

# The SAES<sup>®</sup> Group

## FY 2014 Consolidated Results

*Conference Call – March 11, 2015*



making **innovation happen**, together

# FY 2014 Highlights

- ❑ **Increase in both consolidated and total revenues and significant improvement in all the economic and financial indicators**
- ❑ **Consolidated revenues** equal to €131.7 million, up by 2.5% compared to €128.5 million in 2013
- ❑ **Total revenues of the Group** equal to €138.9 million, up by 4.2% compared to €133.3 million in 2013
- ❑ **Marked growth of the Shape Memory Alloys Business Unit**
- ❑ Improvement in both the **gross margin** (from 40% to 43%) and the **operating margin** (from 4.3% to 9.9%)
- ❑ **Consolidated EBITDA** equal to €21.6 million (or 16.4%), up by 37.5% compared to €15.7 million (or 12.2%) in 2013
- ❑ **Consolidated net income** equal to €4.8 million compared to a net loss of €0.6 million in 2013
- ❑ **Consolidated net financial position** equal to -€26.9 million, showing a significant improvement compared both to Dec. 31, 2013 (-€36.5 million) and to Sep. 30, 2014 (-€38 million) thanks to the generation of operating cash flow
- ❑ Proposed a **dividend** of €0.120000 per ordinary share and of €0.232579 per savings share

# Total revenues of the Group

(achieved by incorporating the 50% joint venture Actuator Solutions with the proportional method instead of the equity method)

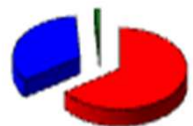
*All figures in M€, unless otherwise stated*

	2014	2013	Total difference	Difference %
<b>Consolidated sales</b>	<b>131.7</b>	<b>128.5</b>	<b>3.158</b>	<b>2.5%</b>
50% Actuator Solutions sales	7.6	5.1	2.5	50.0%
Eliminations	(0.4)	(0.4)	(0.1)	21.7%
<b>Total revenues of the Group</b>	<b>138.9</b>	<b>133.3</b>	<b>5.6</b>	<b>4.2%</b>

**Total revenues of the Group** equal to €138.9 million, up by 4.2% compared to €133.3 million in 2013, thanks both to the increase in consolidated revenues (+2.5%) and to the strong revenues' growth of the joint venture (+49.9%)

# Industrial Applications BU Sales

All figures in M€, unless otherwise stated



## Industrial Applications

65.2%

	2014	2013	Total difference	Price-quantity effect	Exchange rate effect
Electronic & Photonic Devices	12.1	12.5	-2.8%	-2.5%	-0.3%
Sensors & Detectors	8.8	8.7	1.4%	1.5%	-0.1%
Light Sources	11.0	12.2	-9.8%	-8.9%	-0.9%
Vacuum Systems	7.0	6.6	5.9%	7.5%	-1.6%
Thermal Insulation	6.5	5.4	19.2%	20.4%	-1.2%
Pure Gas Handling	40.5	45.0	-10.0%	-10.0%	0.0%
<b>Industrial Applications</b>	<b>85.8</b>	<b>90.3</b>	<b>-5.0%</b>	<b>-4.6%</b>	<b>-0.4%</b>

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	2014
Electronic & Photonic Devices	2.8	3.0	3.5	2.9	12.1
Sensors & Detectors	2.1	2.5	2.3	1.9	8.8
Light Sources	3.3	2.9	2.4	2.3	11.0
Vacuum Systems	1.7	1.0	1.8	2.5	7.0
Thermal Insulation	1.7	1.8	1.5	1.4	6.5
Pure Gas Handling	11.6	8.4	9.0	11.5	40.5
<b>Industrial Applications</b>	<b>23.3</b>	<b>19.6</b>	<b>20.5</b>	<b>22.4</b>	<b>85.8</b>

### ✓ Compared to FY 2013

- Growth of the Vacuum Systems Business, supported by the increased market penetration of the NEX Torr® vacuum pumps and increased sales of getter solutions for vacuum panels for the refrigeration market (Thermal Insulation Business)
- Pure Gas Handling Business penalized by the reduction of investments in new factories in the display industry and in that of semiconductors and Light Sources Business suffering from the strong price pressure and the market downturn caused by a gradual reduction of public investments in all countries
- Electronic & Photonic Devices Business and Sensors & Detectors one substantially stable

