

# The SAES<sup>®</sup> Group

First Quarter 2016 Consolidated Results

*Conference Call – May 12, 2016*



making **innovation happen**, together

# Q1 2016 Highlights

*All figures in M€, unless otherwise stated*

- **FURTHER IMPROVEMENT OF ALL ECONOMIC AND FINANCIAL INDICATORS, THANKS TO THE CONTINUOUS GROWTH OF THE SHAPE MEMORY ALLOYS AND TO THE RECOVERY OF THE INDUSTRIAL APPLICATIONS BUSINESS**

P&L figures	1Q 2016	1Q 2015	Total difference	Difference %
<b>CONSOLIDATED SALES</b>	<b>45.7</b>	<b>41.2</b>	<b>4.5</b>	<b>10.9%</b>
<b>TOTAL REVENUES OF THE GROUP</b>	<b>47.9</b>	<b>43.1</b>	<b>4.8</b>	<b>11.1%</b>
<b>CONSOLIDATED GROSS PROFIT</b>	<b>20.0</b>	<b>17.2</b>	<b>2.9</b>	<b>16.8%</b>
<i>% on sales</i>	<i>43.9%</i>	<i>41.7%</i>		
<b>CONSOLIDATED OPERATING INCOME</b>	<b>6.5</b>	<b>4.5</b>	<b>2.0</b>	<b>45.8%</b>
<i>% on sales</i>	<i>14.3%</i>	<i>10.8%</i>		
<b>CONSOLIDATED EBITDA</b>	<b>8.5</b>	<b>6.5</b>	<b>2.0</b>	<b>30.6%</b>
<i>% on sales</i>	<i>18.7%</i>	<i>15.9%</i>		
<b>CONSOLIDATED NET INCOME</b>	<b>3.0</b>	<b>0.9</b>	<b>2.2</b>	<b>257.3%</b>
<i>% on sales</i>	<i>6.7%</i>	<i>2.1%</i>		
Other information	Mar 31, 2016	Dec 31, 2015	Total difference	Difference %
<b>CONSOLIDATED NET FINANCIAL POSITION</b>	<b>(16.0)</b>	<b>(17.3)</b>	<b>1.2</b>	<b>7.2%</b>

# Total revenues of the Group

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

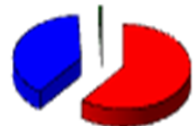
*All figures in M€, unless otherwise stated*

	1Q 2016	1Q 2015	Total difference	Difference %
<b>Consolidated sales</b>	<b>45.7</b>	<b>41.2</b>	<b>4.5</b>	<b>10.9%</b>
50% Actuator Solutions sales	2.2	2.1	0.2	7.9%
49% SAES RIAL Vacuum sales	0.2	0.0	0.2	
Eliminations	(0.2)	(0.1)	(0.0)	33.1%
<b>Total revenues of the Group</b>	<b>47.9</b>	<b>43.1</b>	<b>4.8</b>	<b>11.1%</b>

- ✓ **Total revenues of the Group** were equal to **€47.9 million**, up by 11.1% compared to €43.1 million in Q1 2015

# Industrial Applications BU Sales

All figures in M€, unless otherwise stated



Industrial Applications

60.4%

	1Q 2016	1Q 2015	Total difference	Organic change	Exchange rate effect
Electronic & Photonic Devices	3.4	3.2	7.4%	5.5%	1.9%
Sensors & Detectors	3.7	2.6	39.0%	38.0%	1.0%
Light Sources	2.1	2.5	-16.7%	-17.6%	0.9%
Vacuum Systems	1.9	1.9	1.6%	0.3%	1.3%
Thermal Insulation	1.4	1.5	-9.4%	-11.1%	1.7%
Pure Gas Handling	15.1	15.0	0.5%	-1.6%	2.1%
<b>Industrial Applications</b>	<b>27.6</b>	<b>26.8</b>	<b>3.0%</b>	<b>1.2%</b>	<b>1.8%</b>

