

The SAES[®] Group

1H 2020 Consolidated Results



making **innovation happen**, together

Highlights

All figures in M€, unless otherwise stated

- **STABLE FIRST HALF-YEAR RESULTS, DESPITE THE EXPECTED DECREASE IN 2Q, MAINLY DUE TO COVID-19**
- **NET CONSOLIDATED REVENUES IN THE FIRST HALF OF THE YEAR IN LINE WITH THE PREVIOUS YEAR AND STABILITY IN ALL THE OPERATING INDICATORS**

P&L figures	1H 2020	1H 2019	Total difference	Difference %
CONSOLIDATED REVENUES	89.1	88.5	0.6	0.7%
TOTAL REVENUES OF THE GROUP	93.5	94.2	(0.7)	-0.8%
CONSOLIDATED GROSS PROFIT	38.2	37.8	0.4	1.1%
<i>% on sales</i>	<i>42.9%</i>	<i>42.7%</i>		
CONSOLIDATED OPERATING INCOME	11.1	13.4	(2.3)	-16.9%
<i>% on sales</i>	<i>12.5%</i>	<i>15.2%</i>		
CONSOLIDATED EBITDA	16.5	18.0	(1.5)	-8.2%
<i>% on sales</i>	<i>18.5%</i>	<i>20.3%</i>		
CONSOLIDATED INCOME (LOSS) BEFORE TAXES	3.8	15.2	(11.4)	-75.2%
<i>% on sales</i>	<i>4.2%</i>	<i>17.2%</i>		
CONSOLIDATED NET INCOME (LOSS)	0.4	9.1	(8.7)	-95.2%
<i>% on sales</i>	<i>0.5%</i>	<i>10.3%</i>		

Other information	Jun 30, 2020	Dec 31, 2019	Total difference	Difference %
CONSOLIDATED NET FINANCIAL POSITION	95.6	115.3	(19.7)	-17.1%
CAPEX	6.8	23.7	(16.9)	-71.2%
SECURITIES FAIR VALUE	200.4	205.5	(5.1)	-2.5%



Metallurgy Division Sales



Metallurgy Division 37.6%	1H 2020	1H 2019	Total difference %	Organic change %	Exchange rate effect %
Security & Defense	9.5	6.4	49.6%	47.7%	1.9%
Electronic Devices	7.7	7.5	2.6%	1.6%	1.0%
Healthcare Diagnostics	2.8	2.5	12.3%	11.1%	1.2%
Lamps	1.9	2.3	-14.4%	-15.6%	1.2%
Thermal Insulated Devices	1.7	1.8	-8.7%	-11.1%	2.4%
Sintered Components for Electronic Devices & Lasers	3.7	4.5	-17.8%	-19.8%	2.0%
SMA Industrial	6.2	8.2	-24.7%	-25.7%	1.0%
Metallurgy Division	33.5	33.2	1.0%	-0.4%	1.4%

All figures in M€, unless otherwise stated

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
Security & Defense	3.6	2.7	3.5	2.9	4.6	4.9
Electronic Devices	3.5	4.0	3.6	3.2	4.2	3.5
Healthcare Diagnostics	1.2	1.2	1.0	1.0	1.7	1.1
Lamps	1.1	1.2	1.0	0.8	1.1	0.9
Thermal Insulated Devices	0.9	0.9	0.7	0.8	1.0	0.7
Sintered Components for Electronic Devices & Lasers	2.4	2.1	1.8	2.1	2.1	1.7
SMA Industrial	3.7	4.6	5.2	3.5	3.9	2.3
Metallurgy Division	16.4	16.8	16.8	14.4	18.4	15.1

✓ **Revenues organically stable (-0.4%)**

- In the **Security and Defense Business**, higher sales of getter components for infrared sensors and night vision systems for defense applications
- **Electronic Devices Business** and **Healthcare Diagnostics Business** mainly favored by the recent Covid-19 crisis
- **SMA Industrial Business** penalized by the Covid-19 effect on the consumer electronics and automotive markets
- **Sinters Components for Electronic Devices & Lasers** affected by stock adjustments
- In line with the past, **Lamps Business** and **Thermal Insulated Devices Business** in organic decline

Vacuum Technology Division Sales

All figures in M€, unless otherwise stated



Vacuum Technology Division

6.0%

	1H 2020	1H 2019	Total difference %	Organic change %	Exchange rate effect %
Solutions for Vacuum Systems	5.4	5.5	-3.0%	-4.3%	1.3%
Vacuum Technology Division	5.4	5.5	-3.0%	-4.3%	1.3%

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
Solutions for Vacuum Systems	3.1	2.5	2.0	3.0	2.4	2.9
Vacuum Technology Division	3.1	2.5	2.0	3.0	2.4	2.9

- ✓ **Organic decrease (-4.3%)** for lower sales to research institutes and universities, due to Covid-19, partially offset by higher sales of pumps in the sectors of analytical instrumentation and of particle accelerators, less affected by the Covid-19 crisis

Medical Division Sales

All figures in M€, unless otherwise stated



Medical Division

45.1%

	1H 2020	1H 2019	Total difference %	Organic change %	Exchange rate effect %
Nitinol for Medical Devices	40.1	41.3	-2.7%	-5.1%	2.4%
Medical Division	40.1	41.3	-2.7%	-5.1%	2.4%

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
Nitinol for Medical Devices	20.1	21.2	22.8	20.9	21.6	18.6
Medical Division	20.1	21.2	22.8	20.9	21.6	18.6

- ✓ **Organic decrease (-5.1%)** caused by high stock levels of an important US customer, already before the pandemic
- ✓ Starting from 2Q, slowdown due to the **suspension of elective surgeries**, in order to concentrate the hospital resources on Covid-19

