7%
<b>Medical Division</b>	<b>16,442</b>	<b>22,836</b>	<b>-28.0%</b>	<b>-24.3%</b>	<b>-3.7%</b>

**Gross profit** of the Medical Division was equal to €6.1 million, down by 38.8% compared to €10 million in the third quarter of 2019, mainly due to the effect of the Covid-19 pandemic on revenues and to the costs related to the construction of a new tube production department in Bethel. Again, for the aforementioned reasons, the **gross margin** decreased from 43.7% to 37.1%

The third quarter of 2020 ended with an **operating income** equal to €4.2 million, compared to €7.4 million in the corresponding period of the previous year: despite the favorable effect of exchange rates on operating expenses in dollars, both the operating income and the **operating margin** (from 32.4% to 25.4%) decreased, as a consequence of the decrease in gross profit.

### **Specialty Chemicals Division**

**Consolidated revenues** of the Specialty Chemicals Division were equal to €3.4 million in the third quarter of 2020, compared to €5 million in the corresponding period of 2019. The exchange rate effect was negligible (-0.4%). The organic decrease, equal to -31.5%, was due to the different timing of orders in the segment of advanced components for the consumer electronics market. However, the latter recorded a significant recovery compared to the second quarter of 2020, with nine-month sales substantially in line with those of the previous year. In the sector of dispensable products for passive matrix OLED applications, the consolidation trend was confirmed, with regular orders of dispensable dryers in China and Taiwan.

The table below shows the revenues in the third quarter of 2020, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2019.

Thousands of euro (except %)

<b>Business</b>	<b>3Q 2020</b>	<b>3Q 2019</b>	<b>Total difference (%)</b>	<b>Organic change (%)</b>	<b>Exchange rate effect (%)</b>
Functional Dispensable Products	3,405	5,000	-31.9%	-31.5%	-0.4%
<b>Specialty Chemicals Division</b>	<b>3,405</b>	<b>5,000</b>	<b>-31.9%</b>	<b>-31.5%</b>	<b>-0.4%</b>

**Gross profit** of the Specialty Chemicals Division was equal to €1 million in the third quarter of 2020, compared to €2 million in the corresponding period of 2019, following the decrease in revenues. The **gross margin** decreased from 41% to 30.5%, penalized by the increased commercial pressure, as well as by the already mentioned decrease in revenues.

**Operating income** of the Specialty Chemicals Division amounted to €0.6 million compared to €1.5 million in the third quarter of 2019, while the **operating margin** decreased from 29.9% to 17.4%: the decrease in gross profit was also reflected in the operating indicators, only partially offset by a slight reduction in general and administrative expenses.

**Advanced Packaging Division**

**Consolidated revenues** of the Advanced Packaging Division in the third quarter of 2020 amounted to €1.5 million, compared to €2.3 million in the corresponding period of 2019. The two figures are not comparable, since the offer of the third quarter of this year no longer included traditional metallized products, whose production was suspended at the end of June. In fact, sales in the third quarter of 2020 are completely attributable to innovative lacquered products, intended for recyclable and compostable applications, for which a significant double-digit growth was recorded compared to the third quarter of 2019.

The table below shows the revenues in the third quarter of 2020, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2019.

Thousands of euro (except %)

Business	3Q 2020	3Q 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Advanced Coatings	1,516	2,269	-33.2%	-33.2%	0.0%
<b>Advanced Packaging Division</b>	<b>1,516</b>	<b>2,269</b>	<b>-33.2%</b>	<b>-33.2%</b>	<b>0.0%</b>

**Gross profit** of the Advanced Packaging Division was equal to €84 thousand (5.5% of revenues), compared to €133 thousand (5.9% of revenues) in the corresponding period of 2019. Despite the decrease in sales, the **gross margin** was substantially unchanged, thanks to the replacement of metallized products with lacquered ones, characterized by a higher industrial added value.

The third quarter of 2020 ended with an **operating loss** of -€0.6 million, more limited compared to -€0.7 million euro in the corresponding quarter of the previous year as a result of the reduction in operating expenses, in particular selling expenses, which reflected the trend in revenues.

**Not Allocated Costs**

It includes costs related to basic research processes, aimed at the diversification into innovative businesses, as well as corporate costs (costs that cannot be directly attributed or reasonably allocated to any business sector, but that refer to the Group as a whole).

**Operating costs** amounted to €6.6 million in the third quarter of 2020, compared to €5.7 million in the corresponding period of the previous year. The increase was mainly attributable to the extraordinary expenses<sup>5</sup> that the Group had to incur for the Covid-19 pandemic (about €0.2 million) and consultancy costs, especially in the IT area for the implementation of new information systems.

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**Consolidated operating expenses** were equal €13 million (33.5% of revenues) in the third quarter of 2020, compared to €13.2 million (27% of revenues) in the corresponding period of 2019: the decrease in selling expenses (lower travel expenses and lower marketing costs as a result of the Covid-19 pandemic, as well as a reduction in commissions to third parties and transport costs, due to lower revenues) was offset by higher general and administrative expenses (higher consultancy costs in the IT area, as well as extraordinary expenses for the management of the Covid-19 emergency<sup>6</sup>).

The net balance of the **other income (expenses)** was negative and equal to -€74 thousand and it didn't show any significant change compared to the negative balance equal to -€46 thousand in the corresponding quarter of 2019.

The net balance of **financial income and expenses** was positive and equal to €1.6 million, compared to a positive balance of €2.4 million in the corresponding period of 2019. The decrease was mainly attributable to the lower income deriving from the fair value evaluation of the securities in portfolio (total income of €1.5 million in the third quarter of 2020 and €2.3 million in the corresponding period of 2019).

<sup>5</sup> In particular, costs of sanitation and adaptation of accesses and spaces in order to guarantee the safety of workers, as well as health costs for prevention and consultancy and training costs linked to the pandemic.

<sup>6</sup> Extraordinary expenses of approximately €0.2 million in the third quarter of 2020.



The item included coupon income (€0.5 million in both periods, net of management fees) as well as interest expense on short and long-term loans and bank commissions on the credit lines held by the Italian companies of the Group (€0.5 million in the third quarter of 2020, compared to €0.4 million in the corresponding period of 2019).

In the current quarter, the result deriving from the **evaluation with the equity method** of the joint ventures was overall negative and equal to -€0.6 million (attributable both to the joint venture Flexterra for -€0.4 million and to the joint venture SAES RIAL Vacuum S.r.l. for +€0.1 million and also including the release to the income statement, equal to -€0.3 million, of the conversion reserve following the liquidation of the Asian subsidiaries of Actuator Solutions GmbH). This figure compares with a negative result equal to -€0.3 million in the corresponding quarter of 2019 (attributable both to the joint venture Flexterra for -€0.5 million and to the joint venture SAES RIAL Vacuum S.r.l. for +€0.2 million).

The sum of the **exchange rate differences** recorded a negative balance amounting to -€0.2 million in the third quarter of 2020, compared to a positive balance equal to +€0.1 million in the corresponding period of 2019. Both results were mainly attributable to the effect of the fluctuations of the dollar against the euro on commercial transactions, also intra-group ones.

**Consolidated income before taxes** amounted to €3.7 million in the third quarter of 2020, strongly decreased compared to €11.7 million in the third quarter of 2019, mainly due to the decrease in gross profit and to the lower income from financial management activities.

**Income taxes** amounted to €1 million in the quarter, compared to €2.9 million in the corresponding period of the 2019, in line with the decrease in the operating results.

**Consolidated net income** was equal to €2.7 million (6.9% of consolidated revenues) in the third quarter of 2020, compared to a net income of €8.7 million (17.8% of consolidated revenues) in the third quarter of 2019.

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### **January - September 2020**

**Consolidated revenues** amounted to €128.1 million in the first nine months of 2020, down by 6.8% compared to €137.5 million in the corresponding period of 2019. The **exchange rate effect** was slightly negative (-0.1%); the **organic decrease** was equal to -6.7%.