	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016
Electronic & Photonic Devices	3.2	3.4	3.4	3.5	3.4
Sensors & Detectors	2.6	2.7	2.9	2.9	3.7
Light Sources	2.5	2.5	2.1	2.1	2.1
Vacuum Systems	1.9	2.2	2.1	2.4	1.9
Thermal Insulation	1.5	1.6	1.4	1.8	1.4
Pure Gas Handling	15.0	12.6	11.4	14.2	15.1
<b>Industrial Applications</b>	<b>26.8</b>	<b>25.0</b>	<b>23.3</b>	<b>26.8</b>	<b>27.6</b>

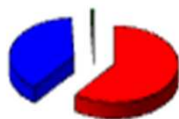
- ✓ Organic growth mainly concentrated in the **Sensors and Detectors Business** and in the **Electronic & Photonic Devices Business**, thanks to the recovery of the security and defense sector
- ✓ Substantial stability in the **Vacuum Systems Business** and in the **Pure Gas Handling Business**
- ✓ **Light Sources Business** penalized by the technological competition of LEDs
- ✓ **Thermal Insulation Business** suffered from the weak sales in the refrigeration market

# Shape Memory Alloys BU Sales

All figures in M€, unless otherwise stated

## Shape Memory Alloys

39.0%

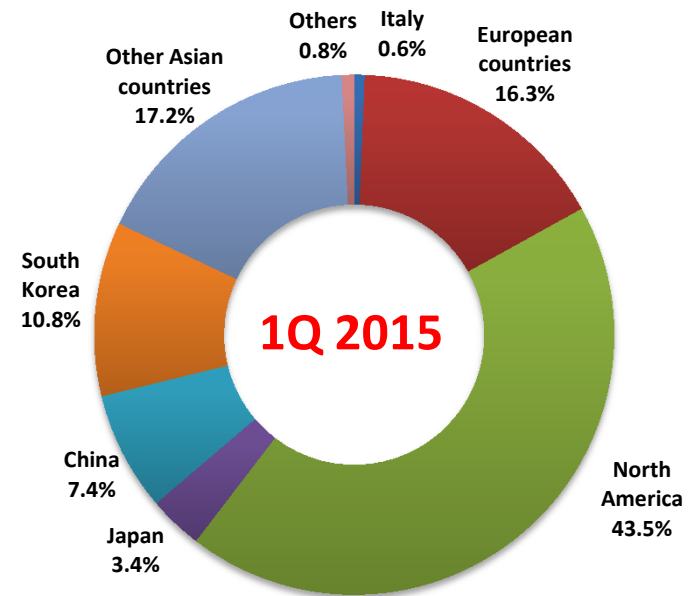
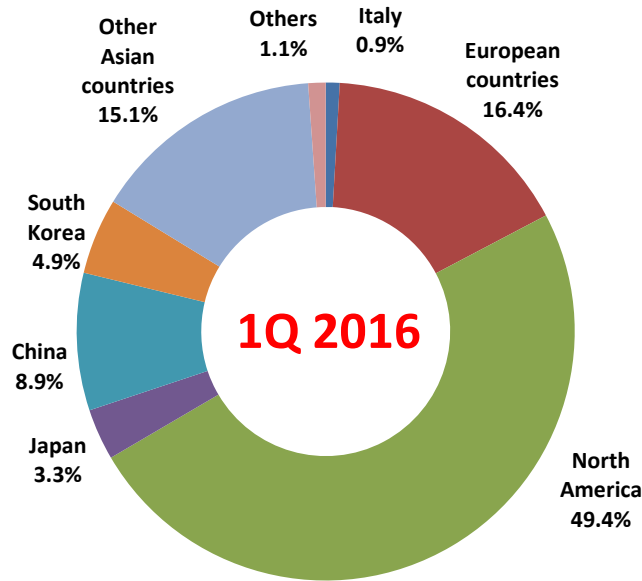


