

The SAES[®] Group

2019 Consolidated Results



making **innovation happen**, together

FY 2019 Highlights

All figures in M€, unless otherwise stated

- **STRONG GROWTH IN REVENUES AND SIGNIFICANT IMPROVEMENT IN ALL THE ECONOMIC AND FINANCIAL INDICATORS**
- **PROPOSED A DIVIDEND OF €0.78 PER ORDINARY SHARE AND OF €0.80 PER SAVINGS SHARE**

P&L figures	2019	2018	Total difference	Difference %
CONSOLIDATED REVENUES	182.4	160.3	22.1	13.8%
TOTAL REVENUES OF THE GROUP	194.0	172.2	21.8	12.7%
CONSOLIDATED GROSS PROFIT	78.4	70.3	8.1	11.6%
<i>% on sales</i>	<i>43.0%</i>	<i>43.8%</i>		
CONSOLIDATED OPERATING INCOME	26.8	15.1	11.7	77.7%
<i>% on sales</i>	<i>14.7%</i>	<i>9.4%</i>		
CONSOLIDATED EBITDA	36.5	26.3	10.2	38.9%
<i>% on sales</i>	<i>20.0%</i>	<i>16.4%</i>		
NET INCOME (LOSS) FROM OPERATING ACTIVITIES	19.7	(7.7)	27.4	-356.3%
<i>% on sales</i>	<i>10.8%</i>	<i>-4.8%</i>		
NET INCOME FROM DISCONTINUED OPERATIONS	0.2	240.0	(239.9)	-99.9%
<i>% on sales</i>	<i>0.1%</i>	<i>149.7%</i>		
CONSOLIDATED NET INCOME	19.8	232.3	(212.5)	-91.5%
<i>% on sales</i>	<i>10.9%</i>	<i>145.0%</i>		

Other information	Dec 31, 2019	Dec 31, 2018	Total difference	Difference %
CONSOLIDATED NET FINANCIAL POSITION	115.3	223.3	(108.0)	-48.4%
CAPEX	24.1	15.0	9.1	60.8%

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

	2019	2018	Total difference	Difference %
Consolidated sales	182.4	160.3	22.1	13.8%
50% Actuator Solutions sales	10.6	11.5	(0.9)	-7.5%
49% SAES RIAL Vacuum S.r.l. sales	1.7	1.3	0.4	30.0%
Pro-quota Flexterra sales	0.0	0.0	(0.0)	-46.2%
Eliminations & other adjs	(0.6)	(0.8)	0.2	-28.2%
Total revenues of the Group	194.0	172.2	21.8	12.7%

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	2019
Consolidated sales	43.1	45.4	49.0	44.9	182.4
50% Actuator Solutions sales	2.8	2.7	2.9	2.2	10.6
49% SAES RIAL Vacuum S.r.l. sales	0.3	0.3	0.5	0.6	1.7
46.73% Flexterra sales	0.0	0.0	0.0	0.0	0.0
Eliminations & other adjs	(0.2)	(0.2)	(0.2)	(0.1)	(0.6)
Total revenues of the Group	46.0	48.3	52.2	47.6	194.0

- ✓ Total revenues of the Group up by 12.7% thanks mainly to the increased **consolidated revenues** and to the growth of **sales** of the **joint venture SAES RIAL Vacuum S.r.l.**
- ✓ **Revenues** of the **joint venture Actuator Solutions** decreased by 7.5% penalized by the slow-down of the automotive sector, only partially offset by the revenues deriving from developments in the telecom sector

Industrial BU Sales

All figures in M€, unless otherwise stated

	2019	2018	Total difference %	Organic change %	Exchange rate effect %
Security & Defense	12.8	12.6	1.5%	-2.1%	3.6%
Electronic Devices	25.6	21.1	21.5%	19.7%	1.8%
Healthcare Diagnostics	4.4	4.6	-3.1%	-5.7%	2.6%
Lamps	4.1	4.9	-16.9%	-19.6%	2.7%
Thermal Insulated Devices	3.4	3.6	-5.3%	-10.3%	5.0%
Solutions for Vacuum Systems	10.6	11.2	-5.3%	-7.8%	2.5%
Sintered Components for Electronic Devices & Lasers	8.5	7.4	15.0%	9.0%	6.0%
SMA Industrial	17.0	11.5	47.8%	43.5%	4.3%
Functional Chemical Systems	1.1	1.1	-2.2%	-7.3%	5.1%
Industrial	87.4	77.8	12.2%	9.0%	3.2%



FY 2019 vs. FY 2018

Organic growth (+9%) mainly driven by:

- **SMA Industrial Business** (increase driven by the sales of educated wires for consumer electronics applications and components for luxury applications)
- **Electronic Devices Business** (higher sales of getter components for thermal sensors for surveillance and industrial applications and of advanced getters for the consumer electronics market)

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	2019
Security & Defense	3.6	2.7	3.5	3	12.8
Electronic Devices	4.3	6.3	8.3	6.8	25.6
Healthcare Diagnostics	1.2	1.2	1.0	1.0	4.4
Lamps	1.1	1.2	1.0	0.8	4.1
Thermal Insulated Devices	0.9	0.9	0.7	0.8	3.4
Solutions for Vacuum Systems	3.1	2.5	2.0	3.0	10.6
Sintered Components for Electronic Devices & Lasers	2.4	2.1	1.8	2.1	8.5
SMA Industrial	3.7	4.6	5.2	3.5	17.0
Functional Chemical Systems	0.2	0.3	0.3	0.3	1.1
Industrial	20.4	21.8	23.9	21.3	87.4

4Q 2019 vs. 3Q 2019

- In **SMA Industrial Business**, -32% organic decrease, due to economic effects in the timing of procurement of SMA products for consumer electronics and automotive applications
- In **Electronic Devices Business**, -17.5 organic decrease for the postponement of some deliveries for consumer electronics to early 2020
- Organic growth in **Solutions for Vacuum Systems Business** (+50.1%) favored by the recovery in sales of pumps for particle accelerators