Specialty Chemicals Division Sales

Specialty Chemicals Division

All figures in M€, unless otherwise stated

5.6%



	1H 2020	1H 2019	Total difference %	Organic change %	Exchange rate effect %
Functional Dispensable Products	5.0	3.5	45.2%	44.7%	0.5%
Specialty Chemicals Division	5.0	3.5	45.2%	44.7%	0.5%

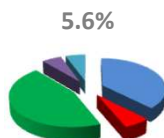
	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
Functional Dispensable Products	0.9	2.5	5.0	3.9	4.3	0.7
Specialty Chemicals Division	0.9	2.5	5.0	3.9	4.3	0.7

- ✓ **Strong organic growth (+44.7%)** mainly driven by higher sales of advanced components for the consumer electronics market, favored by the higher penetration of the SAES product, that more than offset the contraction in the telecom market caused by the pandemic

Advanced Packaging Division Sales

All figures in M€, unless otherwise stated

Advanced Packaging Division



	1H 2020	1H 2019	Total difference %	Organic change %	Exchange rate effect %
Advanced Coatings	5.0	5.0	0.3%	0.3%	0.0%
Advanced Packaging Division	5.0	5.0	0.3%	0.3%	0.0%

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
Advanced Coatings	2.6	2.4	2.3	2.7	2.6	2.4
Advanced Packaging Division	2.6	2.4	2.3	2.7	2.6	2.4

- ✓ Revenues substantially **stable** with 1H 2019
- ✓ **Different mix of the product portfolio**: prevalence of lacquered products intended for sustainable and compostable applications, compared to metallized ones, confirming the strategy of repositioning the offer on products with higher added value

Consolidated Net Sales – 2Q 2020 vs. 1Q 2020

All figures in M€, unless otherwise stated

	2Q 2020	1Q 2020	Total difference %	Organic change %	Exchange rate effect %
Security & Defense	4.9	4.6	6.7%	6.8%	-0.1%
Electronic Devices	3.5	4.2	-15.2%	-15.1%	-0.1%
Healthcare Diagnostics	1.1	1.7	-34.7%	-34.8%	0.1%
Lamps	0.9	1.1	-15.2%	-15.3%	0.1%
Thermal Insulated Devices	0.7	1.0	-26.0%	-26.3%	0.3%
Sintered Components for Electronic Devices & Lasers	1.7	2.1	-19.9%	-20.0%	0.1%
SMA Industrial	2.3	3.9	-39.8%	-39.8%	0.0%
Metallurgy Division	15.1	18.4	-17.8%	-17.8%	0.0%
Solutions for Vacuum Systems	2.9	2.4	19.5%	19.3%	0.2%
Vacuum Technology Division	2.9	2.4	19.5%	19.3%	0.2%
Nitinol for Medical Devices	18.6	21.6	-14.0%	-14.1%	0.1%
Medical Division	18.6	21.6	-14.0%	-14.1%	0.1%
Functional Dispensable Products	0.7	4.3	-82.5%	-82.5%	0.0%
Specialty Chemicals Division	0.7	4.3	-82.5%	-82.5%	0.0%
Advanced Coatings	2.4	2.6	-5.3%	-5.3%	0.0%
Advanced Packaging Division	2.4	2.6	-5.3%	-5.3%	0.0%
Consolidated net sales	39.8	49.3	-19.2%	-19.3%	0.1%

- ✓ **Negative organic change** equal to **-19.3%**, against an **irrelevant exchange rate effect (+0.1%)**
- ✓ After 1Q 2020 with revenues showing a double-digit growth, partly favored by inventory movements also following the emergency phase, 2Q saw the gradual reabsorption of these inventory movements, in addition to the slowdown in some sectors, in particular the **Medical Division**, due to the postponement of elective surgeries
- ✓ **Industrial SMAs** with advance supplies in 1Q due to precautions required by Covid-19 in the consumer electronics sector and 2Q more penalized by the pandemic
- ✓ **Functional Dispensable Products** with 1Q characterized by advance orders to face the Covid-19 crisis and strong organic decrease in 2Q, also due to a temporary interruption of production for some scheduled extraordinary maintenance operations

Total revenues of the Group

(achieved by incorporating the JVs with the proportional method instead of the equity method)

All figures in M€, unless otherwise stated

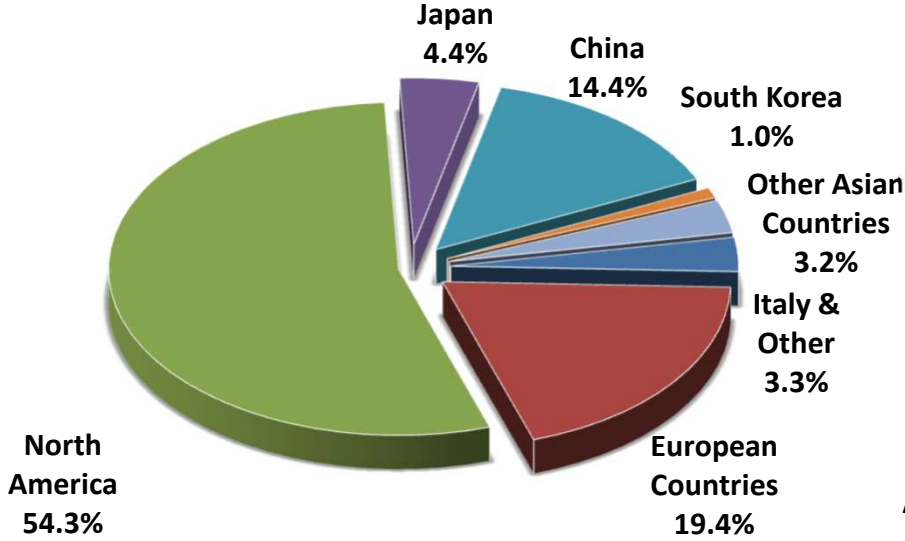
	1H 2020	1H 2019	Total difference	Difference %
Consolidated sales	89.1	88.5	0.6	0.7%
50% Actuator Solutions sales	3.9	5.5	(1.5)	-28.2%
49% SAES RIAL Vacuum S.r.l. sales	0.9	0.6	0.3	50.2%
46.73% Flexterra sales	0.0	0.0	0.0	283.3%
Eliminations & other adjs	(0.4)	(0.3)	(0.1)	29.9%
Total revenues of the Group	93.5	94.2	(0.7)	-0.8%