	1Q 2016	1Q 2015	Total difference	Organic change	Exchange rate effect
SMA Medical Applications	15.4	12.5	23.5%	21.0%	2.5%
SMA Industrial Applications	2.4	1.5	62.7%	61.8%	0.9%
<b>Shape Memory Alloys</b>	<b>17.8</b>	<b>14.0</b>	<b>27.6%</b>	<b>25.2%</b>	<b>2.4%</b>

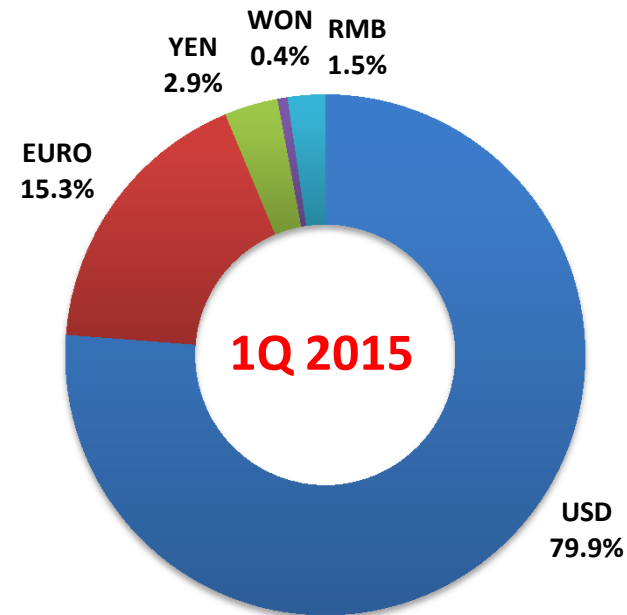
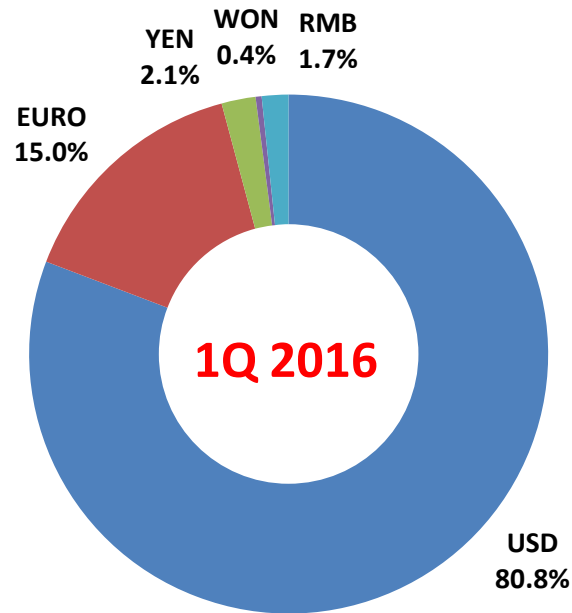
	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016
SMA Medical Applications	12.5	13.5	15.4	14.6	15.4
SMA Industrial Applications	1.5	1.9	2.4	2.0	2.4
<b>Shape Memory Alloys</b>	<b>14.0</b>	<b>15.3</b>	<b>17.8</b>	<b>16.7</b>	<b>17.8</b>

- ✓ **Medical SMAs:** organic growth driven by both consolidated products and new more sophisticated medical devices
- ✓ **Industrial SMAs:** growth due to increased sales of springs, wires and other SMA components across all the sectors in which the Group operates (in particular, the automotive and the luxury goods markets)