Medical BU Sales

All figures in M€, unless otherwise stated



Medical BU
46.6%

	2019	2018	Total difference %	Organic change %	Exchange rate effect %
Nitinol for Medical Devices	85.0	71.0	19.7%	13.6%	6.1%
Medical	85.0	71.0	19.7%	13.6%	6.1%

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	2019
Nitinol for Medical Devices	20.1	21.2	22.8	20.9	85.0
Medical	20.1	21.2	22.8	20.9	85.0

FY 2019 vs. FY 2018

- ✓ **Significant two-digit organic growth (+13.6%)** spread over different product lines, customers and market segments

4Q 2019 vs. 3Q 2019

- ✓ **Organic decrease** equal to **-9%**: after a particularly positive 3Q, favored by the postponement of previous deliveries, in 4Q slowdown on a primary customer due to its over-stock issue

Packaging BU Sales

All figures in M€, unless otherwise stated



Packaging
5.5%

	2019	2018	Total difference %	Organic change %	Exchange rate effect %
Solutions for Advanced Packaging	10.0	11.5	-12.8%	-12.8%	0.0%
Packaging	10.0	11.5	-12.8%	-12.8%	0.0%

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	2019
Solutions for Advanced Packaging	2.6	2.4	2.3	2.7	10.0
Packaging	2.6	2.4	2.3	2.7	10.0

FY 2019 vs. FY 2018

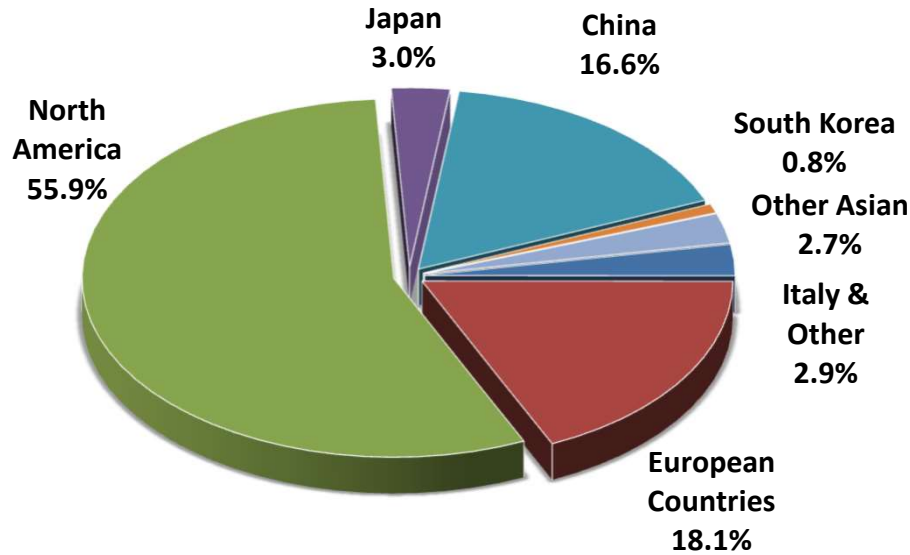
- ✓ Decrease affected by the ongoing **rationalization of the products portfolio**, aimed at reducing the incidence of metalized products compared to lacquered ones, while sales of the new lacquered products with higher added value started only in the last months of 2019

4Q 2019 vs. 3Q 2019

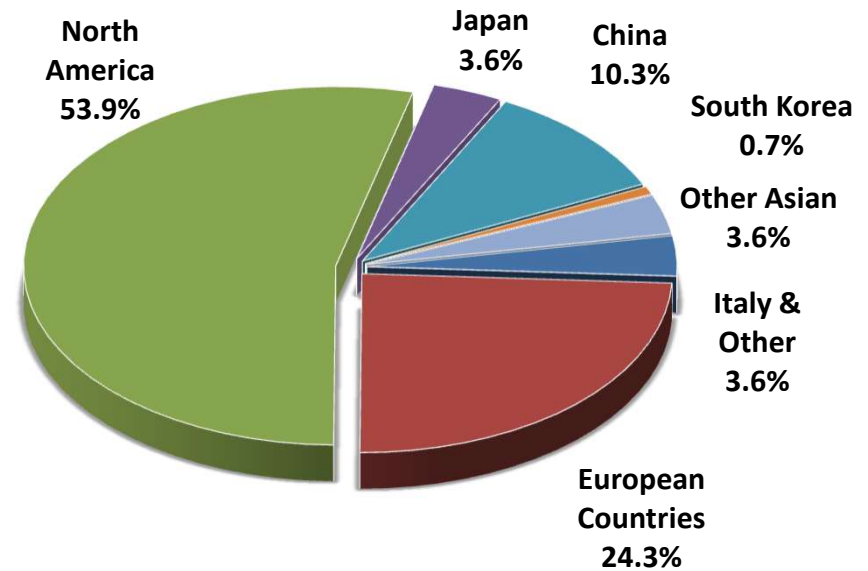
- ✓ **Organic growth (+20%)**, thanks to the **first sales of new generation lacquered films**