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
Consolidated sales	43.1	45.4	49.0	44.9	49.3	39.8
50% Actuator Solutions sales	2.8	2.7	2.9	2.2	2.2	1.7
49% SAES RIAL Vacuum S.r.l. sales	0.3	0.3	0.5	0.6	0.2	0.7
46.73% Flexterra sales	0.0	0.0	0.0	0.0	0.0	0.0
Eliminations & other adjs	(0.2)	(0.2)	(0.2)	(0.1)	(0.2)	(0.2)
Total revenues of the Group	46.0	48.3	52.2	47.6	51.5	42.0

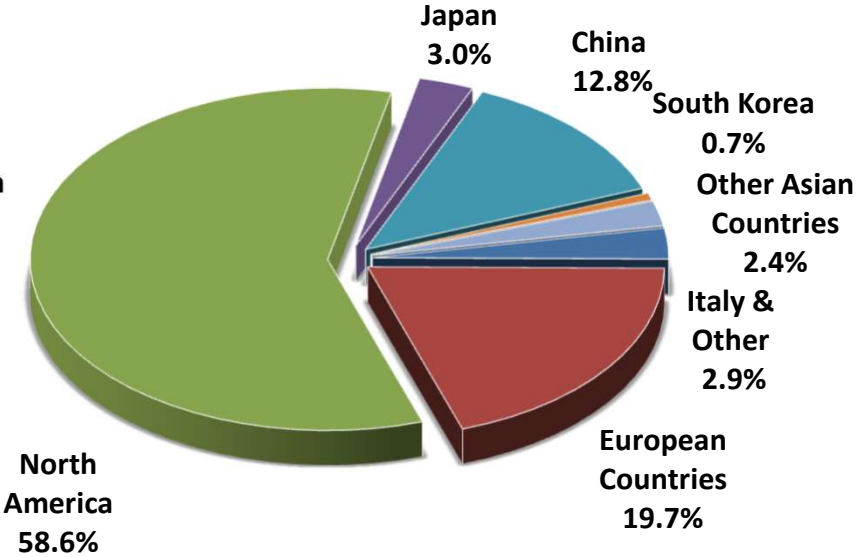
- ✓ **Total revenues of the Group** substantially stable (-0.8%) thanks to the substantial stability of **consolidated revenues** (+0.7%) and to the increased **revenues of the JV SAES RIAL Vacuum S.r.l.** (+50.2%)