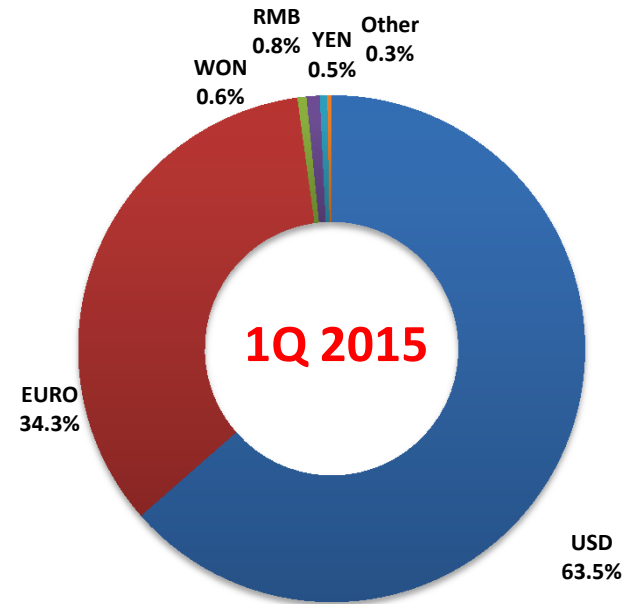
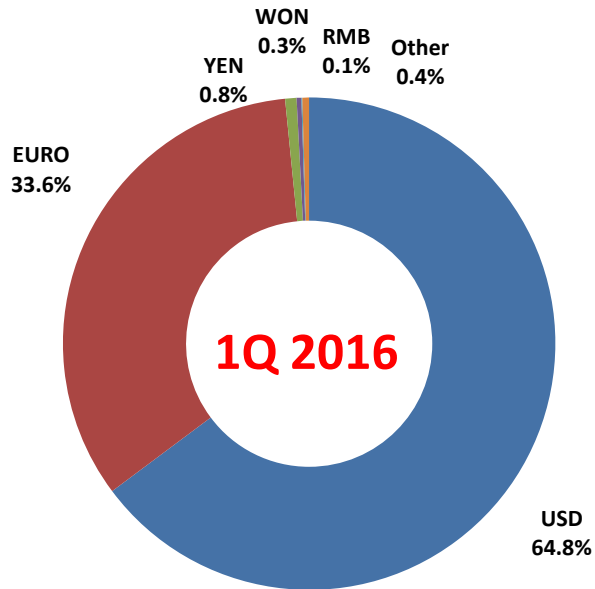
# Consolidated Sales by Geographic Area



# Consolidated Sales by Invoicing Currency



# Consolidated Costs by Currency





# Industrial Applications Margins

All figures in M€, unless otherwise stated

	1Q 2016	1Q 2015	Total difference
<b>NET SALES</b>	27.6	26.8	0.8
<b>GROSS PROFIT</b>	13.3	12.4	0.8
<i>Gross Margin</i>	48.1%	46.4%	
<b>OPERATING INCOME</b>	7.5	6.8	0.8
<i>Operating Margin</i>	27.2%	25.2%	

- ✓ **Gross profit** to **€13.3 million** (up by 6.8%) and **gross margin** increased from 46.4% to **48.1%**
- ✓ Growth mainly driven by a different sales mix, with an increased incidence of products with higher margins
- ✓ **Operating income** equal to **€7.5 million** (up by 11.2%) and **operating margin** increased from 25.2% to **27.2%**
- ✓ Improvement mainly due to the increase in revenues and in the gross profit

# Shape Memory Alloys Margins

All figures in M€, unless otherwise stated

	1Q 2016	1Q 2015	Total difference
<b>NET SALES</b>	17.8	14.0	3.8
<b>GROSS PROFIT</b>	6.7	4.6	2.0
<i>Gross Margin</i>	37.4%	33.2%	
<b>OPERATING INCOME</b>	3.7	2.0	1.8
<i>Operating Margin</i>	21.1%	14.3%	

- ✓ **Gross profit** up to **€6.7 million (37.4% of consolidated sales)**
- ✓ Increase as the result of greater economies of scale achieved with the increased sales and of the improved efficiency of the new productions
- ✓ Significant improvement in the **operating income** (+88.3%) and in the **operating margin** (up to **21.1%**) favored by strong increase in sales and in the gross margin, together with the lower incidence of operating expenses (from 19.0% to 16.6%)