The decrease was mainly concentrated in the Medical Division, penalized by the postponement of elective surgeries due to Covid-19 and in the industrial SMA sector (within the Metallurgy Division), which suffered a negative impact due to the pandemic, in addition to the effect of the geopolitical tensions between USA and China. These significant reductions were only partially offset by increases, even significant ones, recorded in the security and defense sector (getters for infrared sensors and night vision systems) and in the electronic devices sector (getters for thermal sensors for measuring temperature and thermography, whose sales were favored by the Covid-19 crisis). Also the Vacuum Technology Division ended the first nine months with a revenue increase, driven by higher sales in the particle accelerator and analytical instrumentation sectors.

The table below shows the revenues in the first nine months of 2020 related to the various business areas, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2019.

Thousands of euro (except %)

Business	9M 2020	9M 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	12,881	9,870	30.5%	30.9%	-0.4%
Electronic Devices	12,924	11,117	16.3%	16.9%	-0.6%
Healthcare Diagnostics	3,626	3,473	4.4%	4.4%	0.0%
Lamps	2,529	3,269	-22.6%	-22.5%	-0.1%
Thermal Insulated Devices	2,224	2,530	-12.1%	-12.4%	0.3%
Sintered Components for Electronic Devices & Lasers	5,521	6,361	-13.2%	-13.1%	-0.1%
SMA Industrial	8,456	13,432	-37.0%	-36.9%	-0.1%
<b>Metallurgy Division</b>	<b>48,161</b>	<b>50,052</b>	<b>-3.8%</b>	<b>-3.6%</b>	<b>-0.2%</b>
Solutions for Vacuum Systems	8,371	7,546	10.9%	10.9%	0.0%
<b>Vacuum Technology Division</b>	<b>8,371</b>	<b>7,546</b>	<b>10.9%</b>	<b>10.9%</b>	<b>0.0%</b>
Nitinol for Medical Devices	56,587	64,108	-11.7%	-11.6%	-0.1%
<b>Medical Division</b>	<b>56,587</b>	<b>64,108</b>	<b>-11.7%</b>	<b>-11.6%</b>	<b>-0.1%</b>
Functional Dispensable Products	8,429	8,461	-0.4%	-0.4%	0.0%
<b>Specialty Chemicals Division</b>	<b>8,429</b>	<b>8,461</b>	<b>-0.4%</b>	<b>-0.4%</b>	<b>0.0%</b>
Advanced Coatings	6,548	7,284	-10.1%	-10.1%	0.0%
<b>Advanced Packaging Division</b>	<b>6,548</b>	<b>7,284</b>	<b>-10.1%</b>	<b>-10.1%</b>	<b>0.0%</b>
<b>Total Net Sales</b>	<b>128,096</b>	<b>137,451</b>	<b>-6.8%</b>	<b>-6.7%</b>	<b>-0.1%</b>

**Total revenues of the Group** were equal to €134.6 million in the first nine months of 2020, compared to €146.5 million in the first nine months of 2019, down by 8.1% mainly due to the reduction in consolidated revenues (-6.8%) and to the decrease in the turnover of Actuator Solutions (-35.4%), despite the higher sales of the joint venture SAES RIAL Vacuum S.r.l. (+48%).

Thousands of euro

	9M 2020	9M 2019	Difference
<b>Consolidated sales</b>	<b>128,096</b>	<b>137,451</b>	<b>(9,355)</b>
50% sales of the joint venture Actuator Solutions	5,400	8,364	(2,964)
49% sales of the joint venture SAES RIAL Vacuum S.r.l.	1,665	1,125	540
46.73% sales of the joint venture Flexterra	24	7	17
Intercompany eliminations	(613)	(424)	(189)
Other adjustments	0	(50)	50
<b>Total revenues of the Group</b>	<b>134,572</b>	<b>146,473</b>	<b>(11,901)</b>

**Consolidated gross profit** amounted to €54.2 million in the first nine months of 2020, compared to €60.5 million in the corresponding months of 2019. The decrease (-10.4%) was due to the aforementioned lower sales, mainly in the Medical Division and in the SMA sector for industrial applications (within the Metallurgy Division). For the same reasons, also the **gross margin** decreased from 44% to 42.3%; in addition, please note a decrease in the gross margin of the Specialty Chemicals Division, penalized by the increased commercial pressure in the consumer electronics business.

**Consolidated operating income** amounted to €14 million (10.9% of consolidated revenues) in the first nine months of 2020, down when compared to €22.9 million (16.7% of consolidated revenues) in the corresponding period of the previous year. Excluding the non-recurring transactions recognized under the item “Other income (expenses), net”, respectively as income in 2019 (capital gain from related party equal to +€2.3 million for the sale of OLET patents owned by E.T.C. S.r.l. in liquidation to the joint venture Flexterra, Inc.) and as expenses in the current period (donations to research institutions and hospitals to face the Covid-19 crisis, equal to approximately -€0.7 million), the reduction in consolidated operating profit would have been equal to €5.9 million (-28.7%): the decrease in gross profit was offset by the reduction in **consolidated operating expenses** (€39.4 million in the first nine months of 2020, compared to €40 million in the corresponding period of 2019).

In particular, operating expenses decreased by -€0.6 million: the decrease was mainly concentrated in **selling expenses** (-12.4%, due to lower travel expenses and lower marketing costs as a result of the Covid-19 pandemic, as well as a reduction in commissions to third parties due to lower sales of SMA educated wires). There was also a slight organic decrease (-5.7%) in **research and development expenses**, due to lower consultancy and lower patent management costs. On the other hand, **general and administrative expenses** increased (+4.7%) due to extraordinary costs, equal to approximately €0.5 million, incurred for the management of the Covid-19 emergency (in particular, sanitation costs and adaptation of accesses and spaces in order to guarantee the safety of workers, as well as health prevention costs and consultancy and training costs). Excluding the latter, general and administrative expenses would have increased only by €0.5 million (higher consultancy costs, both for special projects and for the development of information systems, only

partially offset by lower severance<sup>7</sup> and by the reduction of travel expenses and savings related to the reduced physical presence of staff, thanks to the use of smart working).

**Consolidated EBITDA** amounted to €22.2 million in the first nine months of 2020 (17.3% of revenues), compared to €29.9 million in the corresponding period of 2019 (21.7% of revenues): the reduction was attributable to both the aforementioned non-recurring revenue items in 2019 (capital gain from related party equal to +€2.3 million for the sale of the OLET patents owned by E.T.C. S.r.l. in liquidation to the joint venture Flexterra, Inc.) and non-recurring expenses recorded in the current period (donations to research institutions and hospitals to face the Covid-19 crisis, equal to about -€0.7 million), as well as to the decrease in gross profit.

Thousands of euro

	9M 2020	9M 2019
<b>Operating income (loss)</b>	<b>14,015</b>	<b>22,890</b>
Depreciation & amortization	7,972	7,013
Write-down of assets	171	1
Bad debt provision accrual (release)	60	(24)
<b>EBITDA</b>	<b>22,218</b>	<b>29,880</b>
<b>% on sales</b>	<b>17.3%</b>	<b>21.7%</b>

The net balance of the **other income (expenses)** was negative and equal to -€0.8 million, compared to a positive balance equal to +€2.3 million in the first nine months of 2019. The negative change (-€3.1 million) was due to the expenses, equal to approximately -€0.7 million, for the Covid-19 donations, as well as to the extraordinary income recognized in 2019 (income from a related party, equal to +€2.3 million, for the sale of the OLET patents owned by E.T.C. S.r.l. in liquidation to Flexterra, Inc. and other extraordinary revenues, equal to approximately +€0.2 million, for insurance reimbursements and for the favorable closing of some legal disputes).

The net balance of **financial income and expenses** was negative and equal to -€4.9 million, compared to a positive balance of +€5.3 million in the corresponding period of 2019. The negative change (-€10.2 million) was mainly due to the reduction of the fair value of the securities portfolio due to the Covid-19 financial crisis (in the first nine months of 2019 the value of the securities had increased by +€4.7 million, while in the current period the fair value decreased by -€4.9 million).

In addition, please note the higher interest rates on short and long-term<sup>8</sup> loans and higher bank commissions (in total -€0.8 million), only partially offset by higher coupon income (+€0.3 million).