### ✓ Quarterly trend

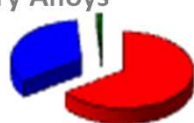
- Significant increase in sales in the second half of the year, driven by the Pure Gas Handling Business (increased investments in the semiconductor sector and in that of LEDs for lighting) and by the Vacuum Systems Business (higher sales of vacuum pumps to universities and research centers, thanks to the growing success of new products)

# Shape Memory Alloys BU Sales

All figures in M€, unless otherwise stated

## Shape Memory Alloys

33.8%



	2014	2013	Total difference	Price-quantity effect	Exchange rate effect
SMA Medical Applications	40.1	34.3	16.8%	16.8%	0.0%
SMA Industrial Applications	4.4	2.7	62.0%	62.0%	0.0%
<b>Shape Memory Alloys</b>	<b>44.5</b>	<b>37.0</b>	<b>20.1%</b>	<b>20.1%</b>	<b>0.0%</b>

	1Q 2014	2Q 2014	3Q 2014	4Q 2014	2014
SMA Medical Applications	8.8	9.6	10.2	11.4	40.1
SMA Industrial Applications	0.7	0.9	1.1	1.6	4.4
<b>Shape Memory Alloys</b>	<b>9.6</b>	<b>10.5</b>	<b>11.4</b>	<b>13.0</b>	<b>44.5</b>

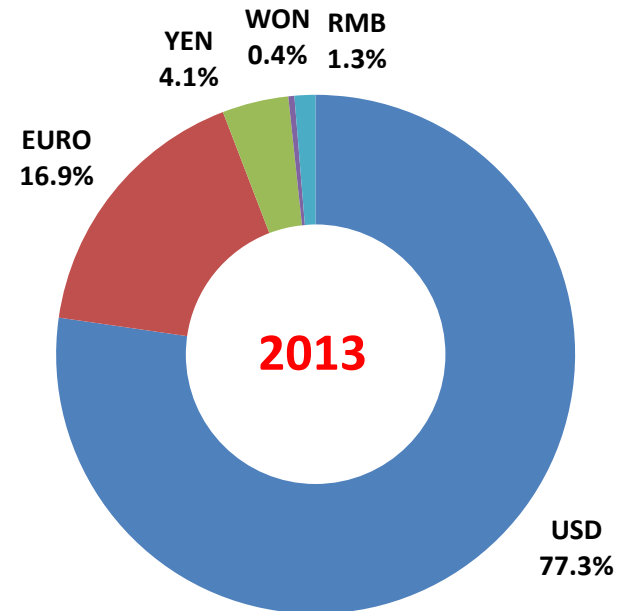
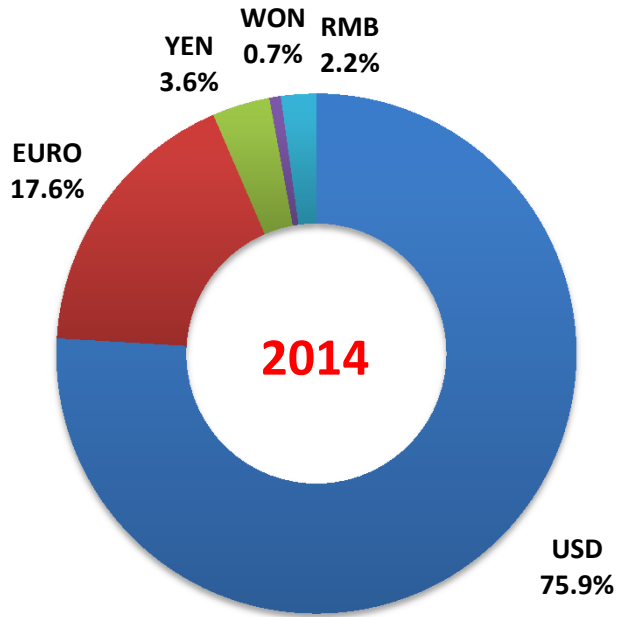
### ✓ Compared to FY 2013:

- 16.8% growth in the Medical Business supported by the broadening of the customer portfolio thanks to the program of technological expansion implemented in the last few years
- 62% growth in the Industrial Business, driven by the sales of SMA springs for automotive applications and of educated wires for consumer electronics applications