Consolidated Sales by Geographic Area

1H 2020 - Total 89,099

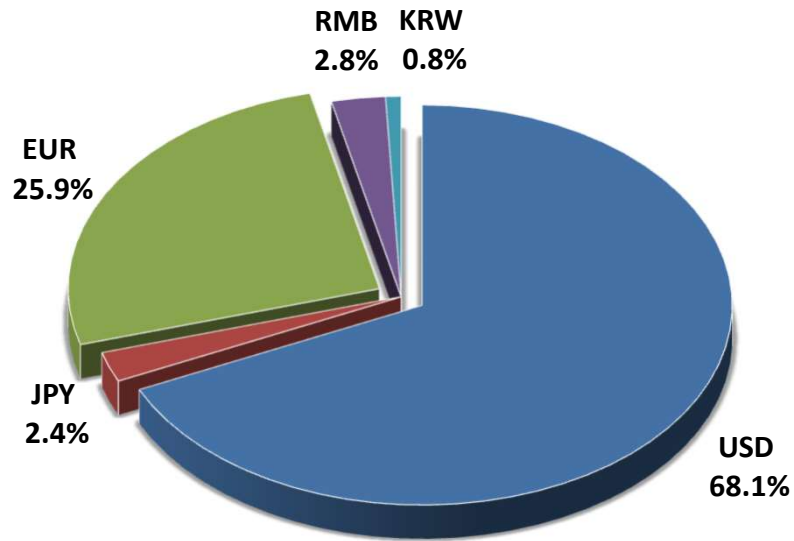


1H 2019 - Total 88,487

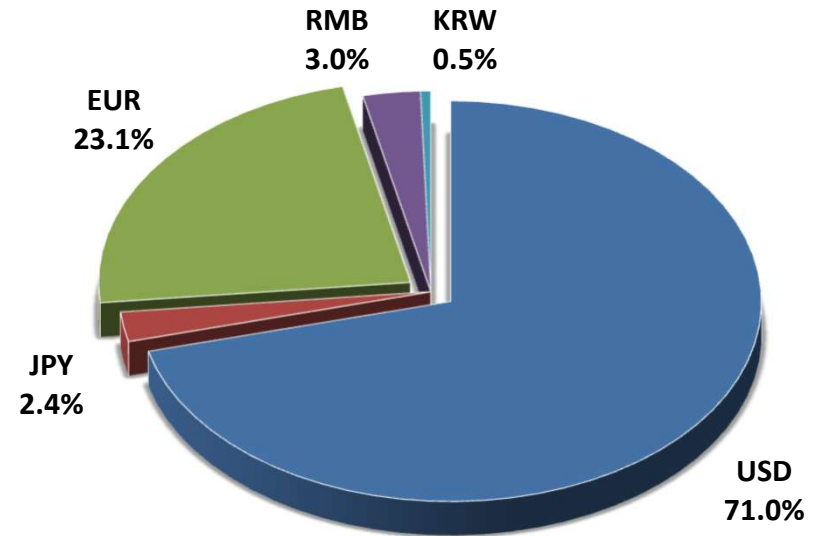


Consolidated Sales by Invoicing Currency

1H 2020 - Total 89,099

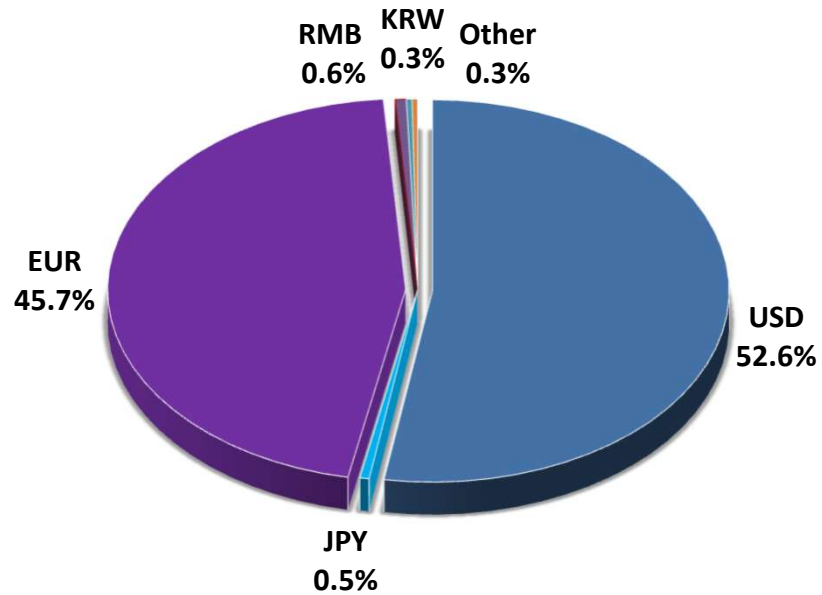


1H 2019 - Total 88,487

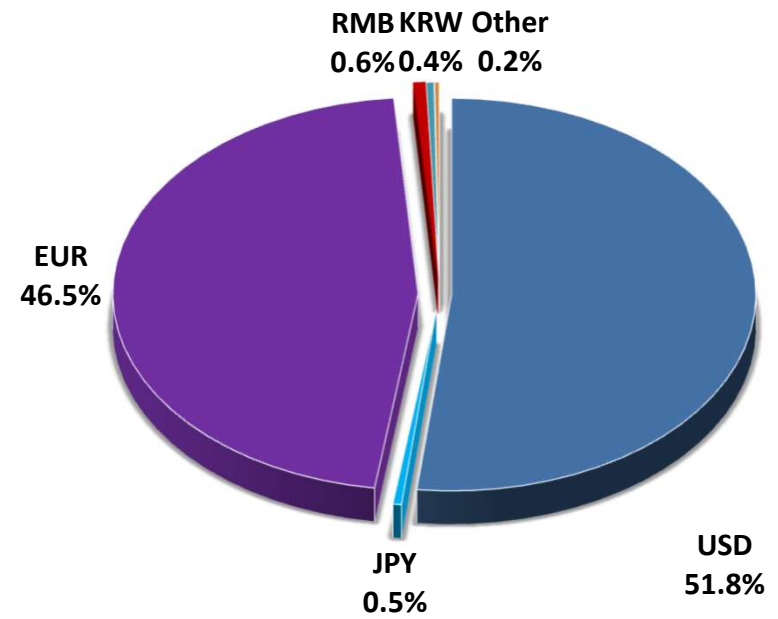


Consolidated Costs* by Currency

H1 2020 - Total 77,201



H1 2019 - Total 77,679



* COGS and OPEX

Metallurgy Division Margins

All figures in M€, unless otherwise stated

	1H 2020	1H 2019	Total difference
NET SALES	33.5	33.2	0.3
GROSS PROFIT	17.1	17.2	-0.1
<i>Gross Margin</i>	50.9%	51.8%	
OPERATING INCOME	11.2	11.7	-0.5
<i>Operating Margin</i>	33.5%	35.1%	

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
NET SALES	16.4	16.8	16.8	14.4	18.4	15.1
GROSS PROFIT	8.8	8.4	9.2	7.3	9.6	7.5
<i>Gross Margin</i>	53.5%	50.1%	54.8%	50.5%	52.0%	49.6%
OPERATING INCOME	5.8	5.9	6.6	4.3	6.6	4.6
<i>Operating Margin</i>	35.1%	35.2%	39.2%	30.2%	36.0%	30.3%

- ✓ **Gross profit** substantially stable
- ✓ **Gross margin's** slight decrease (from 51.8% to 50.9%) mainly attributable to the electronic devices business, characterized by a different product mix, and to that of industrial SMAs, penalized by the Covid-19 effect on the sales in the consumer electronics and automotive sectors and by the consequent lower economies of scale
- ✓ **Operating income** substantially stable (-3.9%) and **operating margin** decreased from 35.1% to 33.5%

Vacuum Technology Division Margins

All figures in M€, unless otherwise stated

	1H 2020	1H 2019	Total difference
NET SALES	5.4	5.5	-0.2
GROSS PROFIT	3.3	2.9	0.4
<i>Gross Margin</i>	61.3%	51.7%	
OPERATING INCOME	1.4	1.0	0.5
<i>Operating Margin</i>	26.4%	17.3%	

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
NET SALES	3.1	2.5	2.0	3.0	2.4	2.9
GROSS PROFIT	1.7	1.2	1.3	1.5	1.4	1.9
<i>Gross Margin</i>	54.2%	48.5%	65.6%	48.7%	58.7%	63.5%
OPERATING INCOME	0.7	0.2	0.5	0.3	0.5	0.9
<i>Operating Margin</i>	23.4%	9.8%	24.5%	10.0%	20.9%	31.1%