The loss deriving from the **evaluation with the equity method** of the joint ventures was overall equal to -€1.5 million (attributable to both the joint venture Flexterra for -€1.3 million and to the joint venture SAES RIAL Vacuum S.r.l. for +€0.1 million, as well as including the release into the income statement, equal to -€0.3 million, of the conversion reserve following the liquidation of the Asian subsidiaries of Actuator Solutions GmbH). This amount compares with a cost equal to -€1.4 million in the corresponding period of the previous year (attributable both to the joint venture Flexterra for -€1.6 million and to the joint venture SAES RIAL Vacuum S.r.l. for +€0, 2 million).

The sum of the **exchange rate differences** recorded a negative balance of -€0.2 million in the first nine months of 2020, compared to a substantially nil balance in the corresponding period of 2019 (+€56 thousand). Both balances, of an immaterial amount, were mainly attributable to the effect of the fluctuations of the dollar against the euro on commercial transactions, including intra-group ones.

**Consolidated income before taxes** amounted to €7.4 million in the first nine months of 2020, compared to €26.9 million in the corresponding period of 2019: the decrease was attributable both to the reduction in revenues and margins and to the aforementioned non-recurring items, that caused the decrease in the operating income, as well as the aforementioned reduction in the value of the securities portfolio.

**Income taxes** amounted to €4.3 million, compared with €9.1 million in the previous period, and mainly consisted of taxes of the US companies. The decrease compared to the previous year was mainly attributable to the reduction in US taxes due to lower taxable income and to the lower taxes of the subsidiary SAES Investments S.A., which ended the period with a tax loss due to the losses on securities caused by the Covid-19 crisis.

<sup>7</sup> €0.3 million in 2019, related to the conclusion of the process to reduce the staff of the Parent Company that began at the end of 2018 following the sale of the purification business.

<sup>8</sup> Higher interest expenses related to the loan signed in April 2019 to cover the disbursement for the purchase of treasury shares.

The Group's **tax rate** was equal to 57.8% (compared to 34% in the corresponding period of the previous year), still significant, since both the Parent Company and SAES Coated Films S.p.A., similarly to the previous year, ended the current period with a negative taxable income, not valued as deferred tax assets.

**Net income from operating activities** was equal to €3.1 million (2.4% of consolidated revenues) in the first nine months of 2020, compared to €17.7 million (12.9% of consolidated revenues) in the corresponding period of 2019.

The result from discontinued operations was equal to zero in the first nine months of 2020. In the corresponding period of 2019, the **income from discontinued operations** was equal to €0.1 million, mainly consisting of the positive adjustment on the sale price of the gas purification business, following the definition of the effective 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, presented in April 2019.

**Consolidated net income** amounted to €3.1 million in the first nine months of 2020, compared to €17.9 million in the corresponding period of 2019.

In the first nine months of 2020 the **net income per ordinary share** was equal to €0.16586 while that per savings share was equal to €0.18249; in the first nine months of the previous year, net income amounted to €0.87319 per ordinary share and €0.88982 per savings share.

**Consolidated net financial position** as at September 30, 2020 was positive and equal to €94 million and compares with a net consolidated financial position as at 31 December 2019 equal to €115.3 million. The decrease (-€21.3 million) was attributable to the write-down of securities in the portfolio (-€4.9 million), to investments in tangible and intangible assets (-€9.2 million), as well as to the disbursement for dividends paid at the end of April 2020 (-€9.2 million) and to the notional financial payables for new leasing contracts entered into during the period (-€2.8 million). These negative items were only partially offset by the operating cash flow (+€4.3 million).

In addition, please note that investment activities included monetary income from securities (+€1.9 million), net of management fees paid in the period (-€0.2 million) and the investment in the EUREKA! venture capital Fund (-€0.3 million). Finally, exchange rates negatively contributed for an amount of -€0.9 million.

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### **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, is focused on the development, production and commercialization of actuators using shape memory alloys in place of the engine. Its Asian subsidiaries Actuator Solutions Taiwan Co., Ltd. and Actuator Solutions (Shenzhen) Co., Ltd. completed the liquidation process, which began at the end of fiscal year 2019, during the current quarter.

Actuator Solutions recorded net revenues equal to €10.8 million in the first nine months of 2020, down by 35.4% compared to €16.7 million in the first nine months of 2019: the automotive market, significantly penalized by the Covid-19 crisis in the first two quarters of 2020, showed signs of a slight recovery only in the current quarter. Finally, please note that the Covid-19 crisis also represented an opportunity for Actuator Solutions in the medical sector: thanks to a contract for the development, assembly and sale of devices for Covid-19 rapid diagnostic tests, revenues for a total value of approximately €1.5 million were recorded in the first nine months of 2020.

Net income of the first nine months of 2020 was positive and equal to +€0.4 million, compared to a loss of -€0.9 million in the corresponding period of 2019: despite the decrease in sales, the gross margin significantly improved, thanks both to the proceeds from engineering contracts signed with third parties, characterized by higher margins, and to the good margins of the medical business related to the Covid-19 pandemic; also operating expenses decreased following the closing-down of the business of the two Asian subsidiaries. Finally, please note, under the item "exchange rate differences", a negative amount of €150 thousand deriving from the release into the income statement of the translation reserve generated by the consolidation of the Asian subsidiaries, following their liquidation.

The loss at September 30, 2019 included extraordinary expenses of approximately €0.4 million (item "other income (expenses), net") related to a computer fraud suffered by the German parent company in the first part of the year.

Thousands of euro

Actuator Solutions	9M 2020	9M 2019
	100%	100%
Total net sales	10,800	16,728
Cost of sales	(7,981)	(13,689)
<b>Gross profit</b>	<b>2,819</b>	<b>3,039</b>
<i>% on sales</i>	26.1%	18.2%
Total operating expenses	(1,967)	(3,153)
Other income (expenses), net	174	(317)
<b>Operating income (loss)</b>	<b>1,026</b>	<b>(431)</b>
<i>% on sales</i>	9.5%	-2.6%
Interests and other financial income, net	(453)	(442)
Foreign exchange gains (losses), net	(164)	(23)
Income taxes	7	22
<b>Net income (loss)</b>	<b>416</b>	<b>(874)</b>

The share of the SAES Group in the result of this joint venture amounted to +€0.2 million in the first nine months of 2020 (-€0.4 million in the first nine months of 2019) but it was not recorded by the Group as the shareholders' equity of Actuator Solutions GmbH is still negative for about €2.7 million<sup>9</sup>, against a stake of SAES in the joint venture already fully reduced to zero.

Please also note that as at December 31, 2019 a provision for risks of €0.6 million had been accrued, equal to the pro-quota financial resources necessary to Actuator Solutions in the following twenty-four months to continue its operating activities. At September 30, 2020, the provision had been used for about half of that amount.

During the first nine months of 2020, the financial receivable related to the interest accrued in the period on interest-bearing loans granted to the joint venture by SAES Nitinol S.r.l. in previous years, equal to €0.4 million, was written down because it was deemed difficult to recover.

### 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.r.l. (51%). The company is specialized in the design and manufacturing of vacuum chambers for accelerators, synchrotrons and colliders and combines at the highest level the competences of SAES in the field of materials, vacuum applications and innovation, with the experience of Rodofil in the design, assembling and fine mechanical productions, with the aim of offering absolutely excellent quality products and of successfully competing in the international markets.

SAES RIAL Vacuum S.r.l. ended the first nine months of 2020 with sales equal to €3.4 million, up by 48.1% compared to €2.3 million in the corresponding period of 2019: after a first quarter of 2020 heavily penalized by the delay of some large research projects, also due to the Covid-19 pandemic, in the following quarters the turnover increased, returning to the initially expected progressive levels. Despite the increase in revenues, the decline in gross margin due to a different product mix caused a reduction in the net income, equal to €0.3 million in the first nine months of 2020, compared to €0.4 million as at September 30, 2019.