Consolidated Sales by Geographic Area

2019 - Total 182,352

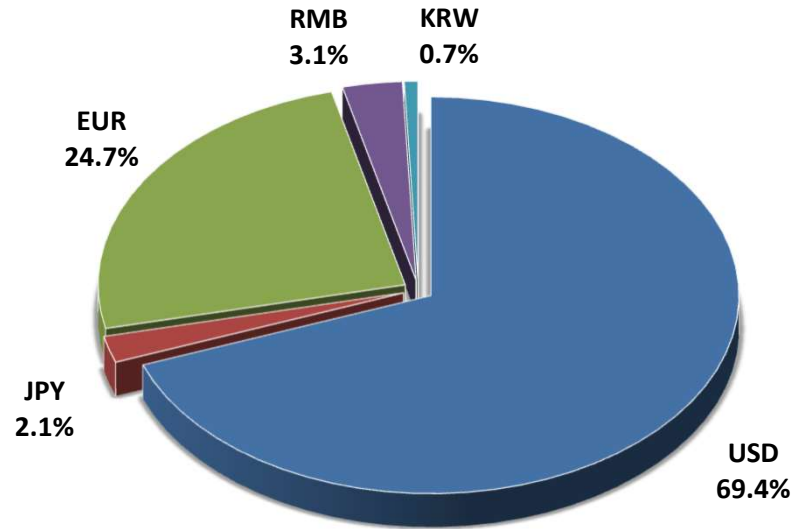


2018 - Total 160,284

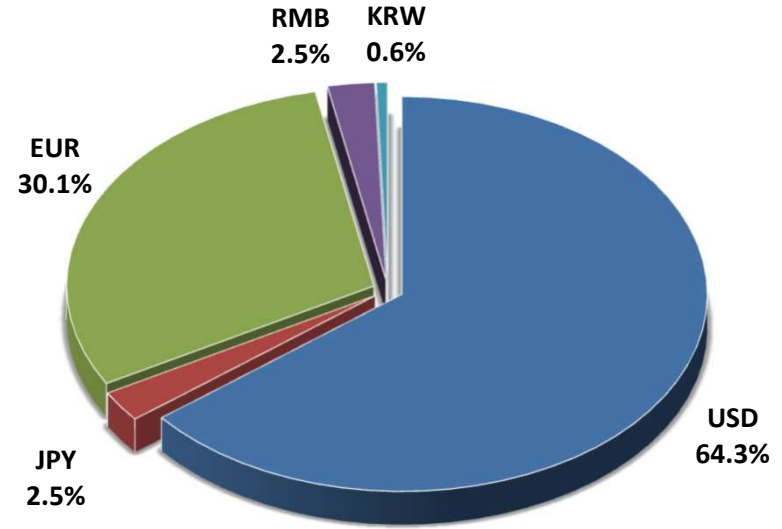


Consolidated Sales by Invoicing Currency

2019 - Total 182,352

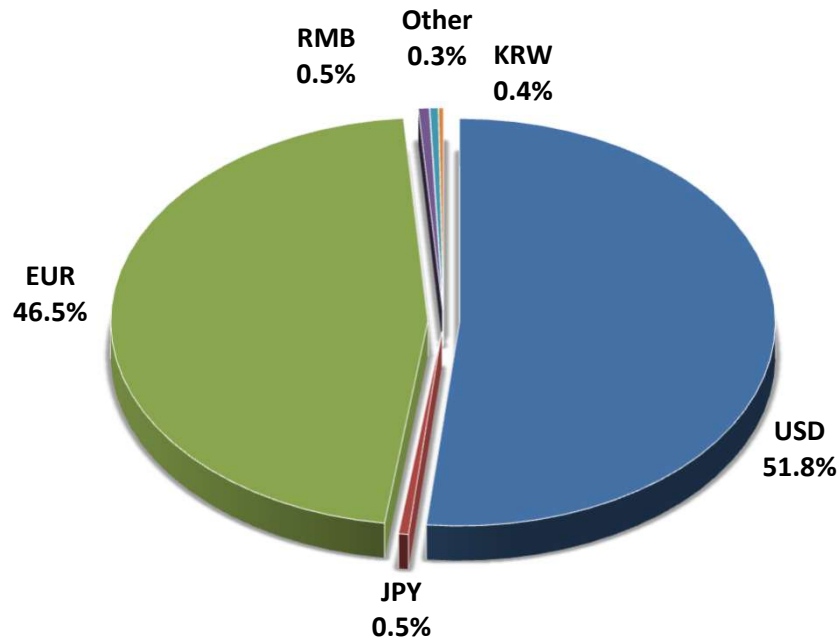


2018- Total 160,284

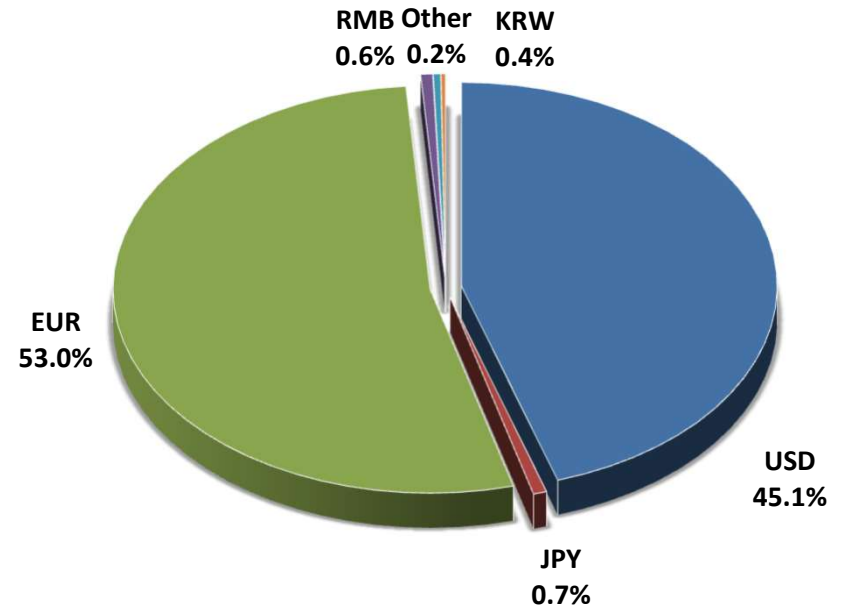


Consolidated Costs by Currency

2019 – Total 157,861



2018 – Total 146,861



Industrial BU Margins

All figures in M€, unless otherwise stated

	2019	2018	Total difference
NET SALES	87.4	77.8	9.5
GROSS PROFIT	42.2	38.3	3.9
<i>Gross Margin</i>	48.3%	49.2%	
OPERATING INCOME	26.1	20.6	5.5
<i>Operating Margin</i>	29.9%	26.4%	