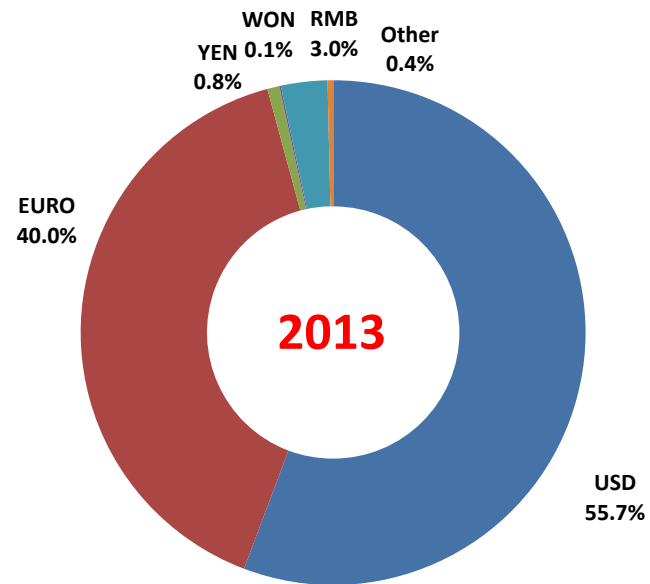
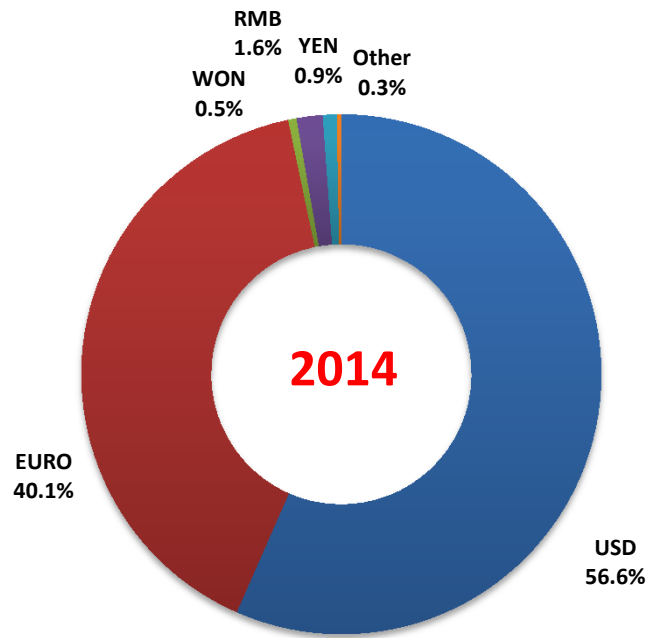
### ✓ Quarterly trend

- In the Medical Business, marked increase in the second half of the year, spread over various product lines, customers and geographic areas
- Trend of growth confirmed also in the Industrial Business

# Consolidated Sales by Invoicing Currency



# Consolidated Costs by Currency



# Industrial Applications Margins

All figures in M€, unless otherwise stated

	2014	2013	Total difference
<b>NET SALES</b>	85.8	90.3	-4.5
<b>GROSS PROFIT</b>	41.9	40.0	1.8
<i>Gross Margin</i>	48.8%	44.3%	
<b>OPERATING INCOME</b>	24.8	21.9	3.0
<i>Operating Margin</i>	28.9%	24.2%	

	1Q 2014	2Q 2014	3Q 2014	4Q 2014
	23.3	19.6	20.5	22.4
	11.3	9.7	10.2	10.6
	48.7%	49.5%	49.8%	47.3%
	6.6	5.4	6.2	6.7
	28.2%	27.5%	30.1%	29.8%

	2014	2013	Non recurring items	2013 adjusted	Delta
<b>NET SALES</b>	85.8	90.3		90.3	-4.5
<b>GROSS PROFIT</b>	41.9	40.0	0.1	40.0	1.9
<i>Gross Margin</i>	48.8%	44.3%		44.2%	
<b>OPERATING INCOME</b>	24.8	21.9	-0.9	22.7	2.1
<i>Operating Margin</i>	28.9%	24.2%		25.2%	

- ✓ **Gross margin** (48.8% in 2014 vs. 44.3% 2013) growing in all the businesses, also in those characterized by a decrease in sales, thanks both to the shift of the sale mix towards most profitable products and to the effects of the restructuring implemented in 2013
- ✓ Considerable increase in the **operating income** (+13.6%) thanks to the improvement in gross margin



# Shape Memory Alloys Margins

All figures in M€, unless otherwise stated

	2014	2013	Total difference
<b>NET SALES</b>	44.5	37.0	7.4
<b>GROSS PROFIT</b>	14.3	12.0	2.3
<i>Gross Margin</i>	32.2%	32.4%	
<b>OPERATING INCOME</b>	5.6	2.9	2.7
<i>Operating Margin</i>	12.6%	7.8%	