Thousands of euro

SAES RIAL Vacuum S.r.l.	9M 2020	9M 2019
	100%	100%
Total net sales	3,398	2,295
Cost of sales	(2,623)	(1,453)
<b>Gross profit</b>	<b>775</b>	<b>842</b>
<i>% on sales</i>	22.8%	36.7%
Total operating expenses	(391)	(325)
Other income (expenses), net	28	50
<b>Operating income (loss)</b>	<b>412</b>	<b>567</b>
<i>% on sales</i>	12.1%	24.7%
Interests and other financial income, net	(31)	(22)
Foreign exchange gains (losses), net	0	0
Income taxes	(91)	(152)
<b>Net income (loss)</b>	<b>290</b>	<b>393</b>

<sup>9</sup> Pro-quota amount at 50%.

The share of the SAES Group in the result of this joint venture was equal to +€0.1 million in the first nine months of 2020 (+€0.2 million in the first nine months of 2019).

### **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. Flexterra, Inc. fully controls Flexterra Taiwan Co., Ltd.

SAES currently holds 46.73% of the share capital of the joint venture Flexterra, Inc.

Already during 2019, the Flexterra project had made further progress, albeit with some delay compared to the original forecasts. In particular, the joint venture continued the development activities on its organic materials and received the qualification of its formulations by an important Taiwanese manufacturer of OTFTs (Organic Thin Film Transistors). The industrialization of the OTFTs, that required a longer time than that initially estimated, also due to the Covid-19 crisis, is at an advanced stage and the start of the production and sales activities is expected to begin at the end of the current year.

Flexterra, qualified as a joint venture, ended the first nine months of 2020 with a net loss equal to -€3 million, compared to -€3.4 million in the corresponding period of 2019 (mainly costs for personnel employed in research activities and in general and administrative activities, consultancy fees, costs related to the management of patents and amortization of intangible assets, including intellectual property).

Thousands of euro		
<b>Flexterra</b>	<b>9M 2020</b>	<b>9M 2019</b>
	<b>100%</b>	<b>100%</b>
Total net sales	51	15
Cost of sales	(27)	(3)
<b>Gross profit</b>	<b>24</b>	<b>12</b>
<i>% on sales</i>	<i>47.1%</i>	<i>80.0%</i>
Total operating expenses	(3,090)	(3,384)
Other income (expenses), net	2	0
<b>Operating income (loss)</b>	<b>(3,064)</b>	<b>(3,372)</b>
<i>% on sales</i>	<i>n.a.</i>	<i>n.a.</i>
Interests and other financial income, net	(58)	2
Foreign exchange gains (losses), net	137	(41)
Income taxes	30	32
<b>Net income (loss)</b>	<b>(2,955)</b>	<b>(3,379)</b>

The share of the SAES Group in the result of this joint venture amounted to -€1.4 million in the first nine months of 2020 (-€1.6 million as at September 30, 2019).

### **Reclassifications of the economic figures of 2019**

Starting from January 1, 2020, the Group is organized into the following technological areas of competence (or “Divisions”):

- Metallurgy Division (that coincides with the previous Industrial operating sector, excluding the Solutions for Vacuum Systems Business, the Functional Chemical Systems Business and the advanced getters for the electronic consumers market, the latter previously classified within the Electronic Devices Business);
- Vacuum Technology Division (coinciding with the Solutions for Vacuum Systems Business operating unit, included in the Industrial operating sector);
- Medical Division (unchanged);
- Specialty Chemicals Division (that means advanced getters for the electronic consumers market, classified within the Electronic Devices Business in the previous year, in addition to the Functional Chemical Systems sector and the Flexterra business, the latter previously not allocated);
- Advanced Packaging Division (unchanged).

The economic figures of 2019 have been reclassified according to the new operating structure, to allow a homogeneous comparison with 2020.

### **Significant events occurred after the end of the third quarter of 2020**

With reference to the **investment completed in the EUREKA! venture capital Fund**, on October 16, 2020, a further amount equal to €30 thousand was paid, including both the portion of commissions and management fees, and the share of an investment made by the fund in the printed electronics business.

On October 21, 2020, it was approved the **transfer of 10% of the share capital of SAES Getters International Luxembourg S.A.** from SAES Getters (Nanjing) Co., Ltd. to SAES Getters S.p.A. (already owner of 90% of the shares). The consideration related to the portion of the shares to be transferred was set at €4 million. The closing of the transaction, subject to the approval of the authorities of the People's Republic of China, is expected by December 31, 2020 and will not affect the Group's consolidated financial statements.

On October 27, 2020 SAES Getters S.p.A. signed a new **agreement with the trade union representatives** to define additional security measures in conjunction with the worsening of the Covid-19 pandemic. In particular, the agreement provides for the continuation of the smart working experimentation project started at the beginning of August and the extension of remote working to 35 employees for a total of 2/3 days a week. The aforementioned number of 35 employees is indicative and may be increased based on the evolution of the epidemiological situation. This agreement is valid until December 31, 2020, compatibly with the evolution of the pandemic.

Please note that the **fair value of the securities portfolio** the Group, consisting mainly of buy&hold assets, increased by approximately 0.2% to date compared to the value at September 30, 2020.

### **Business Outlook**

In the fourth quarter there was an initial recovery in the medical market.

Please note that these figures are taken from the Additional periodic financial information as at September 30, 2020, not subject to audit. This document will be available to the public both on the Company's website ([www.saesgetters.com/investor-relations/financial-reports](http://www.saesgetters.com/investor-relations/financial-reports)) and on the IInfo centralized storage system ([www.Iinfo.it](http://www.Iinfo.it)) within today.

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The Officer responsible for the preparation of corporate financial reports of SAES Getters S.p.A. certifies that, in accordance with the second subsection of article 154-bis, part IV, title III, second paragraph, section V-bis, of Legislative Decree February 24, 1998, no. 58, the financial information included in the present document corresponds to book of account and book-keeping entries.

*The Officer responsible for the preparation of corporate financial reports  
Giulio Canale*

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### **SAES Group**

*A pioneer in the development of getter technology, the SAES® Group is the world leader in a variety of scientific and industrial applications where stringent vacuum conditions are required. In 80 years of activity, the Group's getter solutions have been supporting technological 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, automotive and luxury 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 sustainable packaging and aims to compete with fully recyclable and compostable solutions.*

*A total production capacity distributed in ten facilities, a worldwide-based sale & service network and over 1,000 employees allow the Group 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 is available in the website [www.saesgetters.com](http://www.saesgetters.com).*

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**Legenda:**

<b>Metallurgy Division</b>	
Security & Defence	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 Insulated Devices	Products for thermal insulation
Lamps	Getters and metal dispensers used in discharge lamps and fluorescent lamps
Sintered Components for Electronic Devices and Lasers	Cathodes and materials for thermal dissipation in electronic tubes, lasers and solid-state devices
SMA Industrial	Shape memory alloys actuator devices for the industrial sector (domotics, white goods industry, consumer electronics, automotive and luxury sector)
<b>Vacuum Technology Division</b>	
Solutions for Vacuum Systems	Getter pumps for vacuum systems that find application in the industrial sector, in research and in particle accelerators
<b>Medical Division</b>	
Nitinol for Medical Devices	Nitinol raw material and components for the biomedical sector
<b>Specialty Chemicals Division</b>	
Functional Dispensable Products	Getter materials integrated in polymeric matrices for organic and hybrid electronics, photonics and implantable medical devices
<b>Advanced Packaging Division</b>	
Advanced Coatings	Lacquers and advanced plastic films for the sustainable packaging sector

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

Thousands of euro

<b>Geographic Area</b>	<b>3Q 2020</b>	<b>3Q 2019</b>
Italy	740	1,057
European countries	6,851	7,754
North America	22,151	25,579
Japan	1,443	1,428
South Korea	494	409
China	6,192	10,952
Rest of Asia	840	1,520
Rest of the World	286	265
<b>Total Net Sales</b>	<b>38,997</b>	<b>48,964</b>