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	2019
NET SALES	20.4	21.8	23.9	21.3	87.4
GROSS PROFIT	10.4	10.4	12.6	8.8	42.2
<i>Gross Margin</i>	50.8%	47.9%	52.8%	41.1%	48.3%
OPERATING INCOME	6.1	6.6	8.6	4.8	26.1
<i>Operating Margin</i>	29.9%	30.3%	35.9%	22.5%	29.9%

- ✓ Growth in **gross profit** (+10.2%) driven by the excellent performance of sales in the electronic devices sector and in the industrial SMAs
- ✓ Slight decrease in **gross margin**, penalized by the disposal of non-compliant products in the electronic devices sector (€0.6 million)
- ✓ **Operating income** up by 26.9%, mainly thanks to the increase in revenues
- ✓ **Operating margin** from 26.4% to 29.9%

Medical BU Margins

All figures in M€, unless otherwise stated

	2019	2018	Total difference
NET SALES	85.0	71.0	14.0
GROSS PROFIT	35.6	31.1	4.5
<i>Gross Margin</i>	41.9%	43.8%	
OPERATING INCOME	26.2	23.7	2.5
<i>Operating Margin</i>	30.8%	33.3%	

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	2019
NET SALES	20.1	21.2	22.8	20.9	85.0
GROSS PROFIT	7.5	9.1	10.0	9.1	35.6
<i>Gross Margin</i>	37.3%	42.7%	43.7%	43.5%	41.9%
OPERATING INCOME	5.4	6.6	7.4	6.8	26.2
<i>Operating Margin</i>	26.7%	31.2%	32.4%	32.5%	30.8%

- ✓ **Gross profit** up by 4.6%: the increase in revenues more than offset the decrease in margins
- ✓ **Gross margin** from 43.8% to 41.9%, penalized by temporary production inefficiencies in Memry Corporation
- ✓ **Operating income** up by 10.6%, thanks to the strong growth of the gross profit, which more than absorbed the increase in operating expenses (in particular, G&A expenses for consultancy)
- ✓ **Operating margin** from 33.3% to 30.8%
- ✓ **In 2018 a non-refundable contribution equal to €1.2 million**, granted by the State of Connecticut to the subsidiary Memry Corporation

Packaging BU Margins

All figures in M€, unless otherwise stated

	2019	2018	Total difference
NET SALES	10.0	11.5	(1.5)
GROSS PROFIT	0.6	1.2	(0.6)
<i>Gross Margin</i>	6.0%	10.3%	
OPERATING INCOME	-3.2	-5.9	2.6
<i>Operating Margin</i>	-32.4%	-51.1%	

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	2019
NET SALES	2.6	2.4	2.3	2.7	10.0
GROSS PROFIT	0.3	0.1	0.1	0.0	0.6
<i>Gross Margin</i>	12.0%	6.1%	5.9%	0.2%	6.0%
OPERATING INCOME	(0.6)	(0.7)	(0.7)	(1.2)	(3.2)
<i>Operating Margin</i>	-23.5%	-27.7%	-32.7%	-44.7%	-32.4%

- ✓ Decrease in **gross profit** and **gross margin** mainly due to the decrease in sales, while the phase-out process of non-strategic products has not yet completely shown its effects due to the presence of still low volumes, with fixed costs substantially unchanged
- ✓ **Operating loss** from -€5.9 million to -€3.2 million, but stable (-€2.8 million in both fiscal years) if excluding the extraordinary expenses: the decrease in gross profit was offset by lower G&A expenses (in particular, lower consultancy costs)

Not Allocated Costs

All figures in M€, unless otherwise stated

	2019	2018	Total difference
NET SALES	0.0	0.0	0.0
GROSS PROFIT	0.0	(0.3)	0.3
<i>Gross Margin</i>	<i>n.s.</i>	<i>n.s.</i>	
Total operating expenses	(23.2)	(22.9)	(0.3)
Other income (expenses), net	0.9	(0.1)	1.1
OPERATING INCOME	(22.2)	(23.3)	1.0
<i>Operating Margin</i>	<i>n.s.</i>	<i>n.s.</i>	

	1Q 2019	2Q 2019	3Q 2019	4Q 2019	2019
NET SALES	0.0	0.0	0.0	0.0	0.0
GROSS PROFIT	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>
Total operating expenses	(6.1)	(6.0)	(5.7)	(5.4)	(23.2)
Other income (expenses), net	(0.1)	2.2	(0.1)	(1.1)	0.9
OPERATING INCOME	(6.2)	(3.8)	(5.7)	(6.5)	(22.2)
<i>Operating Margin</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>

- ✓ Excluding extraordinary items, **un-allocated costs** increased by €1.8 million (from €21.3 million in 2018 to €23.1 million in 2019), mainly due to increased consultancy expenses for strategic projects, as well as higher costs for Executive Directors fees