- ✓ Strong increase in the **gross profit** (+15.1%) mainly attributable to the difference in the **gross margin** (from 51.7% to 61.3%), in turn due to a different product mix (increased sales in the particle accelerator sector, characterized by higher margins)
- ✓ Strong increase in the **operating income** as well (+47.9%) and in the **operating margin**, from 17.3% to 26.4%

Medical Division Margins

All figures in M€, unless otherwise stated

	1H 2020	1H 2019	Total difference
NET SALES	40.1	41.3	-1.1
GROSS PROFIT	15.9	16.5	-0.7
<i>Gross Margin</i>	39.5%	40.1%	
OPERATING INCOME	11.6	12.0	-0.4
<i>Operating Margin</i>	28.8%	29.0%	

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
NET SALES	20.1	21.2	22.8	20.9	21.6	18.6
GROSS PROFIT	7.5	9.1	10.0	9.1	8.0	7.8
<i>Gross Margin</i>	37.3%	42.7%	43.7%	43.5%	37.2%	42.1%
OPERATING INCOME	5.4	6.6	7.4	6.8	5.8	5.8
<i>Operating Margin</i>	26.7%	31.2%	32.4%	32.5%	26.8%	31.1%

- ✓ **Gross profit** slightly decreased mainly due to the contraction in sales
- ✓ **Gross margin** substantially stable (from 40.1% to 39.5%) despite the manufacturing costs subsequent to the project, still underway, for the construction of a new tube department in Bethel and the related increase in indirect production costs
- ✓ **Operating income**, as well as **operating margin**, in line with the previous year

Specialty Chemicals Division Margins

All figures in M€, unless otherwise stated

	1H 2020	1H 2019	Total difference
	5.0	3.5	1.6
GROSS PROFIT	1.4	0.8	0.6
<i>Gross Margin</i>	27.8%	21.9%	
OPERATING INCOME	0.6	2.4	-1.8
<i>Operating Margin</i>	11.0%	68.2%	

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
	0.9	2.5	5.0	3.9	4.3	0.7
GROSS PROFIT	(0.1)	0.8	2.0	(0.0)	1.1	0.3
<i>Gross Margin</i>	-8.8%	33.0%	41.0%	-0.1%	25.1%	43.0%
OPERATING INCOME	(0.4)	2.7	1.5	(0.9)	0.6	0.0
<i>Operating Margin</i>	-41.2%	107.6%	29.9%	-23.6%	12.9%	0.4%

- ✓ **Gross profit** almost doubled (+83.9%) thanks both to higher sales of advanced getters for the mobile phone market and the consequent saturation of the related production line, and to the different mix in the sales of dispensable organic getters
- ✓ **Operating income** equal to €0.6 million (operating income of €2.4 million in 1H 2019, (including a non-recurring capital gain from a related party equal to €2.3 million))

Advanced Packaging Division Margins

All figures in M€, unless otherwise stated

	1H 2020	1H 2019	Total difference
NET SALES	5.0	5.0	0.0
GROSS PROFIT	0.6	0.5	0.1
<i>Gross Margin</i>	12.1%	9.2%	
OPERATING INCOME	-1.1	(1.3)	0.2
<i>Operating Margin</i>	-22.4%	-25.5%	

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
NET SALES	2.6	2.4	2.3	2.7	2.6	2.4
GROSS PROFIT	0.3	0.1	0.1	0.0	0.2	0.4
<i>Gross Margin</i>	12.0%	6.1%	5.9%	0.2%	9.6%	14.7%
OPERATING INCOME	(0.6)	(0.7)	(0.7)	(1.2)	(0.6)	(0.6)
<i>Operating Margin</i>	-23.5%	-27.7%	-32.7%	-44.7%	-22.1%	-22.6%

- ✓ **Gross profit** and **gross margin** slightly increased, as the effect of the consolidation of the sales of lacquered products compared to metalized ones, characterized by higher added value
- ✓ **Operating loss** slightly decreased to -€1.1 (from -€1.3 million in 1H 2019)

Not Allocated Costs

All figures in M€, unless otherwise stated

	1H 2020	1H 2019	Total difference
NET SALES	0.0	0.0	0.0
GROSS PROFIT	0.0	0.0	(0.0)
<i>Gross Margin</i>	<i>n.a.</i>	<i>n.a.</i>	
Total operating expenses	(11.7)	(12.1)	0.4
Other income (expenses), net	(0.8)	(0.2)	(0.6)
OPERATING INCOME	(12.5)	(12.3)	(0.2)
<i>Operating Margin</i>	<i>n.a.</i>	<i>n.a.</i>	

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
NET SALES	0.0	0.0	0.0	0.0	0.0	0.0
GROSS PROFIT	0.0	(0.0)	0.0	0.0	0.000	(0.003)
<i>Gross Margin</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Total operating expenses	(6.1)	(6.0)	(5.7)	(5.4)	(5.5)	(6.2)
Other income (expenses), net	(0.1)	(0.1)	(0.1)	(0.0)	(0.6)	(0.2)
OPERATING INCOME	(6.2)	(6.1)	(5.8)	(5.4)	(6.1)	(6.4)
<i>Operating Margin</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>

- ✓ Excluding the **extraordinary expenses that the Group had to incur to face with the Covid-19 pandemic** (about €0.3 million), **operating costs** decreased by €0.7 million following the general savings on the various types of cost as a consequence of the lockdown and since 1H 2019 was penalized by severance costs of €0.3 million
- ✓ **Non recurring costs for the Covid-19 donations** (about €0.7 million) included in the line “**Other income (expenses), net**”