**Consolidated statement of profit or loss**

Thousands of euro

	3Q 2020	3Q 2019	
<b>Total net sales</b>	<b>38,997</b>	<b>48,964</b>	
Cost of sales	(23,003)	(26,241)	
<b>Gross profit</b>	<b>15,994</b>	<b>22,723</b>	
	R&D expenses	(2,506)	(2,733)
	Selling expenses	(2,525)	(3,155)
	G&A expenses	(7,976)	(7,310)
	Write-down of trade receivables	(41)	(1)
Total operating expenses	(13,048)	(13,199)	
Other income (expenses), net	(74)	(46)	
<b>Operating income (loss)</b>	<b>2,872</b>	<b>9,478</b>	
Interest and other financial income, net	1,687	2,570	
Write-down of financial receivables and other financial assets	(121)	(121)	
Income (loss) from equity method evaluated companies	(576)	(343)	
Foreign exchange gains (losses), net	(203)	87	
<b>Income (loss) before taxes</b>	<b>3,659</b>	<b>11,671</b>	
Income taxes	(964)	(2,914)	
<b>Net income (loss) from continued operations</b>	<b>2,695</b>	<b>8,757</b>	
Income (loss) from discontinued operations	0	(34)	
<b>Net income (loss) before minority interest</b>	<b>2,695</b>	<b>8,723</b>	
Net income (loss) pertaining to minority interest	0	0	
<b>Net income (loss) pertaining to the Group</b>	<b>2,695</b>	<b>8,723</b>	

**Consolidated statement of other comprehensive income**

Thousands of euro

	3Q 2020	3Q 2019
<b>Net income (loss) for the period from continued operations</b>	<b>2,695</b>	<b>8,757</b>
Exchange differences on translation of foreign operations	(4,892)	4,545
Exchange differences on equity method evaluated companies	(324)	380
Total exchange differences	(5,216)	4,925
<b>Total components that will be reclassified to the profit (loss) in the future</b>	<b>(5,216)</b>	<b>4,925</b>
Reversal of currency conversion reserve after the liquidation of equity method evaluated companies	278	0
<b>Total components that have been reclassified to the profit (loss)</b>	<b>278</b>	<b>0</b>
<b>Other comprehensive income (loss), net of taxes - continued operations</b>	<b>(4,938)</b>	<b>4,925</b>
<b>Total comprehensive income (loss), net of taxes - continued operations</b>	<b>(2,243)</b>	<b>13,682</b>
<b>Net income (loss) for the period from discontinued operations</b>	<b>0</b>	<b>(34)</b>
<b>Total comprehensive income (loss), net of taxes - discontinued operations</b>	<b>0</b>	<b>(34)</b>
<b>Total comprehensive income (loss), net of taxes</b>	<b>(2,243)</b>	<b>13,648</b>
<i>attributable to:</i>		
- Equity holders of the Parent Company	(2,243)	13,648
- Minority interests	0	0

**Consolidated statement of profit or loss by Business Unit**

Thousands of euro

	Metallurgy Division		Vacuum Technology Division		Medical Division		Specialty Chemicals Division		Advanced Packaging Division		Not Allocated		TOTAL	
	3Q 2020	3Q 2019	3Q 2020	3Q 2019	3Q 2020	3Q 2019	3Q 2020	3Q 2019	3Q 2020	3Q 2019	3Q 2020	3Q 2019	3Q 2020	3Q 2019
<b>Total net sales</b>	14,622	16,835	3,012	2,024	16,442	22,836	3,405	5,000	1,516	2,269	0	0	38,997	48,964
Cost of sales	(7,722)	(7,606)	(1,146)	(697)	(10,336)	(12,851)	(2,365)	(2,951)	(1,432)	(2,136)	(2)	0	(23,003)	(26,241)
<b>Gross profit (loss)</b>	<b>6,900</b>	<b>9,229</b>	<b>1,866</b>	<b>1,327</b>	<b>6,106</b>	<b>9,985</b>	<b>1,040</b>	<b>2,049</b>	<b>84</b>	<b>133</b>	<b>(2)</b>	<b>0</b>	<b>15,994</b>	<b>22,723</b>
Operating expenses and other income (expenses)	(2,617)	(2,633)	(832)	(831)	(1,926)	(2,587)	(446)	(554)	(679)	(876)	(6,622)	(5,764)	(13,122)	(13,245)
<b>Operating income (loss)</b>	<b>4,283</b>	<b>6,596</b>	<b>1,034</b>	<b>496</b>	<b>4,180</b>	<b>7,398</b>	<b>594</b>	<b>1,495</b>	<b>(595)</b>	<b>(743)</b>	<b>(6,624)</b>	<b>(5,764)</b>	<b>2,872</b>	<b>9,478</b>

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

Thousands of euro

Geographic Area	9M 2020	9M 2019
Italy	2,748	2,740
European countries	24,175	25,202
North America	70,533	77,438
Japan	5,366	4,073
South Korea	1,370	1,010
China	19,043	22,237
Rest of Asia	3,727	3,602
Rest of the World	1,134	1,149
<b>Total Net Sales</b>	<b>128,096</b>	<b>137,451</b>

**Consolidated statement of profit or loss**

Thousands of euro

	9M 2020	9M 2019	
<b>Total net sales</b>	<b>128,096</b>	<b>137,451</b>	
Cost of sales	(73,879)	(76,908)	
<b>Gross profit</b>	<b>54,217</b>	<b>60,543</b>	
	R&D expenses	(7,789)	(8,257)
	Selling expenses	(8,181)	(9,432)
	G&A expenses	(23,344)	(22,286)
	Write-down of trade receivables	(60)	24
Total operating expenses	(39,374)	(39,951)	
Other income (expenses), net	(828)	2,298	
<b>Operating income (loss)</b>	<b>14,015</b>	<b>22,890</b>	
Interest and other financial income, net	(4,586)	5,586	
Write-down of financial receivables and other financial assets	(308)	(279)	
Income (loss) from equity method evaluated companies	(1,460)	(1,386)	
Foreign exchange gains (losses), net	(232)	56	
<b>Income (loss) before taxes</b>	<b>7,429</b>	<b>26,867</b>	
Income taxes	(4,296)	(9,146)	
<b>Net income (loss) from continued operations</b>	<b>3,133</b>	<b>17,721</b>	
Income (loss) from discontinued operations	0	142	
<b>Net income (loss) before minority interest</b>	<b>3,133</b>	<b>17,863</b>	
Net income (loss) pertaining to minority interest	0	0	
<b>Net income (loss) pertaining to the Group</b>	<b>3,133</b>	<b>17,863</b>	

**Consolidated statement of other comprehensive income**

Thousands of euro

	9M 2020	9M 2019
<b>Net income (loss) for the period from continued operations</b>	<b>3,133</b>	<b>17,721</b>
Exchange differences on translation of foreign operations	(4,687)	5,065
Exchange differences on equity method evaluated companies	(311)	459
Total exchange differences	(4,998)	5,524
<b>Total components that will be reclassified to the profit (loss) in the future</b>	<b>(4,998)</b>	<b>5,524</b>
Reversal of currency conversion reserve after the liquidation of equity method evaluated companies	278	0
<b>Total components that have been reclassified to the profit (loss)</b>	<b>278</b>	<b>0</b>
<b>Other comprehensive income (loss), net of taxes - continued operations</b>	<b>(4,720)</b>	<b>5,524</b>
<b>Total comprehensive income (loss), net of taxes - continued operations</b>	<b>(1,587)</b>	<b>23,245</b>
<b>Net income (loss) for the period from discontinued operations</b>	<b>0</b>	<b>142</b>
<b>Total comprehensive income (loss), net of taxes -discontinued operations</b>	<b>0</b>	<b>142</b>
<b>Total comprehensive income (loss), net of taxes</b>	<b>(1,587)</b>	<b>23,387</b>
<i>attributable to:</i>		
- Equity holders of the Parent Company	(1,587)	23,387
- Minority interests	0	0

## Consolidated statement of profit or loss by Business Unit

Thousands of euro

	Metallurgy Division		Vacuum Technology Division		Medical Division		Specialty Chemicals Division		Advanced Packaging Division		Not Allocated		TOTAL	
	9M 2020	9M 2019	9M 2020	9M 2019	9M 2020	9M 2019	9M 2020	9M 2019	9M 2020	9M 2019	9M 2020	9M 2019	9M 2020	9M 2019
Total net sales	48,161	50,052	8,371	7,546	56,587	64,108	8,429	8,461	6,548	7,284	0	0	128,096	137,451
Cost of sales	(24,176)	(23,617)	(3,220)	(3,366)	(34,630)	(37,581)	(5,993)	(5,653)	(5,855)	(6,691)	(5)	0	(73,879)	(76,908)
Gross profit (loss)	23,985	26,435	5,151	4,180	21,957	26,527	2,436	2,808	693	593	(5)	0	54,217	60,543
Operating expenses and other income (expenses)	(8,481)	(8,167)	(2,700)	(2,726)	(6,219)	(7,143)	(1,287)	1,046	(2,413)	(2,615)	(19,102)	(18,048)	(40,202)	(37,653)
Operating income (loss)	15,504	18,268	2,451	1,454	15,738	19,384	1,149	3,854	(1,720)	(2,022)	(19,107)	(18,048)	14,015	22,890