Consolidated Income Statement – FY 2019

All figures in M€, unless otherwise stated

	2019	2018	Total difference	1Q 2019	2Q 2019	3Q 2019	4Q 2019
NET SALES	182.4	160.3	22.1	43.1	45.4	49.0	44.9
GROSS PROFIT	78.4	70.3	8.1	18.2	19.6	22.7	17.8
<i>Gross Margin</i>	43.0%	43.8%		42.2%	43.3%	46.4%	39.7%
R&D expenses	(11.1)	(11.0)	(0.1)	(2.7)	(2.9)	(2.7)	(2.8)
Selling expenses	(13.0)	(12.7)	(0.3)	(3.1)	(3.1)	(3.2)	(3.6)
G&A expenses	(29.3)	(32.5)	3.2	(7.7)	(7.2)	(7.3)	(7.0)
Total operating expenses	(53.4)	(56.1)	2.8	(13.5)	(13.2)	(13.2)	(13.4)
Other income (expenses), net	1.8	0.9	0.8	(0.0)	2.4	(0.0)	(0.5)
OPERATING INCOME	26.8	15.1	11.7	4.6	8.8	9.5	3.9
<i>Operating Margin</i>	14.7%	9.4%		10.8%	19.3%	19.4%	8.6%
Interest and other financial income (expenses), net	6.6	(0.4)	7.0	1.7	1.4	2.6	0.9
Write down of financial receivables from related parties	(0.4)	(9.1)	8.7	(0.1)	(0.1)	(0.1)	(0.1)
Income (loss) from equity method evaluated companies	(1.8)	(1.5)	(0.3)	(0.6)	(0.4)	(0.3)	(0.4)
Write down of investments accounted for using the equity method	(1.2)	(4.3)	3.1	0.0	0.0	0.0	(1.2)
Foreign exchange gains (losses), net	(0.1)	0.5	(0.6)	0.0	(0.1)	0.1	(0.2)
INCOME BEFORE TAXES	29.9	0.3	29.6	5.6	9.6	11.7	3.1
Income Taxes	(10.2)	(8.0)	(2.3)	(2.4)	(3.8)	(2.9)	(1.1)
NET INCOME from continued operations	19.7	(7.7)	27.4	3.2	5.8	8.8	2.0
<i>Net Margin</i>	10.8%	-4.8%		7.4%	12.7%	17.9%	4.4%
Net income from discontinued operations	0.2	240.0	(239.9)	0.0	0.2	(0.0)	0.0
NET INCOME before minority interests	19.8	232.3	(212.5)	3.2	6.0	8.7	2.0
<i>Net Margin</i>	10.9%	145.0%		7.4%	13.1%	17.8%	4.4%
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GROUP NET INCOME	19.8	232.3	(212.5)	3.2	6.0	8.7	2.0
<i>Net Margin</i>	10.9%	145.0%		7.4%	13.1%	17.8%	4.4%

FY 2019 one-offs

- **-€0.3 million** – write-down of an expansion project of the Lainate plant, subsequently suspended because it was decided to make the productive investment in Roncello
- **-€0.6 million** – disposal of non-compliant products in the electronic devices sector
- **+€0.6 million** – compensation received for the above disposal
- **+€1.2 million** – consolidated income for the sale of the OLET patents to the JV Flexterra
- **-€0.4 million** – severance costs
- **-€0.5 million** – write-down of the financial receivable towards Actuator Solutions GmbH
- **-€0.6 million** – write-down of the investment in the Flexterra joint venture, following the impairment test
- **-€0.6 million** – risk provision for the investment in Actuator Solutions

FY 2018 one-offs

- **+€1.2 million** – conversion of 50% of the loan granted by the CT State to Memry Corp. in a non-repayable grant
- **-€2.7 million** – severance costs for the staff reduction of the Parent Company
- **-€3.1 million** – write-offs subsequent to the Advanced Packaging BU impairment test
- **-€9.1 million** – write-down of the financial receivable towards Actuator Solutions GmbH
- **-€4.3 million** – write-down of the investment in the Flexterra joint venture, following the impairment test

One-offs FY 2019

All figures in M€, unless otherwise stated

	2019	2019 one-offs	2019 net of one-offs
NET SALES	182.4	0.0	182.4
GROSS PROFIT	78.4	0.9 (**)	79.3
<i>Gross Margin</i>	43.0%	<i>n.s.</i>	43.5%
R&D expenses	(11.1)	0.0	(11.1)
Selling expenses	(13.0)	0.2 (*)	(12.8)
G&A expenses	(29.3)	0.3 (*)	(29.0)
Total operating expenses	(53.4)	0.5	(52.9)
Other income (expenses), net	1.8	(1.8) (***)	(0.0)
OPERATING INCOME	26.8	(0.4)	26.4
<i>Operating Margin</i>	14.7%	<i>n.s.</i>	14.5%
CONSOLIDATED EBITDA	36.5	(0.7)	35.7
<i>% on sales</i>	20.0%		19.6%

(*) Severance

(**) Writedown of a project to extend the Lainate plant, subsequently suspended in Adv. Pack. BU (€0.3m) and disposal of non-compliant stock (€0.6m)

(***) Consolidated capital gain on IP sale to Flexterra (€1.2m) & compensation received against the disposal of non-compliant stock(€0.6m)

One-offs FY 2018

All figures in M€, unless otherwise stated

	2018	2018 one-offs	2018 net of one-offs
NET SALES	160.3	0.0	160.3
GROSS PROFIT	70.3	0.0	70.3
<i>Gross Margin</i>	43.8%	<i>n.s.</i>	43.8%
R&D expenses	(11.0)	0.0	(11.0)
Selling expenses	(12.7)	0.9 (*)	(11.7)
G&A expenses	(32.5)	4.8 (**)	(27.6)
Total operating expenses	(56.1)	5.8	(50.4)
Other income (expenses), net	0.9	(1.2) (***)	(0.2)
OPERATING INCOME	15.1	4.6	19.7
<i>Operating Margin</i>	9.4%	<i>n.s.</i>	12.3%
CONSOLIDATED EBITDA	26.3	1.5	27.8
<i>% on sales</i>	16.4%		17.3%

(*) Severance

(**) Severance (€1.7m) and write-off for Adv. Pack. BU impairment test (€3.1m)

(***) Non-repayable grant provided by the State of Connecticut

Pro-forma- FY 2019 vs. FY 2018

All figures in M€, unless otherwise stated

	2019 net of one-offs	2018 net of one-offs	Delta
NET SALES	182.4	160.3	22.1
GROSS PROFIT	79.3	70.3	9.0
<i>Gross Margin</i>	43.5%	43.8%	40.8%
R&D expenses	(11.1)	(11.0)	(0.1)
Selling expenses	(12.8)	(11.7)	(1.1)
G&A expenses	(29.0)	(27.6)	(1.4)
Total operating expenses	(52.9)	(50.4)	(2.5)
Other income (expenses), net	(0.0)	(0.2)	0.2
OPERATING INCOME	26.4	19.7	6.7
<i>Operating Margin</i>	14.5%	12.3%	30.4%
CONSOLIDATED EBITDA	35.7	27.8	7.9
<i>% on sales</i>	19.6%	17.3%	35.9%