Consolidated Income Statement

All figures in M€, unless otherwise stated

	1H 2020	1H 2019	Total difference	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
NET SALES	89.1	88.5	0.6	43.1	45.4	49.0	44.9	49.3	39.8
GROSS PROFIT	38.2	37.8	0.4	18.2	19.6	22.7	17.8	20.4	17.9
<i>Gross Margin</i>	42.9%	42.7%		42.2%	43.3%	46.4%	39.7%	41.3%	44.9%
R&D expenses	(5.3)	(5.5)	0.2	(2.7)	(2.9)	(2.7)	(2.8)	(2.6)	(2.7)
Selling expenses	(5.7)	(6.3)	0.6	(3.1)	(3.1)	(3.2)	(3.6)	(3.0)	(2.6)
G&A expenses	(15.4)	(15.0)	(0.4)	(7.7)	(7.2)	(7.3)	(7.0)	(7.3)	(8.1)
Total operating expenses	(26.3)	(26.8)	0.4	(13.5)	(13.2)	(13.2)	(13.4)	(12.9)	(13.4)
Other income (expenses), net	(0.8)	2.3	(3.1)	(0.0)	2.4	(0.0)	(0.5)	(0.6)	(0.2)
OPERATING INCOME	11.1	13.4	(2.3)	4.6	8.8	9.5	3.9	6.8	4.3
<i>Operating Margin</i>	12.5%	15.2%		10.8%	19.3%	19.4%	8.6%	13.9%	10.8%
Interest and other financial income (expenses), net	(6.3)	3.0	(9.3)	1.7	1.4	2.6	1.0	(10.2)	4.0
Write down of financial receivables and other financial assets	(0.2)	(0.2)	(0.0)	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)
Income (loss) from equity method evaluated companies	(0.9)	(1.0)	0.2	(0.6)	(0.4)	(0.3)	(0.4)	(0.6)	(0.3)
Write down of investments accounted for using the equity method	0.0	0.0	0.0	0.0	0.0	0.0	(1.2)	0.0	0.0
Foreign exchange gains (losses), net	(0.0)	(0.0)	0.0	0.0	(0.1)	0.1	(0.2)	0.0	(0.1)
INCOME BEFORE TAXES	3.8	15.2	(11.4)	5.6	9.6	11.7	3.1	(4.1)	7.8
Income taxes	(3.3)	(6.2)	2.9	(2.4)	(3.8)	(2.9)	(1.1)	(1.0)	(2.3)
NET INCOME from continued operations	0.4	9.0	(8.5)	3.2	5.8	8.8	2.0	(5.1)	5.5
<i>Net Margin</i>	0.5%	10.1%		7.4%	12.7%	17.9%	4.4%	-10.3%	13.8%
Net income from discontinued operations	0.0	0.2	(0.2)	0.0	0.2	(0.0)	0.0	0.0	0.0
NET INCOME before minority interests	0.4	9.1	(8.7)	3.2	6.0	8.7	2.0	(5.1)	5.5
<i>Net Margin</i>	0.5%	10.3%		7.4%	13.1%	17.8%	4.4%	-10.3%	13.8%
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GROUP NET INCOME	0.4	9.1	(8.7)	3.2	6.0	8.7	2.0	(5.1)	5.5
<i>Net Margin</i>	0.5%	10.3%		7.4%	13.1%	17.8%	4.4%	-10.3%	13.8%

Covid-19 One-offs

All figures in M€, unless otherwise stated

Covid-19 one-offs	1H 2020					Total
	Direct Labor	Manufacturing Overhead	R&D expenses	SE expenses	G&A expenses	
Personnel cost	(0.1)	(0.1)	(0.0)	(0.0)	0.0	(0.2) (*)
Maintenance and repairs					0.0	0.0
Material and office material					0.1	0.1
Transports					0.0	0.0
Consultant fees					0.1	0.1
General services (canteen, cleaning, vigilance, etc.)					0.0	0.0
Training					0.0	0.0
Total COGS and OPEX	(0.1)	(0.1)	(0.0)	(0.0)	0.3	0.1

(*) The amount is composed by:

- CIGO savings in the Lainate plant of the Parent Company, equal to -55 thousands of euro;
- savings for the US governmental measures to support companies and families, equal to -167 thousands of euro;
- additional personnel costs, equal to +60 thousands of euro.

Covid-19 one-offs	1H 2020
Other income	0.0
Other expenses	(0.7)
Total other income (expenses)	(0.7)

- ✓ **Covid-19 extraordinary expenses** of €0.3 million (costs of disinfection 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)
- ✓ **Savings** resulting from the use of the **CIGO in the Lainate plant** equal to €0.1 million
- ✓ **Reduction in labor costs of the US subsidiaries** equal to €0.2 million, thanks to the **support measures implemented by the US Government** for businesses and families
- ✓ **Covid-19 donations** equal to about € 0.7 million included in the line "Other expenses"

Actuator Solutions - Income Statement (50%)

(figures based on the % of ownership held by SAES Group)

All figures in M€, unless otherwise stated

	1H 2020	1H 2019	Total difference	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
NET SALES	3.9	5.5	(1.5)	2.8	2.7	2.9	2.2	2.2	1.7
Cost of goods sold	(2.9)	(4.5)	1.6	(2.2)	(2.3)	(2.4)	(1.9)	(1.8)	(1.1)
GROSS PROFIT	1.1	1.0	0.1	0.5	0.5	0.5	0.4	0.4	0.6
<i>Gross Margin</i>	27.3%	18.5%		19.9%	17.1%	17.5%	17.3%	19.2%	38.0%
Operating expenses	(0.6)	(1.0)	0.4	(0.5)	(0.5)	(0.5)	(0.4)	(0.3)	(0.3)
Other income (expenses), net	0.1	(0.2)	0.3	0.0	(0.2)	0.0	(0.0)	0.0	0.1
OPERATING INCOME	0.5	(0.2)	0.7	0.0	(0.2)	(0.0)	(0.0)	0.1	0.4
<i>Operating Margin</i>	13.0%	-3.7%		1.3%	-8.7%	-0.5%	-0.2%	5.5%	23.0%
Interest and other financial income (expenses), net	(0.2)	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)	(0.1)
Foreign exchange gains (losses), net	(0.0)	(0.0)		0.0	(0.0)	0.0	(0.0)	(0.1)	0.1
INCOME BEFORE TAXES	0.4	(0.4)	0.7	(0.0)	(0.4)	(0.1)	(0.1)	0.0	0.3
Income Taxes	0.0	(0.0)	0.0	(0.0)	0.0	0.0	(0.8)	0.0	0.0
NET INCOME (LOSS)	0.4	(0.4)	0.7	(0.0)	(0.3)	(0.1)	(1.0)	0.0	0.3