	1Q 2014	2Q 2014	3Q 2014	4Q 2014
	9.6	10.5	11.4	13.0
	2.6	3.5	3.8	4.5
	26.8%	32.9%	33.6%	34.5%
	0.5	1.4	1.8	1.9
	5.4%	13.0%	15.8%	14.7%

	2014	2013	Non recurring items	2013 adjusted	Delta
<b>NET SALES</b>	44.5	37.0		37.0	7.4
<b>GROSS PROFIT</b>	14.3	12.0	0.0	12.0	2.3
<i>Gross Margin</i>	32.2%	32.4%		32.4%	
<b>OPERATING INCOME</b>	5.6	2.9	-0.1	3.0	2.6
<i>Operating Margin</i>	12.6%	7.8%		8.2%	

- ✓ **Gross margin** substantially stable (32.2% in 2014 vs. 32.4% in 2013): strong increase in the margins of the industrial segment, completely offset by the decrease in the medical segment penalized by start-up expenses and production inefficiencies related to the launch of new productions
- ✓ **Operating income** almost doubled (+92.9%) due to the strong increase in sales and to a slight decrease in operating expenses

# Business Development & Corporate Costs Margins

All figures in M€, unless otherwise stated

	2014	2013	Total difference
<b>NET SALES</b>	1.4	1.2	0.2
<b>GROSS PROFIT</b>	0.5	-0.6	1.1
<i>Gross Margin</i>	35.2%	-49.3%	
<b>OPERATING INCOME</b>	-17.4	-19.3	1.8
<i>Operating Margin</i>	n.a	n.a	

	1Q 2014	2Q 2014	3Q 2014	4Q 2014
	0.3	0.3	0.4	0.4
	0.0	0.1	0.2	0.2
	16.0%	16.7%	47.1%	51.6%
	-4.5	-4.2	-4.1	-4.7
	n.a	n.a	n.a	n.a

	2014	2013	Non recurring items	2013 adjusted	Delta
<b>NET SALES</b>	1.4	1.2		1.2	0.2
<b>GROSS PROFIT</b>	0.5	-0.6	0.0	-0.6	1.1
<i>Gross Margin</i>	35.2%	n.a		n.a.	
<b>OPERATING INCOME</b>	-17.4	-19.3	-0.9	-18.4	1.0
<i>Operating Margin</i>	n.a	n.a		n.a	

- ✓ Positive **gross profit** equal to €0.5 million, compared to a loss of -€0.6 million in 2013
- ✓ Reduction in the **operating loss** (from -€19.3 million to -€17.4 million)

# Consolidated Income Statements

All figures in M€, unless otherwise stated

	2014	2013	Total difference	2014	2013 adjusted	Total difference
<b>NET SALES</b>	<b>131.7</b>	<b>128.5</b>	<b>3.2</b>	<b>131.7</b>	<b>128.5</b>	<b>3.2</b>
<b>GROSS PROFIT</b>	<b>56.7</b>	<b>51.4</b>	<b>5.3</b>	<b>56.7</b>	<b>51.4</b>	<b>5.3</b>
<i>Gross Margin</i>	43.0%	40.0%		43.0%	40.0%	
R&D expenses	-14.4	-14.9	0.5	-14.4	-14.7	0.4
Selling expenses	-11.9	-11.9	0.0	-11.9	-11.5	-0.4
G&A expenses	-19.1	-21.7	2.6	-19.1	-20.3	1.2
<b>Total operating expenses</b>	<b>-45.3</b>	<b>-48.4</b>	<b>3.1</b>	<b>-45.3</b>	<b>-46.5</b>	<b>1.2</b>
Royalties	1.8	2.1	-0.3	1.8	2.1	-0.3
Other income (expenses), net	-0.2	0.4	-0.6	-0.2	0.4	-0.6
<b>OPERATING INCOME</b>	<b>13.0</b>	<b>5.5</b>	<b>7.5</b>	<b>13.0</b>	<b>7.4</b>	<b>5.6</b>
<i>Operating Margin</i>	9.9%	4.3%		9.9%	5.8%	
Interest and other financial income (expenses), net	-1.6	-1.3	-0.3	-1.6	-1.3	-0.3
Income (loss) from equity method evaluated companies	-1.3	-0.7	-0.6	-1.3	-0.7	-0.6
Foreign exchange gains (losses), net	0.1	0.0	0.2	0.1	0.0	0.2
<b>INCOME BEFORE TAXES</b>	<b>10.3</b>	<b>3.4</b>	<b>6.8</b>	<b>10.3</b>	<b>5.3</b>	<b>4.9</b>
Income Taxes	-6.8	-2.6	-4.2	-6.8	-2.8	-4.0
<b>NET INCOME from continued operations</b>	<b>3.4</b>	<b>0.8</b>	<b>2.6</b>	<b>3.4</b>	<b>2.5</b>	<b>0.9</b>
<i>Net Margin</i>	2.6%	0.6%		2.6%	1.9%	
Net income (loss) from discontinued operations	1.4	-1.4	2.8	1.4	-0.6	2.0
<b>NET INCOME before minority interests</b>	<b>4.8</b>	<b>-0.6</b>	<b>5.4</b>	<b>4.8</b>	<b>1.9</b>	<b>2.9</b>
<i>Net Margin</i>	3.7%	-0.4%		3.7%	1.5%	
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
<b>GROUP NET INCOME</b>	<b>4.8</b>	<b>-0.6</b>	<b>5.4</b>	<b>4.8</b>	<b>1.9</b>	<b>2.9</b>
<i>Net Margin</i>	3.7%	-0.4%		3.7%	1.5%	