Actuator Solutions - Income Statement (50%)

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

All figures in M€, unless otherwise stated

	2019	2018	Total difference	1Q 2019	2Q 2019	3Q 2019	4Q 2019
NET SALES	10.6	11.5	(0.9)	2.8	2.7	2.9	2.2
Cost of goods sold	(8.7)	(9.4)	0.7	(2.2)	(2.3)	(2.4)	(1.9)
GROSS PROFIT	1.9	2.0	(0.1)	0.5	0.5	0.5	0.4
<i>Gross Margin</i>	<i>18.0%</i>	<i>17.7%</i>		<i>0.2</i>	<i>0.2</i>	<i>0.2</i>	<i>17.3%</i>
Operating expenses	(1.9)	(2.3)	0.3	(0.5)	(0.5)	(0.5)	(0.4)
Other income (expenses), net	(0.2)	0.2	(0.4)	0.0	(0.2)	0.0	(0.0)
OPERATING INCOME	(0.2)	(0.0)	(0.2)	0.0	(0.2)	(0.0)	(0.0)
<i>Operating Margin</i>	<i>-2.1%</i>	<i>-0.3%</i>		<i>0.0</i>	<i>(0.1)</i>	<i>(0.0)</i>	<i>-0.2%</i>
Interest and other financial income (expenses), net	(0.3)	(0.3)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)
Foreign exchange gains (losses), net	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0	(0.0)
INCOME BEFORE TAXES	(0.6)	(0.3)	(0.3)	(0.0)	(0.4)	(0.1)	(0.1)
Income Taxes	(0.8)	(0.2)	(0.6)	(0.0)	0.0	0.0	(0.8)
NET INCOME (LOSS)	(1.4)	(0.5)	(0.9)	(0.0)	(0.3)	(0.1)	(1.0)

- ✓ In FY 2019 **restructuring operation** aimed at:
 - greater focus of the German joint venture on its core business (in particular, production activities in the automotive business and product developments in the telecom sector)
 - liquidation of the Chinese subsidiary Actuator Solutions (Shenzhen) Co., Ltd.
 - liquidation of the Taiwanese subsidiary Actuator Solutions Taiwan Co., Ltd.
- ✓ **Extraordinary costs** equal to **€2.1 million** from the restructuring operation
- ✓ Excluding both the **extraordinary charges** related to the restructuring process and the extraordinary cost of €0.4 million related to a **IT fraud** suffered by the German parent company in the 1H 2019, net loss equal to -€0.4 million, in line with FY 2018 (-€0.3 million)

SAES RIAL Vacuum - Income Statement (49%)

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

All figures in M€, unless otherwise stated

	2019	2018	Total difference	1Q 2019	2Q 2019	3Q 2019	4Q 2019
NET SALES	1.7	1.3	0.4	0.3	0.3	0.5	0.6
Cost of goods sold	(1.2)	(1.0)	(0.2)	(0.2)	(0.2)	(0.2)	(0.5)
GROSS PROFIT	0.5	0.3	0.2	0.0	0.1	0.3	0.1
<i>Gross Margin</i>	<i>28.0%</i>	<i>19.3%</i>		<i>17.0%</i>	<i>18.2%</i>	<i>56.9%</i>	<i>10.3%</i>
Operating expenses	(0.2)	(0.2)	(0.1)	(0.0)	(0.0)	(0.1)	(0.1)
Other income (expenses), net	0.1	(0.0)	0.1	0.0	0.0	0.0	0.0
OPERATING INCOME	0.3	0.1	0.2	0.0	0.0	0.3	0.0
<i>Operating Margin</i>	<i>17.3%</i>	<i>4.4%</i>		<i>0.7%</i>	<i>7.9%</i>	<i>46.3%</i>	<i>2.0%</i>
Interest and other financial income (expenses), net	(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
INCOME BEFORE TAXES	0.3	0.0	0.2	(0.0)	0.0	0.3	0.0
Income Taxes	(0.1)	(0.0)	(0.1)	0.0	(0.0)	(0.1)	(0.0)
NET INCOME (LOSS)	0.2	0.0	0.2	0.0	0.0	0.2	0.0

- ✓ **Revenues** up by 30%, thanks to the recognized competitiveness, also international, of the offering in the field of vacuum chambers
- ✓ Strong recovery in the **gross margin** (from 19.4% to 27.9%), thanks to the increase in sales
- ✓ Subsequent increase in the **net income** to €0.4 million in FY 2019



Flexterra - Income Statement (46.73%*)

* equal to 33.79% at the beginning of the FY 2018 and to 46.73% from December 31, 2018, following the capital increases subscribed by the Group on October 5 and December 12 respectively

All figures in M€, unless otherwise stated

	2019	2018	Total difference	1Q 2019	2Q 2019	3Q 2019	4Q 2019
NET SALES	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
GROSS PROFIT	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>	
Operating expenses	(2.1)	(1.5)	(0.6)	(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)
OPERATING INCOME	(2.1)	(1.5)	(0.6)	(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>		
Interest and other financial income (expenses), net	0.0	(0.0)	0.0	0.0	0.0	0.0	(0.0)
Foreign exchange gains (losses), net	0.0	(0.0)	0.1	(0.0)	(0.0)	0.0	0.1
INCOME BEFORE TAXES	(2.0)	(1.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Income Taxes	0.0	0.0	(0.0)	(0.1)	0.1	0.0	0.0
NET INCOME (LOSS)	(2.0)	(1.5)	(0.5)	(0.6)	(0.4)	(0.5)	(0.5)