## Consolidated income (loss) per share

Euro

	9M 2020	9M 2019
Net income (loss) per ordinary share	0.16586	0.87319
Net income (loss) per savings share	0.18249	0.88982

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## Consolidated Statement of Financial Position

Thousands of euro

	September 30, 2020	December 31, 2019
Property, plant and equipment, net	72,862	70,893
Intangible assets	42,989	45,216
Right of use	5,635	4,617
Securities	131,315	134,673
Other non current assets	14,328	15,775
Current assets	161,684	171,393
<b>Total Assets</b>	<b>428,813</b>	<b>442,567</b>
Shareholders' equity	241,745	252,530
Minority interest in consolidated subsidiaries	0	0
<b>Total Shareholders' Equity</b>	<b>241,745</b>	<b>252,530</b>
Non current liabilities	121,337	122,621
Current liabilities	65,731	67,416
<b>Total Liabilities and Shareholders' Equity</b>	<b>428,813</b>	<b>442,567</b>

**Consolidated Net Financial Position**

Thousands of euro

	<b>September 30, 2020</b>	<b>June 30, 2020</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Cash on hands	12	11	10	11
Cash equivalents	32,912	31,212	45,941	48,623
<b>Cash and cash equivalents</b>	<b>32,924</b>	<b>31,223</b>	<b>45,951</b>	<b>48,634</b>
Related parties financial assets, current	2,606	1	0	1
Securities - short term	69,798	70,125	67,767	70,779
<b>Current financial assets</b>	<b>72,404</b>	<b>70,126</b>	<b>67,767</b>	<b>70,780</b>
Bank overdraft	(33,223)	(27,066)	(27,282)	(27,195)
Current portion of long term debt	(5,231)	(5,237)	(5,629)	(5,365)
Derivative financial instruments	(39)	(40)	(47)	(50)
Other current financial liabilities	(1,344)	(1,679)	(1,889)	(900)
Current financial liabilities for leases	(1,957)	(1,771)	(1,882)	(1,876)
<b>Current financial liabilities</b>	<b>(41,794)</b>	<b>(35,793)</b>	<b>(36,729)</b>	<b>(35,386)</b>
<b>Current net financial position</b>	<b>63,534</b>	<b>65,556</b>	<b>76,989</b>	<b>84,028</b>
Related parties financial assets, non current	49	49	49	49
Securities - long term	131,415	130,236	128,129	134,673
<b>Non current financial assets</b>	<b>131,464</b>	<b>130,285</b>	<b>128,178</b>	<b>134,722</b>
Long term debt, net of current portion	(97,309)	(98,125)	(99,933)	(100,724)
Non current financial liabilities for leases	(3,700)	(2,072)	(2,436)	(2,710)
<b>Non current financial liabilities</b>	<b>(101,009)</b>	<b>(100,197)</b>	<b>(102,369)</b>	<b>(103,434)</b>
<b>Non current net financial position</b>	<b>30,455</b>	<b>30,088</b>	<b>25,809</b>	<b>31,288</b>
<b>Net financial position</b>	<b>93,989</b>	<b>95,644</b>	<b>102,798</b>	<b>115,316</b>

**Consolidated Cash Flows Statement**

Thousands of euro

	<b>3Q 2020</b>	<b>3Q 2019</b>
Net income (loss) from continued operations	2,695	8,757
Net income (loss) from discontinued operations	0	(34)
Current income taxes	1,326	1,581
Change in deferred income taxes	(361)	1,322
Depreciation, amortization and write down of non current assets	2,832	2,449
Net loss (gain) on disposal of fixed assets	(12)	0
Net gain on purification business disposal	0	34
Interest and other financial (income) expenses, net	(989)	(2,106)
Other non-monetary costs (revenues)	1,700	2,067
	<b>7,191</b>	<b>14,070</b>
Change in operating assets and liabilities	(911)	203
Payments of termination indemnities and similar obligations	(43)	(145)
Financial income received, net of payment of interests	(48)	(63)
Taxes paid	(3,623)	(2,049)
<b>Net cash provided by (used by) operating activities</b>	<b>2,566</b>	<b>12,016</b>
Purchase of tangible and intangible assets, net of proceeds from sales	(2,225)	(6,832)
Sale of intellectual property to related parties	0	0
Adjustment on consideration for the purification business disposal	0	(4)
Purchase of securities, net of disinvestments	663	51
Income from securities, net of management fees	533	488
Advances paid for the purchase of investments	0	0
Purchase of other investments	(282)	0
<b>Cash flows provided by (used by) investing activities</b>	<b>(1,311)</b>	<b>(6,297)</b>
Proceeds from financial liabilities, net of repayments	4,864	(732)
Financial receivables repaid (granted) from related parties	(2,562)	0
Interests receipts on financial receivables from related parties	0	0
Dividends payment	0	0
Interests and other expenses paid on loans	(388)	(408)
Repayment of financial liabilities for leased assets (interests included)	(536)	(450)
Purchase of treasury shares and related accessory costs	0	0
Other financial liabilities/assets	(20)	(6)
<b>Cash flows provided by (used by) financing activities</b>	<b>1,358</b>	<b>(1,596)</b>
Effect of exchange rate differences	(1,033)	1,109
<b>Increase (decrease) in cash and cash equivalents</b>	<b>1,580</b>	<b>5,232</b>
Cash and cash equivalents at the beginning of the period	31,189	41,866
<b>Cash and cash equivalents at the end of the period</b>	<b>32,769</b>	<b>47,098</b>

**Consolidated Cash Flows Statement**

Thousands of euro

	<b>9M 2020</b>	<b>9M 2019</b>
Net income (loss) from continued operations	3,133	17,721
Net income (loss) from discontinued operations	0	142
Current income taxes	4,247	6,207
Change in deferred income taxes	50	2,872
Depreciation, amortization and write down of non current assets	8,143	7,014
Net loss (gain) on disposal of fixed assets	(12)	(2,272)
Net gain on purification business disposal	0	(142)
Interest and other financial (income) expenses, net	6,355	(3,921)
Other non-monetary costs (revenues)	927	1,548
	<b>22,843</b>	<b>29,169</b>
Change in operating assets and liabilities	(11,939)	(6,772)
Payments of termination indemnities and similar obligations	(378)	(393)
Financial income received, net of payment of interests	(463)	(123)
Taxes paid	(4,717)	(7,584)
<b>Net cash provided by (used by) operating activities</b>	<b>5,346</b>	<b>14,297</b>
Purchase of tangible and intangible assets, net of proceeds from sales	(9,158)	(17,785)
Sale of intellectual property to related parties	0	2,291
Adjustment on consideration for the purification business disposal	0	(387)
Purchase of securities, net of disinvestments	(768)	(100,415)
Income from securities, net of management fees	1,703	1,365
Advances paid for the purchase of investments	0	(1,100)
Purchase of other investments	(282)	0
<b>Cash flows provided by (used by) investing activities</b>	<b>(8,505)</b>	<b>(116,031)</b>
Proceeds from financial liabilities, net of repayments	2,883	88,801
Financial receivables repaid (granted) from related parties	(2,562)	0
Interests receipts on financial receivables from related parties	1	1
Dividends payment	(9,198)	(16,580)
Interests and other expenses paid on loans	(1,042)	(523)
Repayment of financial liabilities for leased assets (interests included)	(1,666)	(1,150)
Purchase of treasury shares and related accessory costs	0	(93,382)
Other financial liabilities/assets	1	11
<b>Cash flows provided by (used by) financing activities</b>	<b>(11,583)</b>	<b>(22,822)</b>
Effect of exchange rate differences	(1,010)	1,259
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(15,752)</b>	<b>(123,297)</b>
Cash and cash equivalents at the beginning of the period	48,521	170,395
<b>Cash and cash equivalents at the end of the period</b>	<b>32,769</b>	<b>47,098</b>