# Actuator Solutions - Income Statement (50%)

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

	2014	2013	Total difference
<b>NET SALES</b>	<b>7.6</b>	<b>5.1</b>	<b>2.5</b>
Cost of goods sold	-7.6	-4.8	-2.8
Operating expenses	-1.8	-1.6	-0.2
Other income (expenses), net	0.3	0.3	0.0
<b>OPERATING INCOME</b>	<b>-1.5</b>	<b>-1.0</b>	<b>-0.5</b>
Interest and other financial income (expenses), net	-0.1	0.0	-0.1
<b>INCOME BEFORE TAXES</b>	<b>-1.5</b>	<b>-1.0</b>	<b>-0.6</b>
Income Taxes	0.2	0.3	0.0
<b>NET INCOME (LOSS)</b>	<b>-1.3</b>	<b>-0.7</b>	<b>-0.6</b>

	1Q 2014	2Q 2014	3Q 2014	4Q 2014
<b>NET SALES</b>	<b>1.6</b>	<b>1.8</b>	<b>2.1</b>	<b>2.1</b>
Cost of goods sold	-1.5	-1.8	-2.2	-2.1
Operating expenses	-0.4	-0.5	-0.4	-0.4
Other income (expenses), net	0.0	0.0	0.0	0.2
<b>OPERATING INCOME</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-0.5</b>	<b>-0.2</b>
Interest and other financial income (expenses), net	0.0	0.0	0.0	0.0
<b>INCOME BEFORE TAXES</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-0.6</b>	<b>-0.3</b>
Income Taxes	0.1	0.1	0.1	0.0
<b>NET INCOME (LOSS)</b>	<b>-0.2</b>	<b>-0.3</b>	<b>-0.5</b>	<b>-0.3</b>

All figures in M€, unless otherwise stated

# Total Income Statement of the Group

(achieved by incorporating the 50% joint venture Actuator Solutions with the proportional method instead of the equity method)

	2014	50% Actuator Solutions	Eliminations	2014 Total IS of the Group
<b>NET SALES</b>	<b>131.7</b>	<b>7.6</b>	<b>-0.4</b>	<b>138.9</b>
<b>GROSS PROFIT</b>	<b>56.7</b>	<b>0.0</b>	<b>0.0</b>	<b>56.7</b>
<i>Gross Margin</i>	<i>43.0%</i>			<i>40.8%</i>
Total operating expenses	-45.3	-1.8	0.0	-47.1
Royalties	1.8			1.8
Other income (expenses), net	-0.2	0.3		0.1
<b>OPERATING INCOME</b>	<b>13.0</b>	<b>-1.5</b>	<b>0.0</b>	<b>11.5</b>
<i>Operating Margin</i>	<i>9.9%</i>			<i>8.3%</i>
Interest and other financial income (expenses), net	-1.6	-0.1		-1.7
Income (loss) from equity method evaluated companies	-1.3		1.3	0.0
Foreign exchange gains (losses), net	0.1			0.1
<b>INCOME BEFORE TAXES</b>	<b>10.3</b>	<b>-1.5</b>	<b>1.3</b>	<b>10.0</b>
Income Taxes	-6.8	0.2		-6.6
<b>NET INCOME from continued operations</b>	<b>3.4</b>	<b>-1.3</b>	<b>1.3</b>	<b>3.4</b>
<i>Net Margin</i>	<i>2.6%</i>			<i>2.5%</i>
Net income (loss) from discontinued operations	1.4			1.4
<b>NET INCOME before minority interests</b>	<b>4.8</b>	<b>-1.3</b>	<b>1.3</b>	<b>4.8</b>
<i>Net Margin</i>	<i>3.7%</i>			<i>3.5%</i>
Minority interests	0.0			0.0
<b>GROUP NET INCOME</b>	<b>4.8</b>	<b>-1.3</b>	<b>1.3</b>	<b>4.8</b>
<i>Net Margin</i>	<i>3.7%</i>			<i>3.5%</i>