# Business Development & Corporate Costs Margins

All figures in M€, unless otherwise stated

	1Q 2016	1Q 2015	Total difference
<b>NET SALES</b>	<b>0.3</b>	<b>0.4</b>	<b>-0.2</b>
<b>GROSS PROFIT</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>
<i>Gross Margin</i>	<i>43.8%</i>	<i>24.0%</i>	
<b>OPERATING INCOME (LOSS)</b>	<b>-4.7</b>	<b>-4.3</b>	<b>-0.5</b>
<i>Operating Margin</i>	<i>n.s.</i>	<i>n.s.</i>	

- ✓ **Gross profit** equal to **€0.1 million** (or **43.8% of revenues**), unchanged when compared to Q1 2015
- ✓ **Operating result** equal to **-€4.7 million** (-€4.3 million in Q1 2015), penalized by higher corporate G&A expenses

# Consolidated Income Statement

All figures in M€, unless otherwise stated

	1Q 2016	1Q 2015	Total difference
<b>NET SALES</b>	<b>45.7</b>	<b>41.2</b>	<b>4.5</b>
<b>GROSS PROFIT</b>	<b>20.0</b>	<b>17.2</b>	<b>2.9</b>
<i>Gross Margin</i>	43.9%	41.7%	
R&D expenses	-3.5	-3.7	0.1
Selling expenses	-3.6	-3.7	0.1
G&A expenses	-6.3	-5.2	-1.1
<b>Total operating expenses</b>	<b>-13.5</b>	<b>-12.6</b>	<b>-0.9</b>
Other income (expenses), net	0.0	-0.1	0.1
<b>OPERATING INCOME</b>	<b>6.5</b>	<b>4.5</b>	<b>2.0</b>
<i>Operating Margin</i>	14.3%	10.8%	
Interest and other financial income (expenses), net	-0.4	-0.4	0.0
Income (loss) from equity method evaluated companies	-0.5	-0.3	-0.2
Foreign exchange gains (losses), net	-0.1	-1.0	0.9
<b>INCOME BEFORE TAXES</b>	<b>5.6</b>	<b>2.8</b>	<b>2.8</b>
Income Taxes	-2.6	-2.0	-0.6
<b>NET INCOME from continued operations</b>	<b>3.0</b>	<b>0.9</b>	<b>2.2</b>
<i>Net Margin</i>	6.7%	2.1%	
Net income (loss) from discontinued operations	0.0	0.0	0.0
<b>NET INCOME before minority interests</b>	<b>3.0</b>	<b>0.9</b>	<b>2.2</b>
<i>Net Margin</i>	6.7%	2.1%	
Minority interests	0.0	0.0	0.0
<b>GROUP NET INCOME</b>	<b>3.0</b>	<b>0.9</b>	<b>2.2</b>
<i>Net Margin</i>	6.7%	2.1%	

# Actuator Solutions - Income Statement (50%)

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

All figures in M€, unless otherwise stated

	1Q 2016	1Q 2015	Total difference
<b>NET SALES</b>	<b>2.2</b>	<b>2.1</b>	<b>0.2</b>
Cost of goods sold	-2.3	-2.1	-0.2
<b>GROSS PROFIT</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<i>Gross Margin</i>	-2.1%	-1.6%	
Operating expenses	-0.6	-0.5	-0.1
Other income (expenses), net	0.1	0.0	0.1
<b>OPERATING INCOME</b>	<b>-0.5</b>	<b>-0.5</b>	<b>0.0</b>
<i>Operating Margin</i>	-22.0%	-22.2%	
Interest and other financial income (expenses), net	0.0	0.0	0.0
Foreign exchange gains (losses), net	0.0	0.2	-0.2
<b>INCOME BEFORE TAXES</b>	<b>-0.6</b>	<b>-0.3</b>	<b>0.0</b>
Income Taxes	0.1	0.1	0.1
<b>NET INCOME (LOSS)</b>	<b>-0.4</b>	<b>-0.3</b>	<b>0.0</b>

- ✓ **First commercial order** for the **AF system** in Q1 2016
- ✓ **First AF revenues** expected in Q2 2016