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

Thousands of euro

<b>Actuator Solutions</b>	<b>September 30, 2020</b>	<b>December 31, 2019</b>
<b>Statement of financial position</b>	<b>50%</b>	<b>50%</b>
Non current assets	3,119	3,488
Current assets	1,636	1,343
<b>Total Assets</b>	<b>4,755</b>	<b>4,831</b>
Non current liabilities	4,375	4,625
Current liabilities	3,073	3,176
<b>Total Liabilities</b>	<b>7,448</b>	<b>7,801</b>
Capital Stock, Reserves and Retained Earnings	(2,970)	(1,553)
Net income (loss) for the period	207	(1,408)
Other comprehensive income (loss) for the period (*)	70	(9)
<b>Total Equity</b>	<b>(2,693)</b>	<b>(2,970)</b>

(\*) Currency translation differences arising from the conversion in euro of the financial statements of Actuator Solutions Taiwan Co., Ltd. and Actuator Solutions (Shenzhen) Co., Ltd. from January 1, 2020 to the liquidation date, as well as upon the conversion reserve release to P&L after the liquidation of the two asian companies.

<b>Actuator Solutions</b>	<b>9M 2020</b>	<b>9M 2019</b>
<b>Statement of profit or loss</b>	<b>50%</b>	<b>50%</b>
Total net sales	5,400	8,364
Cost of sales	(3,991)	(6,845)
<b>Gross profit</b>	<b>1,409</b>	<b>1,520</b>
Total operating expenses	(984)	(1,577)
Other income (expenses), net	87	(159)
<b>Operating income (loss)</b>	<b>512</b>	<b>(216)</b>
Interests and other financial income, net	(227)	(221)
Foreign exchange gains (losses), net	(82)	(12)
Income taxes	4	11
<b>Net income (loss)</b>	<b>207</b>	<b>(437)</b>
Exchange differences	(5)	2
Release of conversion reserve for liquidation of subsidiaries	75	0
<b>Total comprehensive income (loss) for the period</b>	<b>277</b>	<b>(435)</b>

<b>Prospetto dell'utile (perdita)</b>	<b>3Q 2020</b>	<b>3Q 2019</b>
	<b>50%</b>	<b>50%</b>
Total net sales	1,460	2,876
Cost of sales	(1,128)	(2,373)
<b>Gross profit</b>	<b>332</b>	<b>504</b>
Total operating expenses	(339)	(530)
Other income (expenses), net	5	12
<b>Operating income (loss)</b>	<b>(2)</b>	<b>(14)</b>
Interests and other financial income, net	(75)	(74)
Foreign exchange gains (losses), net	(70)	14
Income taxes	(4)	12
<b>Net income (loss)</b>	<b>(151)</b>	<b>(62)</b>
Exchange differences	(7)	(8)
Release of conversion reserve for liquidation of subsidiaries	75	0
<b>Total comprehensive income (loss) for the period</b>	<b>(83)</b>	<b>(70)</b>



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

Thousands of euro

SAES RIAL Vacuum S.r.l.	September 30, 2020	December 31, 2019
<b>Statement of financial position</b>	<b>49%</b>	<b>49%</b>
Non current assets	309	325
Current assets	1,512	983
<b>Total Assets</b>	<b>1,821</b>	<b>1,308</b>
Non current liabilities	191	192
Current liabilities	1,037	665
<b>Total Liabilities</b>	<b>1,228</b>	<b>857</b>
Capital Stock, Reserves and Retained Earnings	451	249
Net income (loss) for the period	142	198
Other comprehensive income (loss) for the period (*)	0	4
<b>Total Equity</b>	<b>593</b>	<b>451</b>

(\*) Actuarial differences on the employee severance indemnities (TFR), according to the IAS 19.

SAES RIAL Vacuum S.r.l.	9M 2020	9M 2019
<b>Statement of profit or loss</b>	<b>49%</b>	<b>49%</b>
Total net sales	1,665	1,125
Cost of sales	(1,285)	(712)
<b>Gross profit</b>	<b>380</b>	<b>413</b>
Total operating expenses	(192)	(159)
Other income (expenses), net	14	25
<b>Operating income (loss)</b>	<b>202</b>	<b>279</b>
Interests and other financial income, net	(15)	(11)
Foreign exchange gains (losses), net	0	0
Income taxes	(45)	(74)
<b>Net income (loss)</b>	<b>142</b>	<b>193</b>
Actuarial gain (loss) on defined benefit plans, net of taxes	0	0
<b>Totale comprehensive income (loss) for the period</b>	<b>142</b>	<b>193</b>

SAES RIAL Vacuum S.r.l.	3Q 2020	3Q 2019
<b>Statement of profit or loss</b>	<b>49%</b>	<b>49%</b>
Total net sales	797	547
Cost of sales	(570)	(236)
<b>Gross profit</b>	<b>227</b>	<b>311</b>
Total operating expenses	(65)	(64)
Other income (expenses), net	3	6
<b>Operating income (loss)</b>	<b>165</b>	<b>253</b>
Interests and other financial income, net	(8)	(4)
Foreign exchange gains (losses), net	0	0
Income taxes	(38)	(70)
<b>Net income (loss)</b>	<b>119</b>	<b>178</b>
Actuarial gain (loss) on defined benefit plans, net of taxes	0	0
<b>Totale comprehensive income (loss) for the period</b>	<b>119</b>	<b>178</b>

**Flexterra - SAES Group interest (46.73%)**

Thousands of euro

Flexterra	September 30, 2020	December 31, 2019
<b>Statement of financial position</b>	<b>46.73%</b>	<b>46.73%</b>
Non current assets	6,066	6,837
Current assets	1,443	1,261
<b>Total Assets</b>	<b>7,509</b>	<b>8,098</b>
Non current liabilities	53	92
Current liabilities	1,393	255
<b>Total Liabilities</b>	<b>1,446</b>	<b>347</b>
Capital Stock, Reserves and Retained Earnings	7,595	9,465
Reserve for stock options plan	160	156
Net income (loss) for the period	(1,381)	(2,031)
Other comprehensive income (loss) for the period (*)	(311)	161
<b>Total Equity</b>	<b>6,063</b>	<b>7,751</b>

(\*) Currency translation differences arising from the conversion in euro of the financial statements of Flexterra, Inc. and of Flexterra Taiwan Co., Ltd.

Flexterra	9M 2020	9M 2019
<b>Statement of profit or loss</b>	<b>46.73%</b>	<b>46.73%</b>
Total net sales	24	7
Cost of sales	(13)	(1)
<b>Gross profit</b>	<b>11</b>	<b>6</b>
Total operating expenses	(1,444)	(1,581)
Other income (expenses), net	1	0
<b>Operating income (loss)</b>	<b>(1,432)</b>	<b>(1,575)</b>
Interests and other financial income, net	(27)	1
Foreign exchange gains (losses), net	64	(20)
Income taxes	14	15
<b>Net income (loss)</b>	<b>(1,381)</b>	<b>(1,579)</b>
Exchange differences	(311)	459
<b>Total comprehensive income (loss) for the period</b>	<b>(1,692)</b>	<b>(1,120)</b>

Flexterra	3Q 2020	3Q 2019
<b>Statement of profit or loss</b>	<b>46.73%</b>	<b>46.73%</b>
Total net sales	1	1
Cost of sales	0	0
<b>Gross profit</b>	<b>1</b>	<b>1</b>
Total operating expenses	(448)	(526)
Other income (expenses), net	1	0
<b>Operating income (loss)</b>	<b>(446)</b>	<b>(525)</b>
Interests and other financial income, net	(23)	0
Foreign exchange gains (losses), net	29	0
Income taxes	4	4
<b>Net income (loss)</b>	<b>(436)</b>	<b>(521)</b>
Exchange differences	(324)	380
<b>Total comprehensive income (loss) for the period</b>	<b>(760)</b>	<b>(141)</b>