✓ **Further progress** in the Flexterra project:

- qualification of Flexterra formulations by an important Taiwanese manufacturer of OTFTs
- flexible electrophoretic display, with Flexterra materials, presented at TOUCH TAIWAN
- in December 2019 Flexterra received the first order for its formulations
- industrialization of the OTFTs should be completed by the summer 2020
- the start of the production and sale activities by Flexterra are expected in 2H 2020

✓ **Net loss** equal to **-€4.3 million** (mainly, costs for personnel employed in research activities and in general and administrative activities, consultancy, costs related to the management of patents and depreciation of intangible assets, including intellectual property)

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

	2019	Actuator Solutions		SAES RIAL Vacuum S.r.l.		Flexterra		2019 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	182.4	10.6	-0.5	1.7	-0.1	0.0	0.0	194.0
GROSS PROFIT	78.4	1.9	0.0	0.5	0.0	0.0	0.0	80.8
<i>Gross Margin</i>	43.0%	18.0%		28.0%		<i>n.s.</i>		41.6%
Total operating expenses	-53.4	-1.9		-0.2		-2.1	-0.5	-58.1
Other income (expenses), net	1.8	-0.2		0.1		0.0		1.6
OPERATING INCOME	26.8	-0.2	0.0	0.3	0.0	-2.1	-0.5	24.3
<i>Operating Margin</i>	14.7%	-2.1%		17.3%		<i>n.s.</i>		12.5%
Interest and other financial income (expenses), net	6.6	-0.3		0.0		0.0		6.2
Write down of financial receivables from related parties	-0.4		0.2					-0.2
Income (loss) from equity method evaluated companies	-1.8				-0.2		2.0	0.0
Write down of investments accounted for using the equity method	-1.2		0.6				0.6	0.0
Foreign exchange gains (losses), net	-0.1	0.0		0.0		0.0		-0.1
INCOME BEFORE TAXES	29.9	-0.6	0.8	0.3	-0.2	-2.0	2.0	30.2
Income Taxes	-10.2	-0.8		-0.1		0.0		-11.1
NET INCOME from continued operations	19.7	-1.4	0.8	0.2	-0.2	-2.0	2.0	19.1
<i>Net Margin</i>	10.8%	-13.3%		11.8%		<i>n.s.</i>		9.9%
Net income (loss) from discontinued operations	0.2							0.2
NET INCOME before minority interests	19.8	-1.4	0.8	0.2	-0.2	-2.0	2.0	19.3
<i>Net Margin</i>	10.9%	-13.3%		11.8%		<i>n.s.</i>		9.9%
Minority interests	0.0							0.0
GROUP NET INCOME	19.8	-1.4	0.8	0.2	-0.2	-2.0	2.0	19.3
<i>Net Margin</i>	10.9%	-13.3%		11.8%		<i>n.s.</i>		9.9%

Net Financial Position

All figures in M€, unless otherwise stated

	Dec 31, 2019	Jun 30, 2019	Dec 31, 2018
Cash and cash equivalents	48.6	41.8	170.6
Current financial assets	70.8	71.3	0.0
Current financial liabilities	(35.4)	(34.3)	(33.8)
Current net financial position	84.0	78.9	136.8
Non current financial assets	134.7	131.3	99.9
Non current financial liabilities	(103.4)	(105.2)	(13.3)
Non current financial position	31.3	26.1	86.5
NET FINANCIAL POSITION	115.3	105.0	223.3

- ✓ **COMPARED TO December 31, 2018**, decrease mainly attributable to the **purchase of treasury shares** (-€93.4 million); to the **dividends** (-€16.6 million); to the **investments in tangible and intangible fixed assets** (-€24.2 million)
- ✓ Cash flows by the **sale of OLET patents to the JV Flexterra** (+€2.3 million) and by the **revaluation of securities** (+€5.1 million) and their **coupons** (+€1.8 million)
- ✓ **Cash flows by operating activities** (+€24.4 million) mainly driven by the electronic devices, the shape memory alloys for industrial applications and the Nitinol for medical applications sectors, against a substantially **stable net working capital**
- ✓ **COMPARED TO September 30, 2019** (€111.8 million), improvement mainly attributable to the **positive operating cash flows** and to the **securities portfolio**, only partially reduced by the quarterly **capex** (€6.4 million)

Cash Flows – FY 2019

All figures in M€, unless otherwise stated

	2019	2018
Net income (loss) from continued operations	19.7	(7.7)
Net income (loss) from discontinued operations	0.2	240.0
Current income taxes	8.3	13.1
Change in deferred income taxes	1.9	(4.5)
Depreciation, amortization and write down of non current assets	9.8	11.4
Net loss (gain) on disposal of assets	(1.2)	(0.1)
Net gain on purification business disposal	(0.2)	(227.2)
Interests and other financial income, net	(3.9)	15.5
Other non-monetary costs	2.9	(1.4)
	37.4	39.1
Change in operating assets and liabilities	(2.3)	(4.7)
Payments of termination indemnities and similar obligations	(0.6)	(0.4)
Financial income received, net of payment of interests	0.0	(0.0)
Payment of income taxes	(10.1)	(13.2)
Net cash flows from operating activities	24.4	20.6 (*)
Purchase of tangible and intangible assets, net of proceeds from sales	(24.1)	(14.8)
Sale of intellectual property to related parties	2.3	0.0
Purchase of securities, net of disinvestments	(100.4)	0.0
Income from securities, net of commissions	1.8	0.0
Advances paid for the purchase of investments	(1.1)	0.0
Adjustment on price paid for the acquisition of shareholding in subsidiaries	0.0	(0.1)
Price paid for the acquisition of businesses	0.0	(0.1)
Capital injection into joint ventures	0.0	(6.2)
Consideration for the purification business disposal, net of the disposed cash	0.0	301.1
Ancillary monetary charges for the purification business disposal	0.0	(37.6)
Adjustment on consideration for the purification business disposal	(0.4)	0.0
Net cash flows from investing activities	(121.9)	242.3 (**)
Proceeds from debts, net of repayments	87.7	(4.9)
Dividends payment	(16.6)	(15.4)
Interests and other expenses paid on loans	(0.9)	(0.6)
Financing receivables from related parties	0.0	(0.2)
Repayment of financial liabilities for leased assets (interests included)	(1.6)	0.0
Purchase of treasury shares and related accessory costs	(93.4)	0.0
Financial assets - Securities	0.0	(100.0)
Other financial liabilities/assets	0.0	0.0
Net cash flows from financing activities	(24.8)	(121.1)
Effect of exchange rate differences	0.4	1.3
TOTAL CASH FLOWS	(121.9)	143.1