- ✓ **Net sales** down by -28.2%: the slowdown in the automotive market, begun in 2019, worsened in 1H 2020 due to the Covid-19
- ✓ **Opportunity from Covid-19 in the medical sector**: thanks to a contract for development, assembly and sale of devices for Covid-19 rapid diagnostic tests, revenues for a total value of €1 million in 1H 2020
- ✓ **Positive net result** in 1H 2020: despite the decrease in sales, the **operating margin** significantly improved, thanks to the proceeds from third party engineering contracts characterized by higher margins and the reduction in operating expenses due to the liquidation of the two Asian subsidiaries

SAES RIAL Vacuum - Income Statement (49%)

(figures based on the % of ownership held by SAES Group)

All figures in M€, unless otherwise stated

	1H 2020	1H 2019	Total difference	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
NET SALES	0.9	0.6	0.3	0.3	0.3	0.5	0.6	0.2	0.7
Cost of goods sold	(0.7)	(0.5)	(0.2)	(0.2)	(0.2)	(0.2)	(0.5)	(0.2)	(0.5)
GROSS PROFIT	0.2	0.1	0.1	0.0	0.1	0.3	0.1	(0.0)	0.2
<i>Gross Margin</i>	17.6%	17.6%		16.9%	18.4%	56.8%	10.3%	-27.8%	29.2%
Operating expenses	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)
Other income (expenses), net	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
OPERATING INCOME	0.0	0.0	0.0	0.0	0.0	0.3	0.0	(0.1)	0.1
<i>Operating Margin</i>	4.3%	4.5%		0.7%	8.0%	46.1%	2.2%	-59.7%	20.5%
Interest and other financial income (expenses), net	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0)	(0)
Foreign exchange gains (losses), net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
INCOME BEFORE TAXES	0.0	0.0	0.0	(0.0)	0.0	0.2	0.0	(0)	0
Income Taxes	(0.0)	(0.0)	(0.0)	0.0	(0.0)	(0.1)	(0.0)	0	(0)
NET INCOME (LOSS)	0.0	0.0	0.0	0.0	0.0	0.2	0.0	(0)	0

- ✓ **Net sales** up by 50.3%: after a first quarter heavily penalized by the delay of some large research projects, also due to the Covid-19 pandemic, in recent months the turnover has increased, returning to the progressive levels initially planned
- ✓ Thanks to this increase in revenues, **gross margin** and **operating margin** in line with 1H 2019
- ✓ Slight **net income** (+€48 thousand) in 1H 2020

Flexterra - Income Statement (46.73%)

(figures based on the % of ownership held by SAES Group)

All figures in M€, unless otherwise stated

	1H 2020	1H 2019	Total difference	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
NET SALES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cost of goods sold	(0.0)	(0.0)	(0.0)	0.0	(0.0)	0.0	0.0	(0.0)	(0.0)
GROSS PROFIT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Gross Margin</i>	<i>n.s.</i>	<i>n.s.</i>		<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>
Operating expenses	(1.0)	(1.1)	0.1	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Other income (expenses), net	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0
OPERATING INCOME	(1.0)	(1.1)	0.1	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
<i>Operating Margin</i>	<i>n.s.</i>	<i>n.s.</i>		<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>
Interest and other financial income (expenses), net	(0.0)	0.0	(0.0)	0.0	0.0	0.0	(0.0)	(0)	(0)
Foreign exchange gains (losses), net	0.0	(0.0)		(0.0)	(0.0)	0.0	0.1	(0)	0
INCOME BEFORE TAXES	(1.0)	(1.1)	0.1	(0.5)	(0.5)	(0.5)	(0.5)	(1)	(0)
Income Taxes	0.0	0.0	(0.0)	(0.1)	0.1	0.0	0.0	0	0
NET INCOME (LOSS)	(0.9)	(1.1)	0.1	(0.6)	(0.4)	(0.5)	(0.5)	(1)	(0)

- ✓ **Net loss** equal to -€2 million (-€2.3 million in 1H 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
- ✓ Although with longer time than initially estimated, also due to the Covid-19 crisis, the start of the **production** and **sale activities** expected at the end of the year

Total Income Statement of the Group

(achieved by incorporating the JVs with the proportional method instead of the equity method)