SAES Group – Press Release

Total statement of profit or loss of the Group

Thousands of euro

9M 2020								
	Consolidated profit or loss	50% Actuator Solutions	Intercory eliminations & other adjustments	49% SAES RIAL Vacuum S.r.l.	Intercory eliminations & other adjustments	46.73% Flexterra	Intercory eliminations & other adjustments	Total profit or loss of the Group
Total net sales	128,096	5,400	(225)	1,665	(388)	24		134,572
Cost of sales	(73,879)	(3,991)	225	(1,285)	388	(13)		(78,555)
Gross profit	54,217	1,409	0	380	0	11	0	56,017
	<i>% on sales</i>							
Total operating expenses	(39,374)	(984)		(192)		(1,444)	57	(41,937)
Other income (expenses), net	(828)	87		14		1		(726)
Operating income (loss)	14,015	512	0	202	0	(1,432)	57	13,354
	<i>% on sales</i>							
Interest and other financial income, net	(4,894)	(227)	180	(15)		(27)		(4,983)
Income (loss) from equity method evaluated companies	(1,460)		278		(142)		1,324	0
Foreign exchange gains (losses), net	(232)	(82)	(75)	0		64		(325)
Income (loss) before taxes	7,429	203	383	187	(142)	(1,395)	1,381	8,046
Income taxes	(4,296)	4		(45)		14		(4,323)
Net income (loss) from continued operations	3,133	207	383	142	(142)	(1,381)	1,381	3,723
Income (loss) from assets held for sale and discontinued operations	0							0
Net income (loss) before minority interest	3,133	207	383	142	(142)	(1,381)	1,381	3,723
Net income (loss) pertaining to minority interest	0							0
Net income (loss) pertaining to the Group	3,133	207	383	142	(142)	(1,381)	1,381	3,723

Total statement of profit or loss of the Group

Thousands of euro

3Q 2020								
	Consolidated profit or loss	50% Actuator Solutions	Intercory eliminations & other adjustments	49% SAES RIAL Vacuum S.r.l.	Intercory eliminations & other adjustments	46.73% Flexterra	Intercory eliminations & other adjustments	Total profit or loss of the Group
Total net sales	38,997	1,460	(81)	797	(124)	1		41,050
Cost of sales	(23,003)	(1,128)	81	(570)	124	0		(24,496)
Gross profit	15,994	332	0	227	0	1	0	16,554
	<i>% on sales</i>							
Total operating expenses	(13,048)	(339)	0	(65)		(448)	19	(13,881)
Other income (expenses), net	(74)	5		3		1		(65)
Operating income (loss)	2,872	(2)	0	165	0	(446)	19	2,608
	<i>% on sales</i>							
Interest and other financial income, net	1,566	(75)	61	(8)		(23)		1,521
Income (loss) from equity method evaluated companies	(576)		278		(119)		417	0
Foreign exchange gains (losses), net	(203)	(70)	(75)			29		(319)
Income (loss) before taxes	3,659	(147)	264	157	(119)	(440)	436	3,810
Income taxes	(964)	(4)		(38)		4		(1,002)
Net income (loss) from continued operations	2,695	(151)	264	119	(119)	(436)	436	2,808
Income (loss) from assets held for sale and discontinued operations	0							0
Net income (loss) before minority interest	2,695	(151)	264	119	(119)	(436)	436	2,808
Net income (loss) pertaining to minority interest	0							0
Net income (loss) pertaining to the Group	2,695	(151)	264	119	(119)	(436)	436	2,808

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Reclassifications of the income statement figures as of September 30, 2019

Thousands of euro

	Metallurgy Division			Vacuum Technology Division			Medical Division			Specialty Chemicals Division			Advanced Packaging Division			Not Allocated			TOTAL			
	9M 2019	Reclass.	9M 2019 reclassified	9M 2019	Reclass.	9M 2019 reclassified	9M 2019	Reclass.	9M 2019 reclassified	9M 2019	Reclass.	9M 2019 reclassified	9M 2019	Reclass.	9M 2019 reclassified	9M 2019	Reclass.	9M 2019 reclassified	9M 2019	Reclass.	9M 2019 reclassified	
Total net sales	66,859	(16,007)	50,852	0	7,546	64,108	0	64,108	0	8,461	8,461	7,284	0	7,284	0	0	0	0	137,451	0	137,451	
Cost of sales	(32,636)	9,019	(23,617)	0	(3,366)	(27,583)	0	(27,583)	0	(5,653)	(5,653)	(6,691)	0	(6,691)	0	0	0	0	(76,908)	0	(76,908)	
Gross profit (loss)	34,223	(6,988)	27,235	0	4,180	36,525	0	36,525	0	2,808	2,808	993	0	993	0	0	0	0	60,543	0	60,543	
Operating expenses and other income (expenses)	(12,140)	3,973	(8,167)	0	(2,726)	(7,143)	0	(7,143)	0	1,046	1,046	(2,615)	0	(2,615)	(15,755)	(2,293)	(18,048)	(17,653)	0	(17,653)		
Operating income (loss)	21,283	(3,015)	18,268	0	1,454	19,384	0	19,384	0	3,854	3,854	(2,022)	0	(2,022)	(15,755)	(2,293)	(18,048)	(17,653)	0	22,890	0	22,890

Reclassifications of the income statement figures of third quarter 2019

Thousands of euro

	Metallurgy Division			Vacuum Technology Division			Medical Division			Specialty Chemicals Division			Advanced Packaging Division			Not Allocated			TOTAL		
	3Q 2019	Reclass.	3Q 2019 reclassified	3Q 2019	Reclass.	3Q 2019 reclassified	3Q 2019	Reclass.	3Q 2019 reclassified	3Q 2019	Reclass.	3Q 2019 reclassified	3Q 2019	Reclass.	3Q 2019 reclassified	3Q 2019	Reclass.	3Q 2019 reclassified	3Q 2019	Reclass.	3Q 2019 reclassified
Total net sales	23,859	(7,024)	16,835	0	2,024	22,836	0	22,836	0	5,000	5,000	2,269	0	2,269	0	0	0	0	48,964	0	48,964
Cost of sales	(11,254)	3,648	(7,606)	0	(697)	(8,303)	0	(8,303)	0	(2,951)	(2,951)	(2,136)	0	(2,136)	0	0	0	0	(26,341)	0	(26,341)
Gross profit (loss)	12,605	(3,376)	9,229	0	1,327	9,985	0	9,985	0	2,049	2,049	133	0	133	0	0	0	0	22,723	0	22,723
Operating expenses and other income (expenses)	(4,036)	1,403	(2,633)	0	(831)	(3,464)	0	(3,464)	0	(554)	(554)	(876)	0	(876)	(5,746)	(18)	(5,764)	(5,764)	(13,245)	0	(13,245)
Operating income (loss)	8,569	(1,973)	6,596	0	496	7,398	0	7,398	0	1,495	1,495	(743)	0	(743)	(5,746)	(18)	(5,764)	(5,764)	9,478	0	9,478

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**Covid-19 one-offs**

Thousands of euro

Covid-19 one-offs	9M 2020					Total
	Direct labor	Manufacturing overhead	R&D expenses	Selling expenses	G&A expenses	
Personnel cost	(110)	(59)	(47)	(12)	29	(199) (*)
Maintenance and repairs					132	132
Material and office material					119	119
Transport, insurance, freight-direct					4	4
Consultant fees					133	133
Canteen, cleaning, vigilance					100	100
Training					3	3
<b>Total cost of sales and extraordinary operating expenses Covid-19</b>	<b>(110)</b>	<b>(59)</b>	<b>(47)</b>	<b>(12)</b>	<b>520</b>	<b>292</b>

(\*) The amount is composed by:

- CIGO savings in Lainate plant, for -55 thousands of euro;
- saving for USA governmental misure to support companies and families, for -186 thousands of euro;
- additional personnel costs, for 42 thousands of euro.

Thousands of euro

Covid-19 one-offs	9M 2020
Other income	9
Other expenses	(691)
<b>Total other extraordinary income (expenses) Covid-19</b>	<b>(682)</b>