# 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

	1Q 2016	Actuator Solutions		SAES RIAL Vacuum S.r.l.		1Q 2016 Total IS of the Group
		50% Actuator Solutions	Eliminations & other adjs	49% SAES RIAL Vacuum	Eliminations & other adjs	
<b>NET SALES</b>	<b>45.7</b>	<b>2.2</b>	<b>-0.2</b>	<b>0.2</b>	<b>0.0</b>	<b>47.9</b>
<b>GROSS PROFIT</b>	<b>20.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>20.0</b>
<i>Gross Margin</i>	43.9%	-2.1%		-8.2%		41.7%
Total operating expenses	-13.5	-0.6		0.0	0.0	-14.1
Other income (expenses), net	0.0	0.1		0.0		0.1
<b>OPERATING INCOME</b>	<b>6.5</b>	<b>-0.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>6.0</b>
<i>Operating Margin</i>	14.3%	-22.0%		-22.4%		12.5%
Interest and other financial income (expenses), net	-0.4	0.0		0.0		-0.4
Income (loss) from equity method evaluated companies	-0.5		0.4		0.0	0.0
Foreign exchange gains (losses), net	-0.1	0.0		0.0		-0.1
<b>INCOME BEFORE TAXES</b>	<b>5.6</b>	<b>-0.6</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>5.5</b>
Income Taxes	-2.6	0.1		0.0		-2.5
<b>NET INCOME from continued operations</b>	<b>3.0</b>	<b>-0.4</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>3.0</b>
<i>Net Margin</i>	6.7%	-19.4%		-23.0%		6.3%
Net income (loss) from discontinued operations	0.0					0.0
<b>NET INCOME before minority interests</b>	<b>3.0</b>	<b>-0.4</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>3.0</b>
<i>Net Margin</i>	6.7%	-19.4%		-23.0%		6.3%
Minority interests	0.0					0.0
<b>GROUP NET INCOME</b>	<b>3.0</b>	<b>-0.432</b>	<b>0.432</b>	<b>0.0</b>	<b>0.0</b>	<b>3.0</b>
<i>Net Margin</i>	6.7%	-19.4%		-23.0%		6.3%

# Net Financial Position

All figures in M€, unless otherwise stated

	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015
Cash and cash equivalents	26.7	24.0	18.8	19.3	22.7
Current financial assets	0.6	0.6	0.5	0.8	3.6
Current financial liabilities	(17.2)	(14.1)	(19.9)	(22.2)	(37.8)
<b>Current net financial position</b>	<b>10.1</b>	<b>10.5</b>	<b>(0.6)</b>	<b>(2.1)</b>	<b>(11.5)</b>
Non current financial assets	0.5	0.6	2.2	2.3	0.0
Non current financial liabilities	(26.7)	(28.4)	(24.8)	(24.7)	(18.0)
<b>Non current financial position</b>	<b>(26.2)</b>	<b>(27.8)</b>	<b>(22.6)</b>	<b>(22.4)</b>	<b>(18.0)</b>
<b>NET FINANCIAL POSITION</b>	<b>(16.0)</b>	<b>(17.3)</b>	<b>(23.2)</b>	<b>(24.5)</b>	<b>(29.4)</b>

- ✓ **NFP constantly improving** (-€16.0 million, compared to -€17.3 million at the end of 2015)
- ✓ **Operating cash-flow** equal to €3.9 million
- ✓ **Investment activities:** capex equal to approximately €1.3 million, plus the acquisition of the minority interest of E.T.C. S.r.l. (€0.2 million), as well as the capital injection in favor of the joint venture Actuator Solutions (€1million)
- ✓ **Exchange rate effect** on NFP close to zero

# Business Outlook

- The current trend is expected to continue in the remainder of 2016
- The next few months will see the consolidation of the first commercial successes in the telecom sector of Actuator Solutions and the maturation of the new initiative in the field of functional polymers



# 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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Thanks for your attention



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