All figures in M€, unless otherwise stated

	1H 2020	Actuator Solutions		SAES RIAL Vacuum S.r.l.		Flexterra		1H 2020 Total IS of the Group
		50% Actuator Solutions	Eliminations & other adjs	49% SAES RIAL Vacuum S.r.l.	Eliminations & other adjs	46.73% Flexterra	Eliminations & other adjs	
NET SALES	89.1	3.9	(0.1)	0.9	(0.3)	0.0	0.0	93.5
Cost of sales	(50.9)	(2.9)	0.1	(0.7)	0.3	0.0	0.0	(54.1)
GROSS PROFIT	38.2	1.1	0.0	0.2	0.0	0.0	0.0	39.5
<i>Gross Margin</i>	<i>42.9%</i>	<i>27.3%</i>		<i>17.6%</i>		<i>n.s.</i>		<i>42.2%</i>
Total operating expenses	(26.3)	(0.6)	0.0	(0.1)	0.0	(1.0)	0.0	(28.1)
Other income (expenses), net	(0.8)	0.1		0.0		0.0		(0.7)
OPERATING INCOME	11.1	0.5	0.0	0.0	0.0	(1.0)	0.0	10.7
<i>Operating Margin</i>	<i>12.5%</i>	<i>13.0%</i>		<i>4.3%</i>		<i>n.s.</i>		<i>11.5%</i>
Interest and other financial income (expenses), net	(6.5)	(0.2)	0.1	(0.0)	0.0	(0.0)	0.0	(6.5)
Income (loss) from equity method evaluated companies	(0.9)		0.0		(0.0)		0.9	0.0
Write down of investments accounted for using the equity method	0.0		0.0					0.0
Foreign exchange gains (losses), net	(0.0)	(0.0)		0.0		0.0		(0.0)
INCOME BEFORE TAXES	3.8	0.4	0.1	0.0	0.0	(1.0)	0.9	4.2
Income Taxes	(3.3)	0.0		0.0		0.0		(3.3)
NET INCOME from continued operations	0.4	0.4	0.1	0.0	0.0	(0.9)	0.9	0.9
<i>Net Margin</i>	<i>0.5%</i>	<i>2.0%</i>		<i>-47.7%</i>		<i>n.s.</i>		<i>1.0%</i>
Net income (loss) from discontinued operations	0.0							0.0
NET INCOME before minority interests	0.4	0.4	0.1	0.0	0.0	(0.9)	0.9	0.9
<i>Net Margin</i>	<i>0.5%</i>	<i>2.0%</i>		<i>-47.7%</i>		<i>n.s.</i>		<i>1.0%</i>
Minority interests	0.0							0.0
GROUP NET INCOME	0.4	0.4	0.1	0.0	0.0	(0.9)	0.9	0.9
<i>Net Margin</i>	<i>0.5%</i>	<i>9.1%</i>		<i>-47.7%</i>		<i>n.s.</i>		<i>-9.7%</i>

Net Financial Position

All figures in M€, unless otherwise stated

	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
Cash and cash equivalents	31.2	46.0	48.6
Current financial assets	70.1	67.8	70.8
Current financial liabilities	(35.8)	(36.7)	(35.4)
Current net financial position	65.6	77.0	84.0
Non current financial assets	130.3	128.2	134.7
Non current financial liabilities	(100.2)	(102.4)	(103.4)
Non current financial position	30.1	25.8	31.3
NET FINANCIAL POSITION	95.6	102.8	115.3

- ✓ **Compared to the end of March**, worsening, despite the partial recovery of the securities fair value (+€3.8 million), mainly as a consequence of the dividends payment at the end of April 2020 (-€9.2 million)
- ✓ **Compared to the December 31, 2019**, decrease mainly due to the write-down of securities (-€6.5 million), to the investments in tangible and intangible assets (-€6.9 million), as well as the payment of dividends (-€9.2 million)
- ✓ **In 1H 2020**, self-financing mostly absorbed by the increase in net working capital (**stock increase** mainly in the Nitinol sector and in the security and defense sector + **reduction in trade payables** of the Parent Company and of Memry Corporation)

Cash Flows

All figures in M€, unless otherwise stated

	1H 2020	1H 2019
Net income (loss) from continued operations	0.4	9.0
Net income (loss) from discontinued operations	0.0	0.2
Current income taxes	2.9	4.6
Change in deferred income taxes	0.4	1.6
Depreciation, amortization and write down of non current assets	5.3	4.6
Interests and other financial income, net	7.3	(1.8)
Other non-monetary costs	(0.8)	(3.0)
	15.7	15.1
Change in operating assets and liabilities	(11.0)	(7.0)
Payments of termination indemnities and similar obligations	(0.3)	(0.2)
Financial income received, net of payment of interests	(0.4)	(0.1)
Payment of income taxes	(1.1)	(5.5)
Net cash flows from operating activities	2.8	2.3
Purchase of tangible and intangible assets, net of proceeds from sales	(6.9)	(8.7)
Adjustment on consideration for the purification business disposal	0.0	(0.4)
Purchase of securities, net of disinvestments	(1.4)	(100.5)
Income from securities, net of commissions	1.2	0.9
Advances for the purchase of investments	0.0	(1.1)
Net cash flows from investing activities	(7.2)	(109.7)
Proceeds from debts, net of repayments	(2.0)	89.5
Interests on financing receivables from related parties	0.0	0.0
Dividends payment	(9.2)	(16.6)
Interests and other expenses paid on loans	(0.6)	(0.1)
Repayment of financial liabilities for leased assets (interests included)	(1.1)	(0.7)
Treasury shares	0.0	(93.4)
Other financial liabilities/assets	0.0	0.0
Net cash flows from financing activities	(12.9)	(21.2)
Effect of exchange rate differences	0.0	0.2
TOTAL CASH FLOWS	(17.3)	(128.5)

- A gradual recovery of the **medical market** is expected towards the end of the year
- A slower recovery is expected in the **SMA Industrial sector**
- Particular attention to the trend of the **euro-dollar exchange rate**
- For the remainder of the year, **two quarters similar to each other and in line with 2Q 2020** are expected, at average exchange rates equivalent to those of the first half

Disclaimer and Attestation

This presentation contains forward-looking statements which are based upon current expectations and involve a number of risks and uncertainties. There are a number of important factors that could cause actual results to differ materially from those expressed in any forward-looking statements made by the Company. These factors include the Company's ability to introduce new products at planned costs and on planned schedules, the Company's ability to maintain key client relationships and the environments of the various economies in the countries the Company conducts business. The Company cautions that the foregoing list of important factors is not exclusive. The Company undertakes no obligation to publicly release the result of any revision to these forward-looking statements which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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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