All figures in M€, unless otherwise stated

# Net Financial Position

All figures in M€, unless otherwise stated

	Dec 31, 2014	Sep 30, 2014	Jun 30, 2014	Mar 31, 2014	Dec 31, 2013
Cash and cash equivalents	25.6	17.0	17.5	19.2	20.3
Current financial assets	3.0	2.2	1.2	0.5	0.0
Current financial liabilities	(39.5)	(47.0)	(57.2)	(42.3)	(54.1)
<b>Current net financial position</b>	<b>(10.9)</b>	<b>(27.8)</b>	<b>(38.6)</b>	<b>(22.5)</b>	<b>(33.8)</b>
<b>Non current financial liabilities</b>	<b>(16.0)</b>	<b>(10.1)</b>	<b>(1.3)</b>	<b>(13.7)</b>	<b>(2.8)</b>
<b>NET FINANCIAL POSITION</b>	<b>(26.9)</b>	<b>(38.0)</b>	<b>(39.9)</b>	<b>(36.3)</b>	<b>(36.5)</b>

- ✓ **Strong improvement** compared to December 31, 2013 (+26.3%) mainly due to the **cash flows generated from the operating activities** (€14 million in 2014 vs. €5 million in 2013), mostly concentrated in the second half of the year and related to the steady improvement in both revenues and net results
- ✓ **Capex** almost completely offset by the proceeds from the sale of the plant of the Chinese subsidiary
- ✓ Positive evolution of net debt in Q4 2014, with a reduction of €11 million compared to Sep. 30, 2014

# Business Outlook

	Feb-15	Feb-14	Total difference	Price-quantity effect	Exchange rate effect
Electronic & Photonic Devices	2.0	1.9	2.5%	-9.0%	11.5%
Sensors & Detectors	1.5	1.4	3.7%	-4.7%	8.4%
Light Sources	1.6	2.1	-23.5%	-27.8%	4.3%
Vacuum Systems	1.2	1.1	5.9%	0.1%	5.8%
Thermal Insulation	1.1	1.2	-7.3%	-16.0%	8.7%
Pure Gas Handling	5.6	7.9	-29.1%	-40.2%	11.1%
<b>Industrial Applications</b>	<b>13.1</b>	<b>15.8</b>	<b>-17.2%</b>	<b>-26.6%</b>	<b>9.4%</b>
SMA Medical Applications	8.2	6.0	36.5%	16.3%	20.2%
SMA Industrial Applications	0.9	0.5	91.2%	84.7%	6.5%
<b>Shape Memory Alloys</b>	<b>9.1</b>	<b>6.5</b>	<b>40.6%</b>	<b>21.4%</b>	<b>19.2%</b>
<b>Business Development</b>	<b>0.3</b>	<b>0.2</b>	<b>42.1%</b>	<b>29.8%</b>	<b>12.3%</b>
<b>Total net sales</b>	<b>22.4</b>	<b>22.4</b>	<b>0.0%</b>	<b>-12.3%</b>	<b>12.3%</b>

- In the **first two months of 2015**, consolidated net sales in line with the previous year
- **Shape Memory Alloys Business Unit** showing a marked growth both in the medical segment (+36.5%), and in the industrial one (+91.2%)
- The decrease in the **Industrial Applications Business Unit** concentrated in the gas purification business, penalized by technical delays in the deliveries due to the recent strikes in the ports of the US West Coast
- Marked increase expected in the sales of March, with a forecast of **quarterly consolidated revenues** achieving about €38 million

# 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.

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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*  
*Michele Di Marco*

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E-mail: [investor\\_relations@saes-group.com](mailto:investor_relations@saes-group.com)

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