(*) of which €11.5 million from discontinued operations.

(**) of which €263.9 million from discontinued operations.

IFRS 16-Leases – first time adoption

All figures in M€, unless otherwise stated

✓ Main effects as at December 31, 2019:

- lower rental costs for €1.6 million
- increase in amortization for €1.5 million
- recording among the non-current assets of a right of use of €4.6 million
- recording of financial debts amounting to €4.6 million

P&L figures	2019	2019 without IFRS 16 adoption	2018
CONSOLIDATED OPERATING INCOME	26.8	26.7	15.1
<i>% on sales</i>	<i>14.7%</i>	<i>14.6%</i>	<i>9.4%</i>
CONSOLIDATED EBITDA	36.5	34.9	26.3
<i>% on sales</i>	<i>20.0%</i>	<i>19.1%</i>	<i>16.4%</i>
CONSOLIDATED INCOME (LOSS) BEFORE TAXES	29.9	29.9	0.3
<i>% on sales</i>	<i>16.4%</i>	<i>16.4%</i>	<i>0.2%</i>
Other information	Dec 31, 2019	Dec 31, 2019 without IFRS 16 adoption	Dec 31, 2018
CONSOLIDATED NET FINANCIAL POSITION	115.3	119.9	223.3

February 2020 - Sales

All figures in M€, unless otherwise stated

Thousands of euro (except %)

Business	Feb-20	Feb-19	Total difference	Organic change	Exchange rate effect
Security & Defense	3.5	2.6	37.3%	34.9%	2.4%
Electronic Devices	2.4	2.0	18.6%	16.6%	2.0%
Healthcare Diagnostic	1.0	0.8	44.1%	41.8%	2.3%
Lamps	0.6	0.7	-19.3%	-20.6%	1.3%
Thermal Insulated Devices	0.6	0.6	-5.7%	-8.6%	2.9%
Sintered Components for Electronic Devices & Lasers	1.5	1.6	-7.2%	-10.3%	3.1%
SMA Industrial	2.3	2.4	-4.6%	-6.1%	1.5%
Metallurgy Division	11.9	10.7	11.7%	9.5%	2.2%
Solutions for Vacuum Systems	1.5	1.8	-20.2%	-21.5%	1.3%
Vacuum Technology Division	1.5	1.8	-20.2%	-21.5%	1.3%
Nitinol for Medical Devices	15.4	12.9	19.3%	15.4%	3.9%
Medical Division	15.4	12.9	19.3%	15.4%	3.9%
Functional Dispensable Products	1.9	0.4	387.7%	386.7%	1.0%
Specialty Chemicals Division	1.9	0.4	387.7%	386.7%	1.0%
Advanced Coatings	1.7	1.8	-3.4%	-3.4%	0.0%
Advanced Packaging Division	1.7	1.8	-3.4%	-3.4%	0.0%
Total net sales	32.4	27.6	17.3%	14.5%	2.8%

- ✓ **Metallurgy Division:** organic growth (+ 9.5%) mainly driven by the defense application sector (Security & Defense Business), by the electronic devices (Electronic Devices Business) and by the sales of components for the medical diagnostics sector (Healthcare Diagnostics Business)
- ✓ **Vacuum Technology Division:** excluding the positive exchange rate effect (+1.3%), the organic decrease was equal to -21.5%
- ✓ **Medical Division:** excluding the positive exchange rate effect (+3.9%), the organic growth was equal to +15.4%
- ✓ **Specialty Chemicals Division** recorded an outstanding organic growth, driven by the sales of advanced getters for the consumer electronics market
- ✓ **Advanced Packaging Division** recorded revenues of €1.7 million in the first two months of 2020, compared to €1.8 million in the corresponding period of the previous year

Coronavirus

- On March 12, 2020, the Board of Directors of SAES Group resolved **to donate €0.5 million to the research institutes involved in the front line to deal with coronavirus**, as well as to **the Italian Civil Protection**
- SAES thus offers its **contribution to overcome the emergency** that the whole country is currently facing
- By accepting the regulations and recommendations issued by the Lombardy Region, as a precautionary containment of the coronavirus epidemic, the **headquarter of the Parent Company in Lainate** and the Roncello plant of SAES Coated Films S.p.A. were closed from the afternoon of February 24, 2020 to February 28, 2020. The **second production plant of the Parent Company, located in Avezzano**, worked at full capacity
- **Currently all Italian plants are in operation**, obviously applying the procedures recommended by the experts for the protection of health and what is imposed by the Italian authorities

Business Outlook

- Starting from January 2020, the national and international scenario has been characterized by the spread of the coronavirus and by the consequent restrictive measures for its containment, implemented by the public authorities of the countries concerned
- The potential effects of this phenomenon on the financial statements cannot be determined to date and will be subject to constant monitoring in the next months
- The growth strategy of the Group is unchanged
- The global presence of the Group, both from a manufacturing and a commercial point of view, and its activities in typically counter-cyclical businesses, first of all that of medical devices and that of food packaging, reduce the risk

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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Thanks for your attention



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